

Green Economy Game Changer Initiative

Catalytic SMME Fund

Turn-key solutions for social franchising and manufacturing in climate adaptation value chains.

20 June 2023

Green Economy Game Changer Initiative

LACK OF POWER

SMMEs
experiencing
blackouts

Impact on
operations
due to long
periods of
load
shedding

CLIMATE CHANGE RESILIENCE

SMMES with
climate
adaptation
solutions, just
transition
inclusion
towards a
green
economy

ATTRACTING CLIMATE FINANCE

SMME barriers
to access
finance.

SMME BENEFICIARIES

1. Informal Sector
2. Micro-enterprises
3. SMMEs manufacturing
– Turnkey solution/s

Green industries – value
chains, that presents
solutions for Climate
Adaptation to build
greater resilience,
In the transition towards
a Green Economy

MECHANISM Blended Finance

Grant + Loan
90/10 (1)
60/40 (2)
50/50 (3)

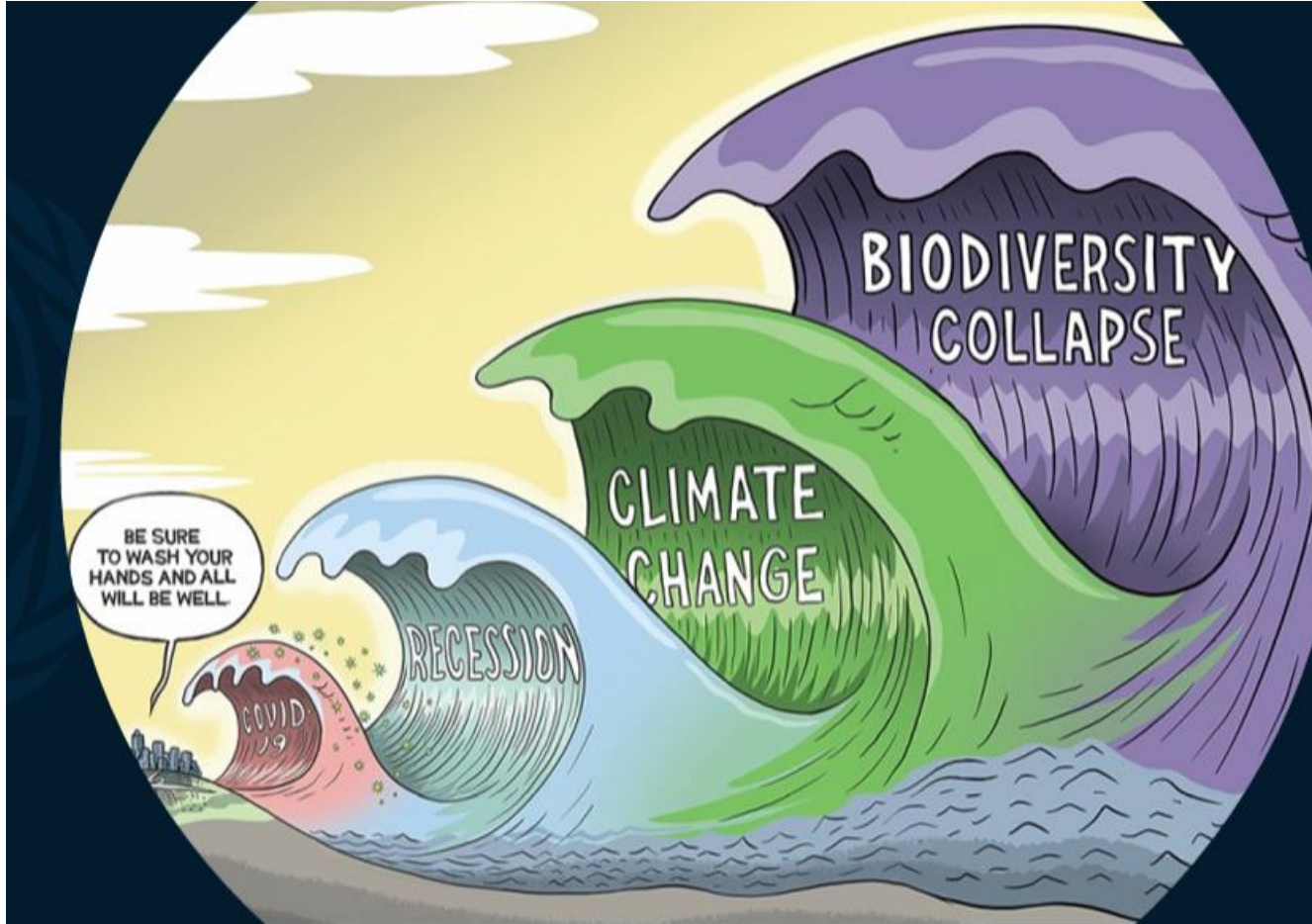
ELECTRICITY MITIGATION

PARALLEL
RUNNING TO
THIS –

POWER
GENERATION
PRODUCT
(Missing informal
sector)



Green Economy Game Changer Initiative



Climate Change is the greatest challenge of our times creating conflict and threats:

- food security
- water security
- ecosystems
- health
- infrastructure
- national economies and
- the livelihoods and well-being of people and communities.

GREEN INDUSTRIES

1. Agriculture: Sustainable agriculture, food production, fisheries and forestry
2. Biodiversity: Resource conservation and management
3. Construction: Green buildings and the built environment
4. Energy: Clean energy (renewables) and energy efficiency
5. Manufacturing: Sustainable consumption and production including mining and manufacturing
6. Transport: Sustainable transport and infrastructure
7. Waste: Sustainable waste management practices
8. Water: Responsible water management

Tourism?

GREEN ENTREPRENEURS

- A green entrepreneur can also be referred to as a LOCAL GREEN Small Business (LGE) for short (social enterprise- the reason for existence is to address a social or environmental problem)
- An LGE provides goods and service as either one of the following:
 - Providing a consulting, advisory, financial, or capacity-building services, and /or;
 - A manufacturer of green goods, products, technologies, or equipment, and/or;
