

NEW GROWTH PATH: ACCORD 4

GREEN ECONOMY ACCORD

Publications in the Series

1. The New Growth Path: Framework
2. Accord 1: National Skills Accord
3. Accord 2: Basic Education and Partnerships with Schools
4. Accord 3: Local Procurement Accord
5. Accord 4: Green Economy Accord



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Government and our social partners signed a Green Economy Accord on 17 November 2011, as an outcome of social dialogue on the New Growth Path.

This booklet sets out the text of the Accord.

This booklet has been produced as a public information resource. It is intended to help shop stewards, business representatives, community activists and government officials to communicate the contents of the Green Economy Accord to a wider audience.

The purpose of this communication is to empower South Africans to implement the wide-ranging commitments that are contained in the Accord and mobilise the private sector, organised labour, communities and government in a strong partnership to promote the Green Economy in the country as a platform for creating five million new jobs by 2020.

This Accord has been signed on behalf of

- Organised Labour, comprising of COSATU, FEDUSA and NACTU, represented by Zwelinzima Vavi, Dennis George and Manene Samela
- Business represented by Nomaxabiso Majokweni, Business Unity SA; Lawrence Mavundla, NAFCOC; and Mxolisi Zwane, FABCOS
- Community constituents at NEDLAC, comprising of organisations of women, civic structures, youth, people with disabilities, cooperatives and the financial sector campaign, represented by Lulama Nare and Dumisani Mthlane
- Government, by Ministers Dipuo Peters (Energy), Edna Molewa (Water and Environmental Affairs), Ebrahim Patel (Economic Development), Tina Joemat-Pettersson (Agriculture, Forestry and Fisheries), Sibusiso Ndebele (Transport), Blade Nzimande (Higher Education and Training), Rob Davies (Trade and Industry), Malusi Gigaba (Public Enterprises), Thulas Nxesi (Public Works) and Deputy Ministers Lechesa Tsenoli (Rural Development and Land Reform) and Babara Thompson (Energy).

Our thanks go to the leaders of the four constituencies who made this Accord possible.

Ebrahim Patel

Minister of Economic Development

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President Jacob Zuma

A greener but also a more prosperous South Africa is in all our best interests. This Green Economy Accord marks an important step towards that end. Through it, the main economic constituencies have committed to real contributions to protecting our environment, taking advantage of the growth opportunities offered by the profound technological changes required to combat climate change and greening our planet, and ensuring that the unavoidable costs are shared fairly across society.

The Accord helps lay a basis for greater employment creation and equality, as it both secures a sustainable future for all of us and sets out how South Africans can participate in the green technological revolution now sweeping our planet. Through it, we as South Africans have committed to concrete steps to reduce our dependence on coal-based energy, to develop a local industry to produce the necessary technologies, and to create more opportunities for workers and for small businesses and co-operatives in the process.

We particularly welcome this Accord as we prepare for the COP-17 meetings that will help determine how the world will collectively address the threat of climate change. Our South African businesses, workers, civil society and government departments have shown an outstanding willingness to take the long view, collaborate and make constructive compromises. They have demonstrated what is needed to achieve positive results from the sometimes difficult engagements around the need to green our economies

President Jacob Zuma on the signing of the Green Economy Accord, November 2011



Minister Ebrahim Patel

Minister of Economic Development, Signing of Green Economy Accord, November 2011

This Accord launches a green partnership: to create large numbers of jobs, provide a spur for industrialisation and help to create a sustainable future for this and the next generations. It is one of a series of agreements in which social partners commit to work together to achieve the goals of the New Growth Path. South Africans are drawing together to achieve common national objectives



Minister Dipuo Peters

Minister of Energy, Signing of Green Economy Accord, November 2011 and Policy Statement, October 2011

Government is committed to driving the Green Economy revolution. We believe that green energy will improve the lives of poor South Africans as the roll-out of solar water geysers makes it possible for more South Africans to access hot water at a low cost. The signing of this Accord ensures collective action in the realization of this goal



Minister Sibusiso Ndebele

Minister of Transport, Signing of Green Economy Accord, November 2011

Government commits to developing the transport system so that we make it easier for South Africans to travel with public transport and reduce reliance on private car use



Minister Tina Joemat-Pettersson

Minister of Agriculture, Forestry and Fisheries, Signing of Green Economy Accord, November 2011

The Accord is a statement from the government of South Africa to commit itself to the challenge we face on climate change. We will be promoting climate smart agriculture and developing the food security of not only South Africa, but also the continent and the globe at COP17



Minister Blade Nzimande

Minister of Higher Education and Training, Signing of Green Economy Accord, November 2011

We have started pulling together the SETAs, the FET colleges and the universities, working with the relevant departments, to come up with specific plans and projects around matters relating to the green economy, for instance, as we install geysers, we need to ensure that we are actually able to produce the numbers of skilled people that we actually need, The Green Economy Accord, together with the National Skills Accord, is being used to increase the number of artisans



