Green Fund Establishment & Implementation
FY2012/13-FY2016/17

National Treasury allocation of R1,1 billion
April 2012

DBSA MoA with DEA implementing partner of GF
(FY2012/13-FY2015/16)

RFP1- Project Finance
(Sept/Oct 2012)

RFP2- Research Grants
(Feb/March 2014)

RFP3- Targeted/Active origination/Strategic engagements
(Oct 2014)

Targeted Programming, M&E, Knowledge Management, Lessons Learnt and close out

WE ARE HERE
Green Fund Objectives and Mandate Sectors

One of government’s strategic responses was to establish the Green Fund

• To provide catalytic finance to facilitate investment in green initiatives to transition SA to a green economy by financing project development, capacity building research and development for green initiatives

• Build an evidence base to further inform policy and regulatory environment for inform green economy investments

- Energy efficiency
- Renewable energy
- Rural energy including use of renewables
- Biogas and biofuels
- Sustainable transport
- Industrial cleaner production and consumption
The DBSA Project selection criteria (Project Preparation Unit) uses a number of selection criteria for reviewing and accepting projects into the pipeline and funding.

1. Sector / strategic fit
2. Development Impact
3. National / regional priority
4. Co-funding opportunities
5. Institutional capacity of the project sponsor
6. Cost recovery and return (Financial viability)
7. Potential Investment Value (USD 10 – 250M)
Green Fund Eligibility Criteria

**Relevance & Additionality**
- Projects to be directly related to one of the thematic windows and have distinct environmental benefit
- Focus on Projects with environmental benefits that would not have happened without Green Fund support

**Impact & Leverage**
- Projects to support national priorities i.e. economic growth, job creation & poverty alleviation etc.
- Private sector funders progressively replaces public spending to further the green economy
- Create suitable environment for international and multilateral and private sector investment that are aligned with national interests to participate.

**Scalability & Spatial distribution**
- Focus on taking projects to scale in order to localise manufacturing capacity and drive down technology costs
- Attention to be paid to the spatial distribution of the projects

**Sustainability**
- Capacity to implement, technically, financially, institutionally, socially & environmentally
- Focus on financial sustainability and replicable projects that generate long term savings and/or revenues.
- Develop replicable models and capacity to implement.
Request for proposals 1 - screening

No. of proposals initiated on the system: 883

No. of proposals completed and submitted: 590

No. of proposals after online screening: 150

No. of proposals after prioritization process: 44

No. of proposals after ERR review process – submitted to Mancom: 17

1
Request for proposals 3 - screening

No. of proposals initiated on the system: 377

No. of proposals after prioritization process: 250

No. of proposals after online screening: 70

No. of proposals after ERR review process – submitted to Mancom: 44

No. of proposals completed and submitted: 11

Submitted to Mancom: 3
Reasons for rejection

1. Bankability: Commercial / financial viability
   - Poor / marginal project returns
   - Offtake agreement
   - Feedstock supply reliability
   - Lack of co-funding (skin in the game)

2. Quality of project proposals

3. Regulatory compliance – permitting and licensing

4. State of readiness for implementation
Investment Per Green Economy Sector

- **Biodiversity Benefiting businesses, including sustainable farming**, R 26.6 m
- **Payment for Ecosystem Services**, R 47.4 m
  - Biogas and biofuels, R 12.0 m
  - Energy Efficiency, R 12.3 m
  - Energy efficiency and demand side management, R 50.8 m
  - Industrial cleaner production & consumption, R 7.0 m
  - Other, R 25.0 m
- **Renewable energy**, R 239.6 m
  - Renewable Energy (offgrid and minigrid), R 293.4 m
- **Sustainable human settlements**, R 78.0 m
- **Sustainable waste management and recycling**, R 154.9 m
- **Rural adaptation projects and plans**, R 3.8 m
- **Sustainable land use and management models**, R 26.1 m
## Green Fund Bio Gas Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Application</th>
<th>Feed stock</th>
<th>Green Fund Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lukhanyiso CNG project</td>
<td>Transport</td>
<td>Chicken &amp; pig manure &amp; sorghum</td>
<td>R 60M</td>
</tr>
<tr>
<td>Ibert biogas - combined heat &amp; power facility</td>
<td>Electricity &amp; heat</td>
<td>Abattoir waste</td>
<td>R 5.6M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>ZAR 65.6 M</strong></td>
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# Biogas Development Impact

<table>
<thead>
<tr>
<th>Application</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application</strong></td>
<td><strong>Project</strong></td>
</tr>
<tr>
<td>Lukhanyiso CNG</td>
<td>Ibert Biogas (CHP)</td>
</tr>
<tr>
<td>Electricity</td>
<td>-</td>
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<tr>
<td>135 kW</td>
<td></td>
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<tr>
<td>Transport</td>
<td>5,308,674 t CNG</td>
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<tr>
<td>Organic fertilizer</td>
<td>64,980 t</td>
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<tr>
<td>Heat</td>
<td>-</td>
</tr>
<tr>
<td>Job creation</td>
<td>20 direct jobs &amp; 36 DC</td>
</tr>
</tbody>
</table>
Green Fund biogas projects – Lukhanyiso Food and Energy Centre

- **Project name:** Lukhanyiso Food & Energy Centre
- **Location:** Lukhanyiso Farm, Kultwanong, Free State
- **Project description:** Private sector and restituted emerging small-scale farmers producing bio-CNG plant with capacity to produce 174,000 GJ/annum bio CNG from sorghum and livestock waste, with confirmed gas off-take (private energy company)
- **Development status:** Construction
- **Green Fund Investment:** R 60 million concessional loan
- **Jobs:** 22 direct and 12 indirect
Green Fund biogas projects – IBERT: Biogas and Combined Heat and Power Facility

- **Project name:** IBERT: Biogas and Combined Heat and Power Facility
- **Location:** Cullinan, Gauteng
- **Project description:** treatment of biological (abattoir) waste for CHP and electricity
- **Development status:** Construction (Phase 2)
- **Green Fund Investment:** R 5.6 million recoverable grant
- **Jobs:** 8 direct and 35 indirect
THANK YOU