 - A supplier of green goods, services, products, technologies, or equipment, and/or;
 - An installer of manufactured green goods, products, technologies, or equipment, and/or;
 - Providing maintenance, repairs or servicing functions of green goods, products, technologies, or equipment, and/or;
 - End users of green goods, services, products, technologies, or equipment used to green a business.

Green Business Barrier Survey May 2023 – findings (internal and external barriers)

GREEN INDUSTRIES

	Local Green Enterprise TYPE	Agriculture	Biodiversity	Construction	Cleaner Manufacturing	Energy	Waste	Waster	Transport
A	Providing a consulting, advisory, financial, or capacity-building services,								
B	A manufacturer of green goods, products, technologies, or equipment, and/or;								
C	A supplier of green goods, services, products, technologies, or equipment, and/or;								
D	An installer of manufactured green goods, products, technologies, or equipment, and/or;								
E	Providing maintenance, repairs or servicing functions of green goods, products, technologies, or equipment, and/or;								
F	End users of green goods, services, products, technologies, or equipment used to green a business.								



GREEN INDUSTRIES: SMME OPPORTUNITIES

(Research findings, May 2023 DSBD)

Sector	Focus areas	SMME Opportunities
1. Agriculture <i>Sustainable agriculture, food production, fisheries and forestry</i>	<ul style="list-style-type: none"> • Regenerative Agriculture • Climate Smart Tech • Sustainable Fisheries • Agroforestry • Sustainable Wine 	<p><i>Organic farming, Agroforestry, Climate Smart Technology Innovations, Cannabis, Sustainable Fishing, Organic wine production, Cannabis, Farmer training and support</i></p> <p><i>*Linkages to other sectors: Energy, Waste, Water, SCP (furniture from alien invasives)</i></p>
2. Resource Conservation & Management <i>Biodiversity</i>	<ul style="list-style-type: none"> • Bioprospecting and Biotrade (indigenous species) • Payment for ecosystem services (PES) working for... Programmes 	<p><i>Native plant nurseries, Wildlife rehabilitation & management; Conservation and restoration; Biotechnology; Eco-tourism; Ecological infrastructure; Offset programmes;</i></p>