Minister Edna Molewa
Minister of Water and Environmental Affairs, Signing of Green Economy Accord, November 2011

This Accord marks a key point in the partnership between the South African government, business community, trade union movement and community organisations. The commitments in the Accord are wide-ranging. We look forward to South Africa hosting the United Nations COP 17 talks on Climate Change

Futhi Mthoba

BUSA, on the Signing of the Green Economy Accord, November 2011

Business is engaged in a number of activities that will contribute to the successful implementation of a Green Economy Strategy in South Africa. BUSA therefore welcomes the signing of the Green Economy Accord and emphasizes the need for coherence across all constituencies in order to reach the objectives set out in the Accord

On behalf of the business community



Zwelinzima Vavi

Cosatu, Signing of Green Economy Accord, November 2011

We are excited that today we are signing this agreement that will take forward all the objectives of the New Growth Path in South Africa. We have made a commitment through the New Growth Path to create 5 million jobs in the next ten years. And this agreement on green jobs will make a very critical contribution to the realisation of that target.

The Trade Unions have made important commitments in this agreement that will create jobs and support the broader goals of the green economy

On behalf of organised labour

Lulama Nare
Community

For the first time communities who have never had access to hot water will now, in the shortest time possible, be able to access water. But I also want to give this issue a gender dimension. I think women for the first time will feel the impact of the changing of the economy.

Part of the gender struggle was to alleviate the burden on women fetching water and heating up water, and to make the raising of their children much easier, so that they can become part of the productive workforce. This is a commitment greatly appreciated by women around the country and the girl child

On behalf of Community organisations



INTRODUCTION

South Africa has a unique opportunity to create jobs on scale and address the concerns about climate change, through a partnership to promote the green economy and processes to green the economy. The New Growth Path sets a goal of five million new jobs by 2020. It projects that, with the right policies and cooperation, large numbers of green jobs can be created.

The key messages are about

- **Opportunity** – that climate change provides new prospects for economic activity that were not previously pursued
- **Innovation** – that the country can draw on its technological, research and manufacturing base to generate new processes and products
- **Responsibility** – of government, to create an enabling environment, of businesses and citizens, to do things differently and
- **Partnership** – the combined efforts of all constituencies and all South Africans need to be harnessed to achieve the goals of the green economy

The opportunities in the green economy are many and varied. The following illustrates some opportunities based on current technology:

Manufacturing (or assembly), construction and installation of renewable energy plant and equipment, including solar panels, trackers, mirrors, metal frames, glass, wind-turbine blades, towers, turbines and turbine components, electricity inverters and electricity co-generation through the use of by-product industrial heat.

In energy efficiency, there is the local manufacture (or assembly) and installation of Solar Water Heaters, including collectors, metal frames, glass, geysers and piping.

In recycling, there are significant opportunities for the creation of small enterprises aimed at beneficiating waste at landfill site – building rubble into bricks, plastic into planks and garden compost and agricultural fertilizer, extracting and using landfill gas. Waste management provides another source of opportunity in extracting re-usable resources from industrial waste streams.

Retrofitting buildings with energy efficient equipment and replacing incandescent lamps with compact fluorescent (CFL) lamps or next-generation light emitting diodes (LED) has job creation potential while contributing to energy savings. Other technologies are available that can also have a positive effect. Transport also provides numerous opportunities through the local manufacture of an electric-powered vehicle and its batteries as well as harvesting and supplying bio-gas to retrofitted public transport vehicles. In addition, the fitting of solar-powered street and traffic lights offers another illustration of the potential of the green economy.

In the area of bio-fuels, investment and employment opportunities exist in the production of agricultural feedstocks by both commercial and small-holder farmers for biofuels refineries, and in the refineries and associated industries.

Lastly, South Africa has a productive innovation sector where numerous energy efficient and energy generation technologies are developed. However, bringing these state of the art technologies to market requires capital and provides significant investment opportunities. These are some of the areas of the Green Economy that are open to rapid development and investment.

Above all, it is necessary to have a localisation strategy that uses the enormous spending on climate-change induced technologies to create local industrial capacity, local jobs and local technological innovation. Without a deep commitment to localisation, we will bear much of the cost of greening our society without reaping an important benefit in the form of job creation.

This requires a mindset change within South Africa, to seize the opportunities and to ensure that they bring the widest industrial, employment and social benefits.

The green economy involves largely new economic activities and must provide an important entry-point for broad-based black economic empowerment, addressing the needs of women and youth entrepreneurs and offering opportunities for enterprises in the social economy.

Government has a key role to play in fostering green industrial development, using existing and new tools and incentives. The public interest also requires that competitive domestic markets are created in the green economic space in order to bring costs down, spur innovation and provide choice.

The parties agree that action and implementation should be a hallmark of the partnership, with constituencies identifying areas where they can make firm commitments as well as identifying actions that other constituencies would need to undertake in order for the broad goals of the New Growth Path to be achieved.

