

Green Economy Cluster

The value of clustering in the South African context

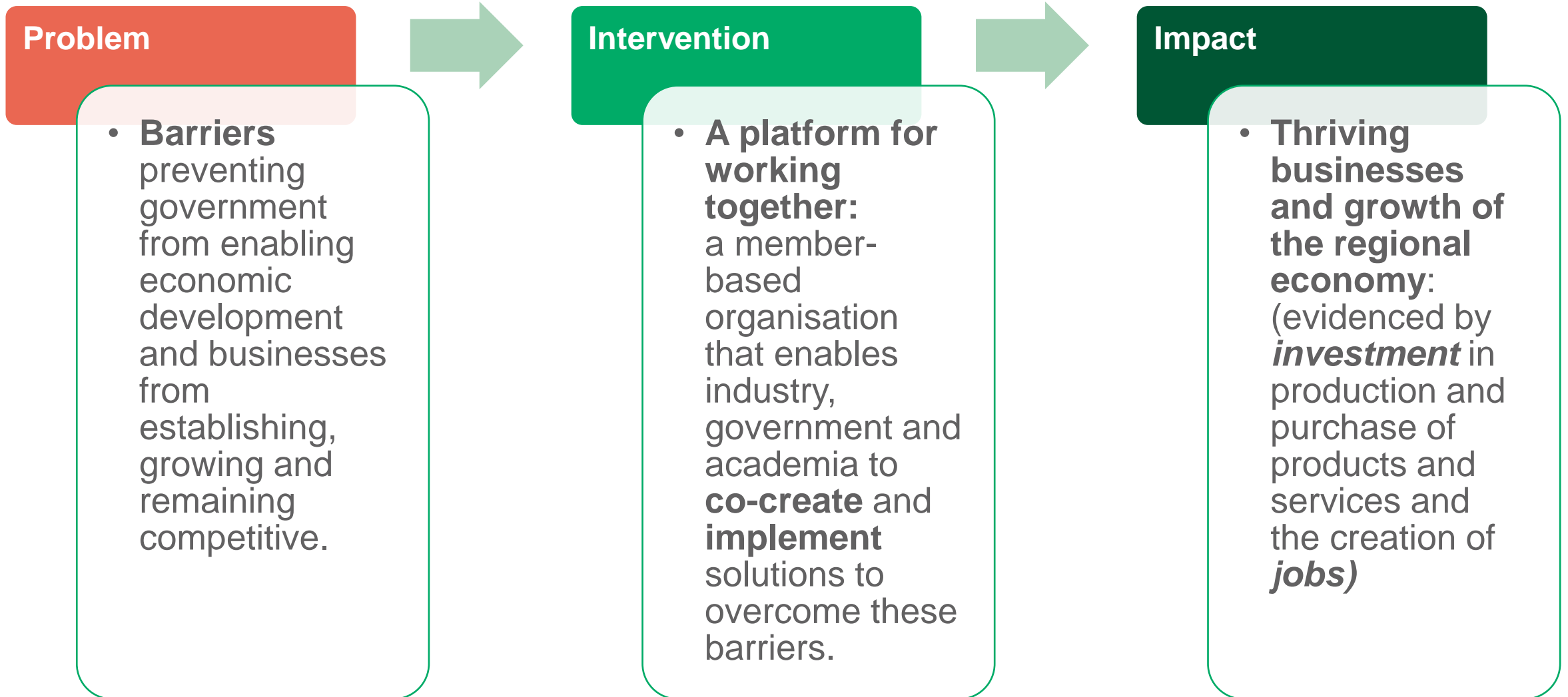
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Outline

- The role and value of a (green economy) cluster organisation
- Cluster functions
- Cluster case studies
- Some key learnings