Sector	Focus areas	SMME Opportunities
3.Construction <i>Green buildings and the built environment</i>	<ul style="list-style-type: none"> • Green Building • Integrated planning • Materials • Settlements and cities 	<i>Eco-friendly building materials; Green roofing; Sustainable landscaping;</i>
4.Energy <i>Renewable Energy & Energy Efficiency</i>	<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency 	<i>Solar Installation OR Sales and Distribution; Solar panel cleaning, repair and maintenance services; Energy Trading; Power Grid Designing; Solar water pumping system; Wind Energy Installation; Bio-fuel Production; Solar refrigeration system; Solar water heating system; Energy Auditor Consulting; Research & Products development; Remote (cloud based energy management); Small specialist manufacturers that manufacture and supply components and services; Small importers (with no service capability); Solar financing;</i>





Sector	Focus Area	SMME Opportunities
5.Transport <i>Sustainable transport and infrastructure</i>	<ul style="list-style-type: none">E-mobility	<i>E-mobility</i> <i>Electric vehicle charging station installation and management; Electric bike and scooter rental and repairs; Electric vehicle conversion; Electric vehicle maintenance and repair.</i>
6.Waste <i>Sustainable waste management practices</i>	<ul style="list-style-type: none">Recycling & upcycling<ul style="list-style-type: none"><i>E-waste</i><i>Organic Waste</i><i>PET</i><i>Glass</i><i>Aluminium</i><i>Other</i>	<i>Waste collection (Refuse collection in households that are not serviced by the municipality); Waste reduction services: plastic (PET) recycling, glass & aluminium recycling; electronic waste recycling, organic recycling, e-waste recycling (solar panel recycling); precious metal recovery; composting, upcycling; recycling education and consulting; provision of recycling bins; Installation of Scales; distribution of glass crushers; Supply and installation of bailing machines. Construction of buy-back/recycling centers and construction material recovery facilities. Street cleaning & beautification.</i>



GREEN INDUSTRIES: SMME OPPORTUNITY STUDY

Sector	Focus Area	SMME Opportunities
7. Water <i>Responsible water management</i>	<ul style="list-style-type: none"> Water Harvesting Water Treatment Water Flow Management 	<i>Water-efficient landscaping services; Water audit and leak detection services; Irrigation system design and installation with smart technology; Sustainable water treatment system design and installation; Eco-friendly plumbing and fixture installation services; Water education and training services for businesses and homeowners; Water conservation consulting and management services; Sustainable water bottle and filter sales and distribution; Water harvesting; Alternative technology effluent management; Comprehensive municipal water metering; and Reducing water losses in agriculture, municipalities and mining</i>
8. Manufacturing <i>Sustainable consumption and production</i>	<ul style="list-style-type: none"> Packaging Eco-friendly product manufacturing 	<i>Sustainable Packaging; Handmade all-natural/organic products; Green housekeeping services; Second-hand Stores; Waterless car wash products are cleaning solutions that allow SMMEs to wash and clean vehicles without using water; Sustainable fashion; •Handmade all-natural/organic products; SCP (furniture from alien invasives).</i>

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Climate change adaption and small business – case studies

- **Mogale Maleka and Tumelo Pule: Using hydroponics to enhance food security**
- **Bulelwa Ntsendwana: Harnessing chemistry for sustainable development and women empowerment**
- **Rori Mpete: Thinking outside the box – retrofitting water saving in conventional waterborne sanitation systems**
- **Wolfgang von Loeper: Sustainable farming: ensuring food security while preserving the planet**
- **Tshego Mpete: Embracing green opportunities in the water sector**

TURNKEY Examples

Appropriate Response to low carbon solutions:

- Kusisi Water Solutions; Rainwater harvesting and purification
- Next Generation Sanitation:
 - ✓ SavvyLoo
 - ✓ Banana leaves into highly- absorbent menstrual products.
- Clean Cooking Stoves