The parties have identified a number of commitments they each can make on growing and developing the green economy, and which are set out in this Accord.

All parties recognise the potential of the Green Economy to create a large number of jobs and committed to work in partnership to realise the potential. They agree with the goal of creating at least 300 000 jobs by 2020 in the green economy and activities that green the economy.

The parties agreed that they will identify specific areas on an on-going basis and identify partnerships.

These commitments cover the following:

- Rollout of one million solar-water heating systems by 2014/15
- Increasing investments in the green economy, including through the Industrial development Corporation (IDC), private investors and retirement funds
- Procurement of renewable energy as part of the energy generation plan
- Promotion of biofuels for vehicles
- Launching clean-coal initiatives to reduce the emissions from the use of coal-based technologies
- Promoting energy efficiency across the economy
- Retrofitting of domestic, industrial and commercial buildings to promote energy efficiency
- Waste-recycling
- Reducing carbon-emissions on the roads, including through improved mass transport system and a shift to rail for freight transport
- Electrification of poor communities and reduction of fossil-fuel open-fire cooking and heating
- Economic development in the green economy through promotion of localisation, youth employment, cooperatives and skills development
- Cooperation around the United Nations COP 17 and its follow-up





Commitment One: Rollout of Solar Water Heaters

The parties to this Accord recognise that the installation of solar-water heating systems can help with climate-change goals and increase the number of South Africans who have access to hot water. It can create jobs in manufacturing of units and in their installation. Accordingly, the parties commit to the following:

1. Increase the rollout to one million units

The parties note the progress made with the installation of 140 000 solar-water heating systems to date at household level, particularly in poor communities. The scheme has been particularly successful over the past twelve months. In order to achieve the targets for SWG installations, it will require financing, enterprise development, training and policy coordination across all stakeholders.

Government commits to a target of ensuring the installation of 1 million solar water heaters at household level by 2014. Business commits to working with Government to develop, establish and then publicise a sustainable funding plan to support the installation of 1 million SWH systems.

Business, labour and community constituents welcome the legislative requirement that solar water heating or other forms of low carbon water heating method will be required in new buildings which is expected to be promulgated before end 2011 and commit to working with Government on an awareness campaign to promote compliance with the new legislation.

2. Improve localisation of the components

All parties commit to the drive to increased localisation of the components of the solar-water heating systems.

Government will ensure that incentives and regulatory measures are in place to promote greater local manufacturing of components of the solar-water heating systems. Specific opportunities for localisation of components should be identified and support for localisation will be focussed accordingly. Government support programmes on innovation and technology will be available to local firms to help develop their technical capabilities to increase local content. Government will work with state-owned enterprises to identify take-off arrangements that will provide local businesses with the necessary quantities to stimulate investment and production.

In this same spirit, Business commits to support these efforts and to identify opportunities where its constituent companies can make similar commitments as appropriate.

3. Secure support from the insurance industry for replaced units

Approximately 200 000 electric geysers are replaced annually by householders through payments via the insurance industry. This provides a large and important market that can contribute to climate change goals, reduce pressure on the energy grid and provide a steady demand for the local solar-water component manufacturing industry.

Business undertakes to formalise with the insurance industry a commitment to promote the use of locally-manufactured solar water geysers for insured replacement of a damaged electric hot-water geyser.

Business will work with the insurance industry to approve a manageable selection of suitable systems to be used by insurers and seek to secure a maximum feasible local content of these systems.

Business will work with the insurance industry to implement pilot solar water heating replacement programmes in 2012 followed by a wider solar water geyser roll-out by the insurance industry in 2013.

4. Secure guarantees on installed units

The parties identified a potential risk with the product guarantees on solar-water units, particularly in respect of start up companies who may no longer be in business when warranties needed to be honoured.

Business, government and various funding institutions including Eskom are engaging to develop proposals on warranty systems, standards and funding mechanisms to address this risk.

5. Promote the marketing of solar-water heating systems

The parties recognise that it is imperative that consumers embrace the technological shift to solar water heating.

Business therefore commits to develop with Government and Eskom as well as organised labour and community organisations, a national communication campaign, linked to local community initiatives and campaigns like Lead SA, Proudly SA and 49m, to educate South Africans about SWH and its benefits. Further opportunities for retrofitting of commercial buildings with rooftop solar facilities will be explored and publicised.

6. Promote uniform technical and performance standards for SWH

The parties recognise, that given South Africa's unique climatic conditions, the need to develop local standards for the different component parts of the solar water heater, in order to not only support local technological development, but to also ensure that we can facilitate the introduction of imported technologies for local manufacture.

Government commits to developing the standards for the different components that make a solar water heater, through the SABS.

Business undertakes to support the development of local standards for solar water heaters at component level.



Commitment Two: Investment in The Green Economy

The parties to this Accord recognise that new sources of funding and finance will need to be developed and tapped to ensure that green economy investment levels are rapidly improved. Both public and private sector funding will be required.

