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**Towards a resource efficient, low carbon and pro-employment growth path**

# **GREEN FUND PROGRAMME**

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# Summary

- The Department of Environmental Affairs in partnership with National Treasury coordinates the implementation of National Green Fund.
- Development Bank of Southern Africa (DBSA) is the implementing Agency.
- To date a total of **45 projects** have been approved within the 3 Green Fund focus areas, with total value of approximately **R722 500 000 million**.



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# Establishment of Green Fund

- Government allocated R1,1 billion for Green Fund for the financial years 2012/13 (R300 000 000.00), 2013/14 (R250 000 000.00) and 2014/2015 (R250 000 000.00) & 2015/2016 (R216 000 000).
- The Green Fund represents a critical resource mechanism to accelerate the transition to a low carbon, resource efficient and pro-employment growth path.
- Key components being funded include: Low carbon/CDM investment projects implementation, Research & Development and Capacity Building.
- Based on the components being supported through the Green Fund, it will provide an evidence base from lessons learnt which will inform future policy direction.



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# Green Fund Eligibility Criteria

- **Relevance:** match to the funding Window and focus areas therein
- **Innovation:** the project is new and unique in the green economy space. This innovation can relate to any of the following aspects: technology, business model, institutional arrangements, or financing approach.
- **Additionality:** the project cannot proceed without the Green Fund's financial support and a funding gap should be demonstrated.
- **Ability to scale up and/or replicate:** the project has the potential to be rolled out to other sites and/ or to be implemented at a large scale.

## Option of passive and active origination – for projects



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# Green Fund Windows



## Green Cities and Towns

Greening core municipal infrastructure such as water, energy, transport and waste management

Sustainable human settlements, the built environment and green buildings

Integrated planning for climate resilient cities and communities

## Low Carbon Economy

Cleaner production, reducing consumption of natural resources

Climate mitigation, energy efficiency, renewable energy and biofuels

Research and innovation to drive competitiveness in green economy

## Environmental & Natural Resource Management

Sustainable management of natural resources and investment in ecosystem services

Sustainable agriculture and land use practices

Rural and land based adaptation models

# Investment projects

- To date a total of **24 projects** have been approved. The statuses of the approved projects are as follows: **15 projects** are under implementation, **5 projects** are at various stages of contacting which are subjected to terms and conditions.
- **Three projects** were withdrawn as the projects failed to meet terms and conditions as per approval.
- **One project** has been discontinued as the project experience challenges during implementation.
- Total approved budget of **20 active projects** is approximately **R594 million**, and current disbursement is **R 188 million**.
- It is projected that approximately of **12 712 jobs** will be created once the projects are fully implemented, noting that these are multiple year projects.



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# Research and Policy Development Initiatives

- A total of **16** research and policy development initiatives have been approved to a value of **R36 million**.
- The contracting of all 16 projects has been undertaken and funds allocated to the research & development initiatives have been fully disbursed.



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# Capacity building Initiatives

- In order to sufficiently build an evidence base for transitioning to a green economy, the Green Fund supports strategic capacity building initiatives.
- Fund Management Committee has approved **5** capacity building projects in June 2014 for approximately **R51 700 000 million**.



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# Next Steps

- There will not be a further call for proposals.
- **Mapping exercise** will determine the gaps – projects will be pursued through an **active origination process**.
- **Life of the Fund beyond the funding period:** - Currently undertaking an independent analysis of the Fund, its performance, institutional capacity requirements, relevance of criteria & focus areas.
- **Crowding in of investment** – Foreign Direct Investment, Private Sector, fiscal funding.
- Grants, loans, equity.



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For more information visit:

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# 2014 Green Fund Projects Progress

Prov	Project	Budget	Jobs: Actual	Project progress
KZN	<b>eThekwini Municipality – Reforestation:</b> To replicate and upscale the achievements of the on-going reforestation projects in eThekwini Municipality.	R36 940 000	94	<p>To date a total of 530 000 indigenous trees have been planted .</p> <p>Clearing of 34 different species of alien invasive species have been undertaken over 213,8 Ha.</p> <p>The project has provided 230 treepreneur jobs, with 63 of the jobs being permanent:</p>
KZN	<b>Beema Bamboo:</b> The project aim is to provide a product that can create a sustainable supply of biomass feedstock by establishing, a tissue culture laboratory for the propagation of the bamboo shoots, a bamboo plantation and a power plant that will use the bamboo as a feedstock to generate electricity.	R161 Mil	369	<p>400 000 plants have been propagated and are currently being hardened for ground transplant.</p> <p>Phase 1: bush clearing has been in the land preparation processes</p> <p>Water use license has been granted.</p>