To engage with turnkey solutions from the National Small Industries Corporation

CLIMATE FINANCE INVESTMENT: ADAPTATION

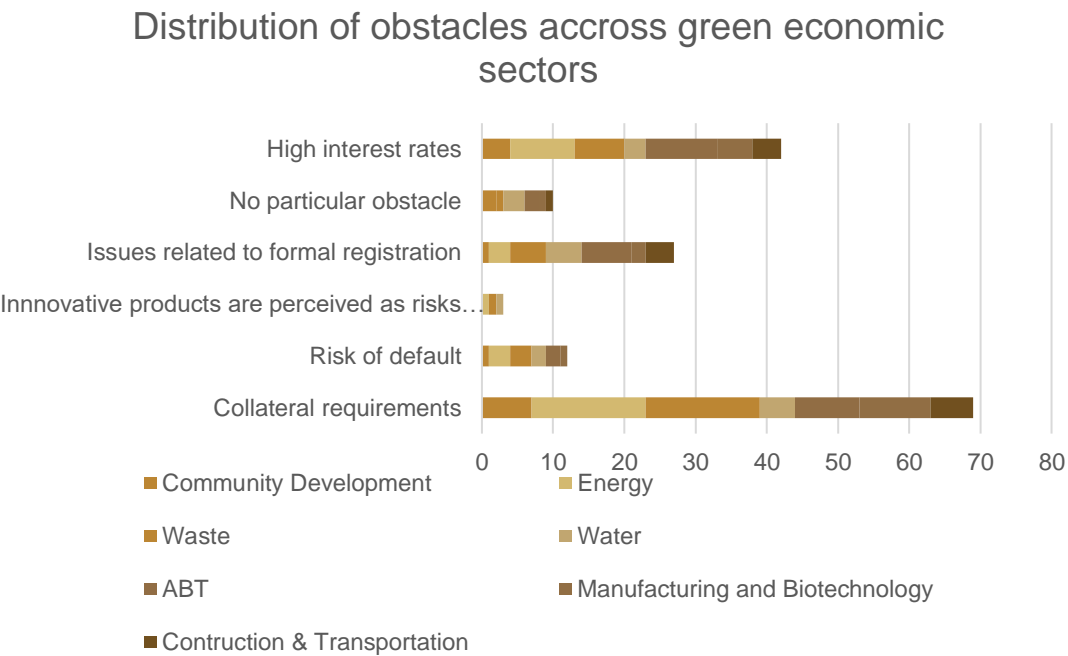
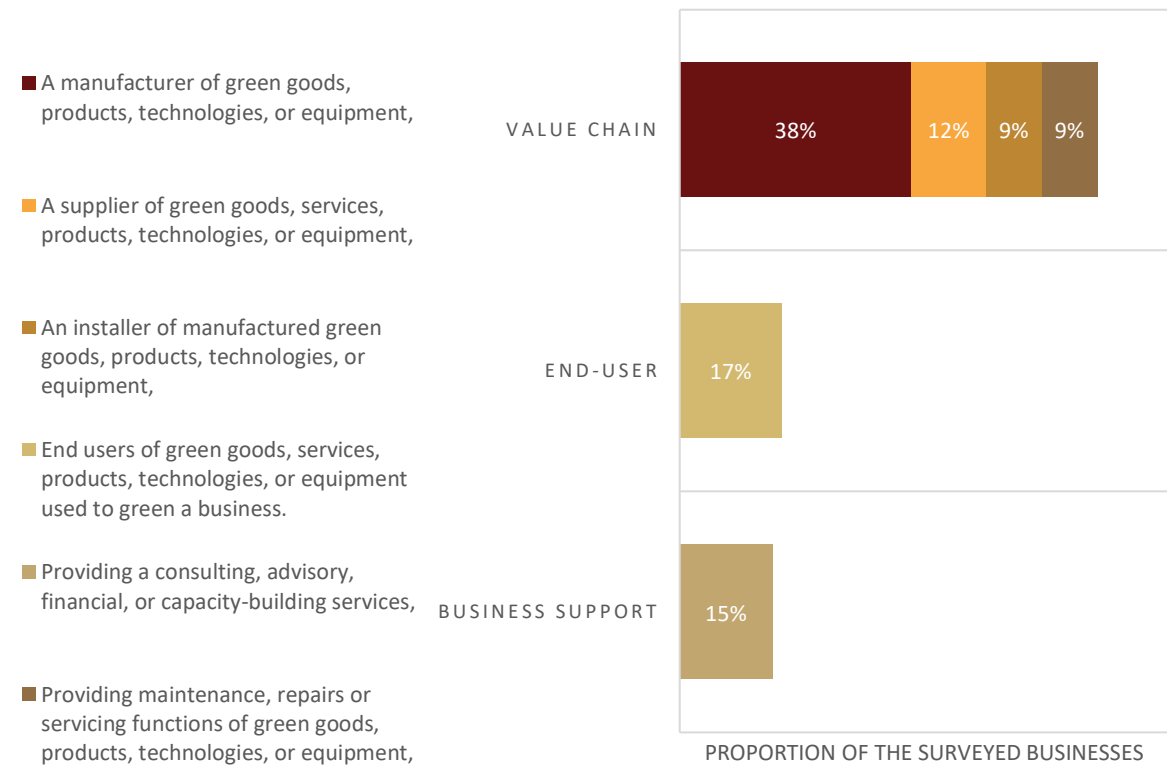
Sub Sector	Climate Vulnerabilities	Adaptation Investment
Agribusiness	Increasing drought and shorter rainy season	Investments in supplemental irrigation, multi-cropping systems, drip irrigation, levelling, and other approaches and technologies that reduce risk of large crop failures
Agribusiness	Increased variability in crop productivity	Investments in research and development of crops that are more resilient to climate extremes and change
Commercial banking	Inadequate small and medium enterprise access to climate related adaptation	Development of financial instruments to support climate related adaptation
Construction & real estate	Increased frequency of heatwaves	Improvements through additional insulation design
Food processing & beverages	Diminishing water resources	Investments in water-efficient technologies
Forestry	Increase in number of drought days	Investments in resilient hybrid crops and improved water management
Hydropower	Increased flows leading to flooding	Investments in additional turbines or spill ways
Insurance	Increased negative effects of extreme weather events and payout	Changes in structuring of index-based insurance products
Mining	Increased precipitation intensity causing floods in open-pit mines	Improvements in design and construction of tailings
Technology	Lack of relevant climate data to respond adequately to climate hazards	Provision of financing for early warning systems
Thermal power	Increased seasonality of rainfall leading to low river flows	Investments in thermal power generators with minimal cooling water requirements
Transport	Sea level rise and increased precipitation intensity increasing risk of flooding	Changes in level of roads or materials