The Industrial Development Corporation will set aside a capital allocation of R22 billion for green projects over the next five years and a further R3 billion will be made available for manufacturing of green products and components. The funding will aim to provide co-funding and industrial finance for commercially viable green economy projects. Attention will be given to also identify opportunities for broad-based black economic empowerment targeting among others women and youth, as well as social enterprises.

Viable investment projects need to be identified and supported in order to ensure take-up of available funding. Government therefore undertakes to compile a data-base of known projects in the green economy. Business commits to provide information on existing and potential projects in the green economy that it has available.

The IDC commits to pro-actively identifying investment opportunities for South African investors, including small businesses, and to attract foreign investment to fast track development of the green economy.

Organised labour commits to establish social enterprises (including cooperatives) and invest in vehicles that will create jobs and support the broader goals of the green economy, including through the Job Creation Trust. The social partners will provide information on maintenance and installation opportunities that social enterprises can tender for, in order to assist such enterprises to become sustainable.

Government in Gauteng commits to the establishment of a climate-change innovation centre ("Climate Innovation Centre") that will

select, incubate, and provide technical assistance and hands-on mentoring to more than 100 Gauteng climate change technology entrepreneurs and SMEs and match technical assistance and mentoring with financing to all these enterprises. A number of jobs will be created and a green skills learnership programme will form part of the initiative, with 100 participants a year.

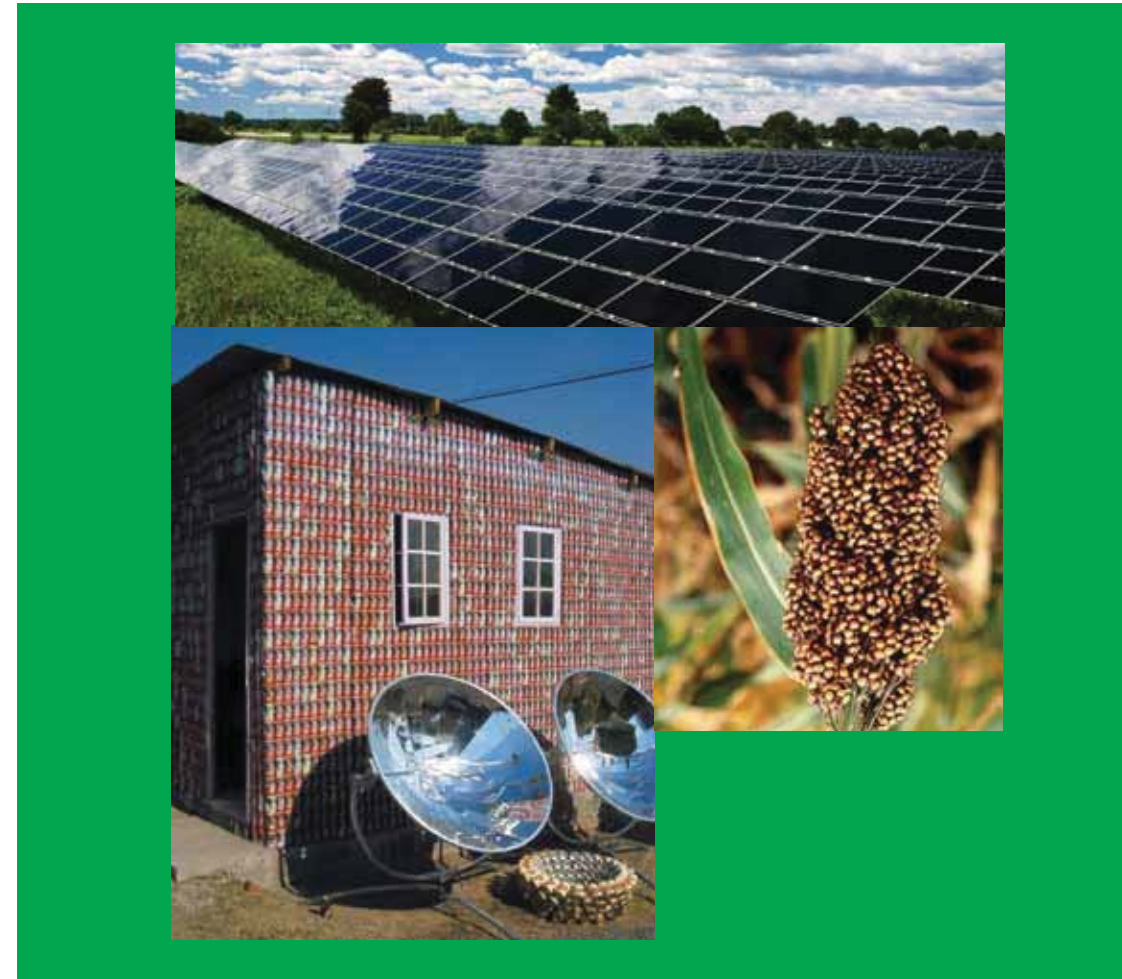
Business commits to support this effort.