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Province	Project	Budget	Jobs (Actual)	Project progress
KZN	<b>Farming the Wild: Wildlands</b> Conservation Trust:Farming the Wild is a land-use management model designed to establish community greening conservation initiatives	R22 575 647	65	Fence rehabilitation and electrification at Somkhanda and Usuthu are currently underway, Grid electricity has been connected and water pumps are now functional, An integrated water rehabilitation plan for both reserves was completed, <b>843</b> game has been purchased to date.
KZN	<b>Muthi Futhi:</b> To scale up to commercial level the cultivation and harvesting of four selected traditional medicinal plants on a 25 ha piece of land	R3 058,720	30	2 hectares of land cleared and prepared for planting, <b>50,000</b> plants purchased tools and equipment purchased, Nursery has been upgraded and seedlings are being propagated. A variety of African Traditional healing plants have been transplanted.



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Province	Project	Budget	Jobs Actual	Project progress
KZN	<b>Hammersdale Waste Beneficiation Centre (HWBC):Use-It</b> USE-IT has been operational for three years and has already created some 600 jobs in waste beneficiation and contributed to the diversion of thousands of tons of materials from landfills each year	R29 600 000	20	Assessment of the site design has been finalised, Site of the project has changed.
KZN	<b>The re-SA Organic Waste Treatment to Energy Project</b> Re-SA wants to develop a dry AD facility that will process 25,000tpa of waste in order to produce electricity. The project will involve the manual separation and recovery of food-wastes from existing mixed solid waste streams throughout the regions of Durban and northern Ballito.	R25 000 000	Not yet	Contracting process is underway.




Prov	Project	Budget	Jobs Actual	Project progress
KZN	<p><b>Durban University of Technology (DUT)</b></p> <p>Rural focused project to supply portable water in remote rural areas - aimed at projects where topography makes provision of piped water impossible</p>	R3 783 854	-	<p>The project experienced several significant challenges and interventions were undertaken to address the challenges. However the problems persisted &amp; lead to discontinuing the project.</p>



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Prov	Project	Budget	Jobs (Actual)	Project progress
WC	<b>CoCT Thermal Efficiency Low cost Housing</b>  This project involves the installation of a number of energy efficiency interventions (including ceilings, energy efficient lighting and solar water heating) in low income households.	R 50 000 000	None- yet	Undergoing tender process for the appointment of contractors to undertake thermal efficiency for low cost housing.
WC	<b>iShack</b> The project will provide solar power to citizens in informal settlements. This initiative is a viable short term measure to assist government to provide the poor with basic services such as access to electricity.			Resource mobilization and initial project preparation has been completed, 95 houses have been connected to solar power as a source of energy.



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Prov	Project	Budget	Jobs (Actual)	Project progress
WC	<b>Reliance Composting</b> Reliance composting will undertake integrated waste management and composting of green waste from the coastal towns through a strategic alliance between Reliance Composting and the Eden District Municipality.	R17 500 000	None	Reliance has <b>withdrawn</b> the project. Due to failure to meet terms and condition of co-funding
WC	<b>CoCT Micro Hydro Electrical Plant:</b> Development of the Plant and generation of renewable energy	7 200 000	None	Project was withdrawn
MP	<b>Operation Oxpecker:</b> Capture and relocation of the near extinct oxpecker bird	R3 000 000	3	Oxpecker were captured from Mpumalanga and relocated to KZN & NC
GP	<b>Reach Renewable - Purchase &amp; Installation &amp; operation of a linear concentrating Fresnel Collector System for heating and cooling systems within the factory.</b>	R43 000 000	None-yet	Granted contract extension of 6 months.