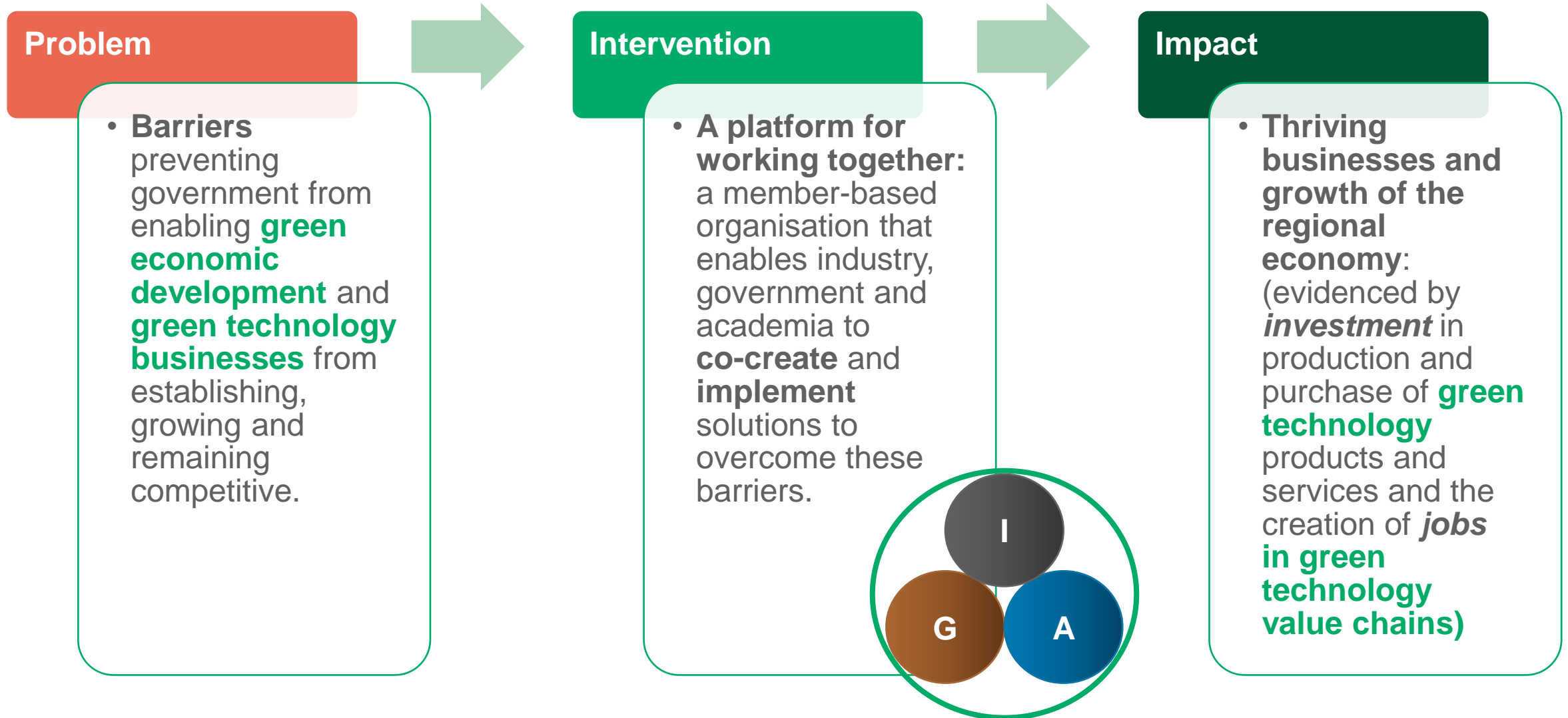
The role of a cluster organisation

Cluster organisations enable the whole to be more than the sum of the parts



The role of a green economy cluster organisation

Cluster organisations allow the whole to be more than the sum of the parts



Clusters have many different functions



Green economy cluster example: enabling uptake of small scale embedded generation (SSEG)

Helping government, industry and the market adapt to changing technology

Opportunity:

- **industry (supply side):** growth in businesses supplying solar PV products and services
- **industry (demand side):** energy security, access to clear energy
- **local government:** economic resilience, lower municipal carbon footprint

Barrier:

- SSEG not allowed on municipal grid / absence of policy and regulations
- Concerns about municipal financial sustainability (loss of electricity sales)

Intervention:

- Tariff modelling & optimisation study
- Drafting SSEG policies, regulations, bylaws, and tariffs – made available nationally through partnership (SALGA/AMEU/GIZ/SEA)
- Technical guidelines and standards
- Support to municipalities to adapt and implement.

Business
Development

Market
Development

Barrier:

- Uncertainty with regard to business case

Intervention:

- CEO information pack & business engagements

Barrier:

Concerns about

- installation quality & reliability
- grid integrity & safety

Intervention:

- Raised funding for subsidised installer training & certification (PV GreenCard)

Business
Environment

Human
Resources

Impact:

- 56/165 municipalities nationally allow SSEG
- Growth in demand and reputable supply of rooftop residential, commercial and industrial solar PV

Green economy cluster example: drought support to business and government

Opportunity:

Local & regional government:

avoiding social and economic crisis,
building long term resilience

Barrier:

credible information, feedback, human and
financial resources, responsiveness.

Intervention:

- Economic Water Resilience Task Team consisting of provincial & local government (economic development, environment, water and sanitation), industry and support agencies.
- Weekly meetings – effective communication and adaptation of response
- Directed action in responsibility areas - leveraging strengths and efforts of all partners

Impact:

- Avoided “Day Zero”
- Reduced city-wide water consumption to 500 MI/day (from a peak of 1200 MI/day)
- Contained economic impact and protected jobs

Respond to shocks in short



Opportunity:

Industry (demand side): access to appropriate technology to enable water use reductions

Industry (supply side): increased market access, opportunity for innovation

Barrier:

credible and objective information on technologies, business case and reputable suppliers

Intervention:

- Clear and accessible information: “water resilience journey”, case studies, benchmarking, business case calculator, FAQs
- Targeted workshops (sector-specific, region, management) and one-to-one meetings
- Legislative and regulatory support
- Supplier database
- Leveraging entrepreneurship: innovation competition, business development support
- Mutual knowledge exchange with academics (leveraging expertise, reflecting on learning)

Impact:

- **Short term:** 400 businesses supported directly (primarily SMMEs), survey (58/400): average of 41% water savings, 52 000 jobs safeguarded, investment of R 120 million in drought adaptation measures
- **Longer term:** improved economic resilience (partnerships, networks, uptake of green tech, sharing reflections and learnings - publically available case studies, reports, videos)

Cluster value and success: key learnings

- Clusters offer multiple benefits for members (industry, government, academia)
- Good foundation of experience in South Africa in multiple sectors
- Most successful when driven by industry needs and aspirations
- A focus on moving from Economically viable to commercially viable by removing barriers is the key lesson.
- R42bn – 10 000 Jobs over the last 10 years.