Business will market green economy opportunities within the investor community and work with private sector banks and financial institutions to promote Green Funds and portfolios of investment that include exposure to the green economy. Within the retirement industry, business will promote the green economy as a site for investment that combines economic and social returns.

Business recognises the investment opportunities that exist in the green economy and commit to support investment in the green economy through the following actions:

- Working with government to attract multilateral and bilateral green funding to support investments in initiatives that will contribute to the achievement of a lower carbon growth path
- Strengthen existing efforts by financial institutions to fund private sector investments in the green economy and disseminate such information
- Pursue investment opportunities in manufacturing linked to renewable energy initiatives through engagement under the auspices of the New Growth Path (and IPAP2)
- Pursue investment opportunities in renewable energy generation and link these more clearly with local component-manufacturing initiatives to improve local industrial capacity and
- Strengthen investment in projects to improve environmental performance of existing production facilities

The parties recognise the importance to bring small enterprises and social enterprises into the green economy. Often such enterprises are unable to access available funding because information is not available to them or application processes are cumbersome. The parties agree to support green funding road shows to increase public awareness of the opportunities that exists and the funding that is available.



Commitment Three: Rollout of Renewable Energy

Government commits to the procurement of renewable energy as part of the plan to expand the energy-generation capacity of the country. To this end, government will secure commitments for the supply of 3 725 MW of renewable energy by 2016 as a first step to realising the goals for renewable energy under the Integrated Resource Plan 2010-2030.

Together with the procurement of renewable energy, government, business, labour and community structures commit to support efforts to increase the local industrial manufacture of components for renewable energy.

The sector associations commit to developing a long term renewable energy rollout strategy and programme in partnership with all social partners, within the policy framework set by government.

The solar PV, Wind and CSP industry will work in partnership with Government to

- collaboratively develop the solar and wind industry Localisation and Industry Development Strategy, setting an aspirational target of 75% localisation to be achieved in the manufacture of components for the renewable energy generation sector
- promote the development of technology in South Africa, through R&D, commercialisation of local technologies and technology transfer arrangements and other upstream interventions
- strengthen and contribute to the skills development initiatives aimed at training up artisans, technicians and technical professionals in order to increase the number of skilled South Africans qualified to build and operate plantS in South Africa

- establish an organisation that will facilitate the renewable energy sector working in partnership with other social partners in the development of the sector
- develop a 'roof-top' programme, that aims to install 300 000 solar PV power generation units on or at residential, commercial and industrial buildings by 2020

In support of the IRP 2010-2030, the sector commits to

- accept the employment and transformation thresholds set by the Renewable Energy Procurement Process as a minimum baseline from which business will work in partnership with government to attain higher percentages
- achieve an industry-wide localisation of at least 35% by 2016 (or such higher figure as government may mandate as a condition of any subsidy) and increase local content in the years to follow towards the aspirational target of 75%
- use the rollout of renewable energy as a vehicle to promote rural, socio- and economic development
- the following job-creation targets in the renewable energy sector by 2020: 50 000 green jobs, of which approximately 6,500 will be engineers and technicians. (This is part of the wider green economy target of 300 000 new jobs)

Attention will be given to the development of a hydro component manufacturing industry.

Business will encourage individual corporate and renewable energy sector participants to make commitments in this regard. Business will at the same time commit to working with other social partners to formulate proposals to address the constraints that prevent greater implementation and rollout of the renewable energy industry.

Government commits to provide policy certainty in the replacement scheme for co-generation projects in sectors where electricity generation is already taking place or where electricity generation capacity could be increased rapidly, including in the sugar, pulp and paper and meat-processing industries.

Some industries like sugar and pulp and paper already produce about 40% of their energy from a renewable resource, namely bagasse and mill waste. These industries can rapidly increase the efficiency of their electricity generation capacity and invest further in electricity production capacity in the short and medium terms.



Commitment Four: Energy Efficiency

Energy efficiency supports a number of key Government objectives, including: enhancing business competitiveness; strengthening energy security; creating jobs; reducing the economy's energy-intensity and transitioning to a lower carbon economy; and improving environmental quality. Significant efforts at scale are required across all energy carriers and resources if the benefits of energy efficiency are to be realised.

Business has established a Business Network for Leadership in Energy Efficiency to drive the continuous improvement of energy efficiency in support of the National Energy Efficiency Strategy. This will now be underpinned by pledges signed by individual companies and business organisations.