# 2014 Green Fund Projects Progress Cont....

Prov	Project	Budget	Jobs Actual	Project progress
GP	<b>Kevcon Belt:</b> The project aims to demonstrate the environmental and financial benefits of the Kevlar belt so as to enable wider scale rollout and adoption of the technology in South Africa and globally.	R12 290	5	The conveyer belt was tested by CSIR, the result was not 100% effective. The Project Developer is working on improvement of the belt using the recommendation from the CSIR.
GP	<b>City of Tshwane –Energy Efficient Municipal Buildings</b> City of Tshwane aim to replace existing lighting equipment with energy efficient lighting technologies.	R780 000	None yet	Contract has been signed and, CSIR has been appointed to undertake the research. Feasibility study is underway.
GP	<b>Betona: Incabex (Pty)</b> Betona is a new rust prevention process which uses a clean production energy-efficient technology that reduces environmental impacts and resource consumption by eliminating pollution at source in the iron and steel industries.	R7 000 000	5	Equipment and chemicals have been purchased, Two month delay has been experienced with the plant set-up. Project is progressing.



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Prov	Project	Budget	Jobs :Actual	Project progress
GP	<b>Smarter Cities for a Greener Economy(CSIR):</b>  The purpose of the project is for research and development that will form the basis of a commercial smart city roll-out plan.	R15 000 000	5	The smart grid green platform has been tested at Laboratory level, The Project Developer is at a stage of testing the technology with a total of 30 households on energy utilization.
GP	<b>Implementation of the CSIR Anaerobic Digestion Technology :</b> Optimization of Anaerobic Digester temperatures to maximise generation of energy	R12 million	None yet	Project was withdrawn as the project failed to meet terms and conditions as per approval.
EC	<b>The Giant Flag</b>  Daffcb endeavored to create a real-world embodiment of the values of the flag by creating sustainable legacy that would enhance skills, employment and tourism, as well as to ensure the protection of the environment. This gave rise to the idea of the Giant Flag.	R10 million	None yet	Extension of contracting period until of August.



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# 2014 Green Fund Projects Progress Cont....

Prov	Project	Budget	Jobs Actual	Project progress
EC	<b>Camdeboo Satellite Aquaculture Project</b>  <b>(CSAP)</b> - specifically focuses on offering an alternative to canned pilchards, for which the SA fishing quota has been reduced by 80% since 2004. CSAP is a project which will establish a preserved freshwater fish industry in the Eastern Cape to address fish supply shortfalls.	R23.5 Million	180	Extension of contracting period until of August.
EC	<b>Oceanwise Multiple Renewable Technologies Project</b> The project is based in the East London Industrial Development Zone. The project aims to utilize all feed waste, fish waste and processing waste in a biodigester which will produce methane for combined heat and power unit (CHPUE). The CHPUE will produce electricity, heat and CO <sub>2</sub> . Energy produced will reduce dependency on the Grid by 25%, heat will be used to heat the production environment and eliminate the use of existing paraffin/diesel burners and CO <sub>2</sub> will be used for the production of macro-algae which will be fed back to the biodigester.	R1.2 Million	None yet	Extension of contracting period until of August. Offtake Agreement has been signed.



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# 2014 Green Fund Projects Progress Cont....

Province	Project	Budget	Jobs :Actual	Project progress
KZN & GP	<b>Wildlands Conservation Trust (Msunduzi):</b>  This project expands an existing pilot initiative to enable the economic transformation of 21 communities, through the establishment of over 4400 waste-preneurs	R62 547 929  	2 430	The collection of recyclable waste has been expanded to include eThekweni and south Gauteng communities, and Mpumalanga province, taking the total number of communities serviced through the project to approximately 90 and 11 charities.
WC & EC	<b>SANPARKs</b>  Builds on the Nuwejaars Wetlands Projects (2004) to assist communities living adjacent to Agulhas National Park to plan & implement development initiatives using conservation for rural development - replication request for 2 sites.	R3 360 000  	3	Research completed as part of the baseline and scoping exercise has revealed a total of 782 land parcels in the Karoo Corridor (excluding urban properties).  A list of potential interventions have been identified. Currently consulting with relevant stakeholders.
NW & FS	<b>Youth in jobs for waste</b>  Employment of young people to assist municipalities in waste management in the following areas: Landfill site operations, Waste collection administration, Environmental education & awareness campaigns General workers for waste collection	67 370 240	820	820 youth employed,  346 provided with accredited training and 681 on non-accredited training.