GREEN BUSINESS BARRIERS SURVEY

(DSBD research findings)

DISTRIBUTION OF GREEN BUSINESS TYPES GROUPED BY MARKET SEGEMENT



GREEN BUSINESS BARRIERS SURVEY

(DSBD research findings)

DISTRIBUTION OF ACCESS TO FINANCE CHALLENGES ACROSS SECTORS

■ % ABT(Agriculture, Biodiversity and Tourism)

■ % Construction and Transport

■ % Energy

■ % Manufacturing and Biotechnology

■ % of waste sector

■ % water sector

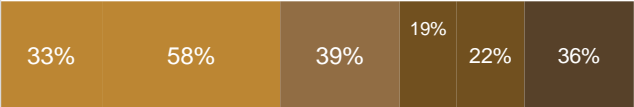
5. AVAILABILITY OF FUNDS



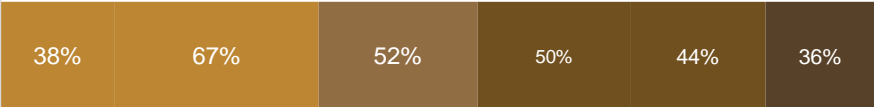
4. NEGATIVE PERCEPTIONS BY LENDERS:



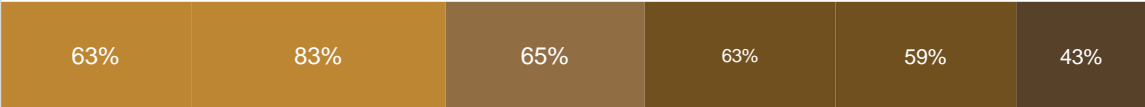
3. POOR FINANCIAL REGULATIONS



2. LACK OF COLLATERAL



1. CREDIT HISTORY



RESEARCH REFERENCES

Trade Industrial Policy Strategy (TIPS):

- Climate change adaptation and small business
- Adapt or die: Small businesses are the gateway to Africa's climate resilience
- Local Green Entrepreneurs – Access to inclusive finance barriers policy brief
- Future research – Green Economy Modelling study:

“Green Industries investment flows, SMME value chain business inclusion opportunities, geo-locations”

DSBD EDSE Green SMME Studies:

- Green Industry SMME Opportunities
- Green Business Barriers (a broad range of internal and external business barriers)