The company pledge includes the following activities:

- Development of a road map for improved energy efficiency, supported by the implementation of an energy management system towards the objectives of the National Energy Efficiency Strategy
- Development of an internal energy efficiency targets that are appropriate to company operations and activities and which respond proactively to, and are aligned with, Government policy and strategy
- Reporting publicly on progress towards company energy efficiency targets and the energy intensity of operations
- Providing technical support on energy efficiency related issues and strategy to Government and
- Building of capacity through skills development of company employees to implement energy efficiency programmes and drive the required behavioural changes in and outside the workplace

Business commits to working with the Department of Energy to develop benchmarks for sector and subsector energy efficiency and company energy-management plans in support of the National Energy Efficiency Strategy, which includes a transition to the following aspirational sectoral energy intensity targets by 2015, which will be reviewed in five years with a view to increasing them:

- Commercial and public buildings: 10%
- Residential: 15%
- Transport: 10%
- Industry: 15%
- Mining: 15%

Labour commits to establishment of joint workplace committees to discuss and implement energy efficiency plans. This will include a lights-off after hours campaign in buildings and workplaces and to educate members on the importance of energy efficiency.

The parties agree to pursue proposals for including green awareness issues in future curriculum development in the education system.

Government recognises that education and awareness building is crucial to successful energy saving and commits to developing an Energy Efficiency Campaign to build public awareness and to solicit the support of the Nedlac stakeholders through their various constituencies. The stakeholders commit to contribute (financially or in kind) to the campaign in order to ensure its sustainability. This campaign will be launched prior to the commencement of the UNFCCC COP 17 event in Durban.

Commitment Five: Waste Recycling, Re-Use And Recovery

A range of industries are engaged in a variety of activities to recycle, re-use or recover waste. These activities can be broadly divided into those dealing with post-consumer waste and those dealing with waste generated during the production process.

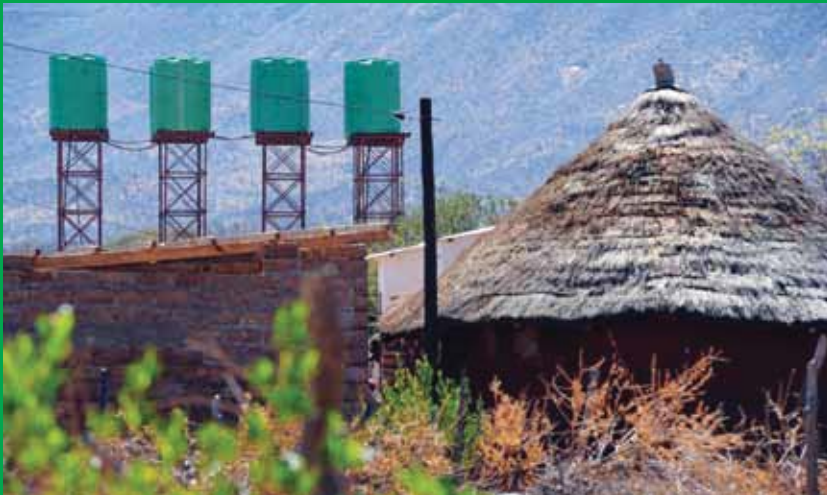
In respect of post-consumer waste, the Paper and Packaging sector commits to the following targets:

	2009 ACTUAL	YEAR 5 TARGET
Paper	56%	61%
Metal	56%	65%
Glass	32%	43%
Plastic – PET	26%	37%
Plastic – Other	28%	35%
<i>Overall recycling rate</i>	<i>44,5%</i>	<i>51%</i>

Government commits to finalise a Waste Innovation Programme that aims to promote reduced waste generation during production processes. Re-use will be promoted, as one waste stream can potentially be the raw material for a separate industrial process, leading to novel products. Waste can also be a feedstock for generation of energy.

Business commits to work with Government to pursue opportunities in the recycling, re-use and recovery of industrial waste. The parties will identify and promote recycling projects to bring small entrepreneurs in the informal economy into viable commercial activities with improved working conditions.

The parties commit to promote measures to separate waste for recycling purposes and to explore further efforts for oil recovery that will contribute to eliminate the flow of used motor oils into the water drainage systems.



Commitment Six: Biofuels

The production of biofuels for mandatory blending in the petrol and diesel national fuel pool can contribute to lower carbon-emissions, greater fuel-supply security and significant job-creation in the growing of feed-stocks that do not compete with local food needs.

Government has published mandatory blending regulations that set targets of 2% bio-ethanol and 5% bio-diesel standards to be applicable in the South African market.

Government commits to finalise an incentive system to kickstart the development of a local biofuels industry.

Government commits to provide a supportive regulatory environment to facilitate the development of a local biofuels industry.

Business commits to support smallholder schemes, communal land and co-operatives in the supply of feedstock for private sector ventures, in order to ensure extensive empowerment as a result of the biofuels strategy. These measures include restarting farming where land is fallow, recapitalisation of equipment, training and financial support for inputs such as fertilisers and extension services. Business and government will meet to discuss these support measures.

The parties recognise that there are potentially multiple products that can be used as feedstock for the biofuels industry. Government has legitimate policy concerns around matters such as food security and water usage. The parties agree to set up a task team of a number of government departments and industry representatives to consider the challenges and opportunities of different agricultural feedstocks.