# Research and Development Initiatives

Focus Summary	Title	Organization	Organization Type	Province	Approved Budget
Environmental and Natural Resource Management	Investing in ecological infrastructure to enhance water security in the uMngeni River catchment	SANBI	Public Sector	GP	2 500 000
Environmental and Natural Resource Management	Enhancing ecological infrastructure in the uMngeni catchment through collective private sector action. The role of private finance and markets	WWF - SA	NGO's	KZN	2 500 000
Environmental and Natural Resource Management	Sustainable farming as a viable option for enhanced food and nutritional security and a sustainable productive resource base	ASSET Research	NGO's	GP	2 500 000
Innovation for the Green Economy	Proposal to conduct a research study on the design of policy frameworks and financial instruments to enhance investment in the green economy in South Africa	National Business Initiative	NGO's	GP	2 493 750



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# RESEARCH AND DEVELOPMENT INITIATIVES

Focus Summary	Title	Organization	Organization Type	Province	Approved Budget
Innovation for the Green Economy	Research and Development of a Novel Direct-Drive Permanent Magnet Generator for Renewable Energy Conversion Systems	Stellenbosch University	Universities	WC	1 060 058.00
Innovation for the Green Economy	Development of Bio-based composite products from Agricultural wastes/ Crops Residues for Applications in Automotive sector and Green buildings in South Africa	CSIR (Polymers and Composites Competence Area)	Research Institutes	EC	2 000 000
Innovation for the Green Economy	Potential for Reducing Greenhouse Gas Emissions in the Construction Sector	CSIR (Built Environment)	Research Institutes	GP	2 000 000
Low Carbon Economy	Voluntary Carbon Offset Trading Platform Proposal	Camco Clean Energy (South Africa)	Private Sector	GP	1 410 369



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# RESEARCH AND DEVELOPMENT INITIATIVES

Focus Summary	Title	Organization	Organization Type	Province	Approved Budget
Low Carbon Economy	Repositioning South Africa In A Low Carbon World Through The Integration Of Chemicals And Biofuels Production With Combined Heat And Power Generation Into Existing Bio-Based Industries	Stellenbosch University	Universities	WC	2 499 992.00
Green Cities and Towns	Evaluation of cooperatives as a developmental vehicle to support job creation and SME development in the waste sector (case studies): A means to achieve the goals of the National Waste Management Strategy	CSIR (Natural Resources and the Environment) and (Enterprise Creation for Development)	Research Institutes	GP	2 350 671.00
Green Cities and Towns	South African Cities Green Transport Programme	South African Cities Network	NGO's	GP	2 499 473.00
Green Cities and Towns	The use of dormant urban mine sites to achieve greener South African cities	Geotechnical Consultants	Private Sector	GP	3 014 331.00



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# RESEARCH AND DEVELOPMENT INITIATIVES

Focus Summary	Title	Organization	Organization Type	Province	Approved Budget
Environmental and Natural Resource Management	An assessment of the economic, social and conservation value of the wildlife ranching industry in South Africa, and its potential to support the green economy.	Endangered Wildlife Trust	NGO's	GP	1 381 050
Innovation for the Green Economy	Natural antimicrobial peptides as green microbicides in agriculture	Stellenbosch University	Universities	WC	3 199 277
Green Cities and Towns	Lithium Battery Recycling Process	CM Solutions	Private Sector	GP	2 471 000
Innovation for the Green Economy	Earth, Wind and Fire: Unpacking the political , economic and security implications of discourse on the green economy	Mapungubwe Institute for Strategic Reflection (MISTRA)	Research Institutes	GP	2 390 206



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# CAPACITY BUILDING INITIATIVES

Focus Summary	Title	Organization	Organization Type	Province	Approved Budget
Green Cities and Towns	Green Economy skills and SMME Development	Trevor Huddleston Memorial Centre	NGO	Gauteng	11 304 750
Low Carbon Economy	Renewable energy Centre of Excellence	East London Industrial Development Zone	Business	Eastern Cape	10 000 000
Low Carbon Economy	Climate Innovation Centre	CSIR (Innovation hub)	Research Institution	Gauteng	15 000 000
Low Carbon Economy and capacity development	Green Economy Post-Doctoral fellowship Programme	NRF	Research Institution	Gauteng	12 169 250
Low Carbon Economy and capacity development	Green Jobs Training Programme for South Africa	ILO	Organized Labour	National	3 230 500



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