Commitment Seven: Clean-Coal Initiatives

The coal resources available in South Africa are massive and need to be exploited in a manner that recognises the damage done by greenhouse gas emission associated with coal exploitation.

Government has established a Carbon Sequestration Leadership Forum (CSLF) which seeks to develop clean coal technologies applicable to power generation, through international collaboration with countries facing similar coal development challenges.

Government commits to support the advancement of projects such as the Underground Coal Gasification (UCG) initiative that Eskom is piloting at Majuba Power Station. In addition, government commits to explore the Carbon Capture and Storage initiative under the South African National Energy Development Institute (SANEDI) in partnership with business.

Business and Government recognise Carbon Capture and Storage (CCS) as a potential greenhouse gas mitigation option in a number of sectors and commit to investigate its implementation in these sectors as part of the identification of nationally appropriate mitigation action, as contemplated in the National Climate Response White Paper.

Business commits to building in-country knowledge, capacity and expertise to enable the design, construction and operation of effective carbon capture and storage solutions where appropriate. This will be progressed through collaboration with international subject matter experts and locally through the South African Centre for Carbon Capture and Storage.

Government commits to developing a conducive policy environment for CCS, as well as the effective co-ordination of public and private research initiatives.

The parties agree to support both innovation (in the public and private sectors) through research, as well as commercialisation of new technologies that will improve the impact of coal-based energy on climate change.

Commitment Eight: Retrofitting

One of the opportunities to green the economy is to identify ways to improve the energy-efficiency of workplaces, homes and power-stations. The addition of new technologies and methods to existing systems and buildings are referred to as retrofitting.

Government recognises that the capital cost of incandescent lighting is much lower than more efficient lighting technologies, resulting in reluctance by consumers to switch to efficient lighting.

The retrofitting of inefficient incandescent lighting represents low-hanging fruit that can greatly improve energy efficiency in residential and public buildings.

Government commits to put regulatory measures in place that will progressively phase out the use of incandescent lighting for general domestic and commercial use, including in public buildings, through the application of a combination of incentives for energy efficient lighting systems and increased customs duties on incandescent lighting. Business commits to support such efforts.

Eskom will consider new technologies that can improve the energy efficiency of its existing coal-fired power stations. Commercial buildings in particular can benefit from the introduction of new heating and insulation systems. Business commits to actively promote the technologies and know-how of retrofitting among companies and households.



Commitment Nine: Reducing Carbon-Emission on our Roads

All parties to this Accord commit to promote among South Africans the value and importance of public transport as a means, among other advantages, of reducing carbon-emissions.

Government commits to invest in mass-transport systems that will make it easier for South Africans to travel using public transport and thus reduce reliance on private car-use. Initial steps have been taken on the bus rapid transport systems as well as commuter rail systems. Government has committed to improve investment in infrastructure and rolling stock: to this end, PRASA plans to invest R20 billion by 2014 and R130 billion beyond the period.

Government commits to reviewing the investment in rail infrastructure and rolling stock in order to ensure a greater shift of freight transport to rail instead of road transport. Transnet plans to invest about R63 billion in the freight rail system over the next five years. Business welcomes this shift in inter-modal transport and will actively promote greater use by companies of rail as a means of freight transport.

The parties recognise the value of a South African led technology in the production of electric-powered vehicles and will work with projects to promote these and to explore commercialisation prospects. Business undertakes to encourage large companies to commit to being first adopters with respect to the purchase and use of domestically manufactured electric vehicles.

**Commitment Ten: Electrification of Poor Communities and Reduction of Fossil-Fuel Open Fire Cooking and Heating**

Government recognises that at least 3 million households still rely on traditional energy carriers like candles and firewood, leading to continued environmental degradation particularly in rural areas and in urban informal settlements.

Government commits to accelerating the programme to increase access to modern energy carriers through the electrification programme and to support the switching to appropriate modern thermal carriers like LP Gas for cooking and space heating.

The parties also recognise that there is potentially a vast market on the African continent for clean cooking stoves and heaters, which provides an opportunity for industrialisation and local manufacturing. They will work together to ensure that this opportunity is seized by manufacturers in South Africa and elsewhere on the continent.



Commitment Eleven: Economic Development in the Green Economy: Promotion of Localisation, Youth Employment, Cooperatives and Skills Development

The parties to this Accord recognise the critical importance of localisation strategies to promote industrial manufacture of components, inputs and technologies in South Africa. This should include providing incentives, industrial funding as well as conditionalities in publicly-supported programmes.

Where local capacity does not as yet exist, every effort should be made to develop the capacity on a viable basis and to ensure that the production of goods in the green economy for the domestic market is also directed at export markets, in order to improve economies of scale and thus bring down prices, create more local jobs and ensure that local companies develop cutting-edge technologies.

The green economy provides significant opportunity to create jobs. The parties to this Accord will cooperate to promote decent work standards in the green economy and progressively improve the conditions of workers. At the same time, the green economy will also benefit from partnerships to promote productivity within green workplaces.

Organised labour commits to help form cooperatives and/or social enterprises of retrenched employees to be trained in the installation and maintenance of solar water geysers and to utilise support in the public and private sectors. Labour commits to provide support to such social entrepreneurs, including through the Job Creation Trust.

Government and business commit to the employment of young people in green economy activities. In this regard, it is agreed that at least 80% of new employees in the manufacturing and installation of solar-water heating systems and in public and community

works programmes directed at environmental challenges, will be young people. Further targets for the employment of youth will be developed for other green economy activities that rely on public funding or support.

Government commits, through the Department of Higher Education and Training, to expand training programmes linked to the skills needs of the green economy and to ensure that the new programmes take into account the requirements for the green economy. Where these are appropriate, retraining and refresher courses should be made available.

The green economy skills needs will be elevated as a priority in the National Skills Framework. Government and social partners undertake to ensure that SETAs who have a role to play in the green economy, prioritise the skills needs for the green economy in their annual strategic plans. The parties to this Accord note that the green economy will require artisanal and technician skills and that they are working in partnership in terms of the National Skills Accord to increase training in these areas. Furthermore, social partners commit to work with FET colleges to strengthen the focus on skills in the green economy and to help upgrade the knowledge-base of college lecturers on the green economy.

In this regard, government will convene a meeting of stakeholders to quantify the skills required over the next five years in the sector and work with colleges, universities and training institutions in the private sector to provide the required training programmes.



Commitment Twelve: Cooperation around the United Nations Cop 17 and its Follow-up

South Africa hosts the United Nations COP 17 talks on climate change and all parties will work closely with government during and after the Conference to realise the success of the work and agenda of COP 17.

Business will demonstrate products and technologies that showcase South African efforts around climate change. Labour, business and community organisations will join government in communicating the message of partnership on the green economy as set out in this Accord.



MONITORING AND EVALUATION

This Accord marks a key point in the partnership between the South African government, business community, trade union movement and community organisations. In the years ahead, the partners will work together, each contributing concrete commitments, and carrying these out.

The parties will, in the framework of the New Growth Path dialogue, meet on a regular basis to review progress and to assess what changes and additions are required to the Accord and its follow-up. Such meetings will be held at least twice a year. The first meeting will be held early in 2012 and will also reflect on the outcome of the COP 17 discussions.

In addition to the commitments set out in the Accord, the parties are engaged in a range of discussions, at Nedlac and at bilateral level, focussed on specific areas of addressing the challenge of climate change. These discussions will be used as the basis for a series of further agreements between social partners on a transition to a lower carbon economy, which build on this Accord.

These discussions will be fast-tracked and will be aligned with the broad framework of this Accord.



The parties to this Accord, by signing here, on their behalf and on behalf of all their affiliated organisations, signal to the country their partnership to green the economy.

SIGNED ON BEHALF OF GOVERNMENT BY










 T. W. NXESI

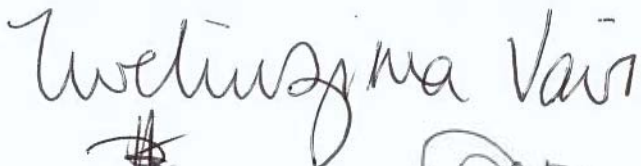


SIGNED ON BEHALF OF BUSINESS BY









SIGNED ON BEHALF OF ORGANISED LABOUR BY

SIGNED ON BEHALF OF COMMUNITY CONSTITUENCY BY


 Dumisani
 MTHAMBE





Minister Pravin Gordhan
Minister of Finance, Medium Term Budget Policy Statement, 2011

National Treasury supports the advancement of the green economy, and the sustainable use of resources, including the financing of green projects by the Industrial Development Corporation and the Development Bank of Southern Africa



Minister Maite Nkoana-Mashabane
Minister of International Relations and Cooperation, Policy Statements, September and November 2011

As the Incoming COP President, my role is to lead the world in forging a common consensus to reverse the adverse effects of climate change. It is our hope that the ongoing negotiations to address climate change provide a unique opportunity to combine low-cost mitigation and essential adaptation outcomes, with our goal of combating poverty



Minister Rob Davies
Minister of Trade and Industry, NGP Social Dialogue, 2011

The green economy presents a unique opportunity for South African businesses to be at the forefront of green industries in the world. Government has taken a strategic decision to this end as exemplified in IPAP 2 through the establishment of the South African Renewables Initiative. The green economy accord cements efforts to achieve success in this area



Minister Malusi Gigaba
Minister of Public Enterprises, NGP Social Dialogue, 2011

Cabinet has made a strong commitment to ensure that one million solar water geysers are rolled out by 2014. Various departments, including the Department of Public Enterprises, have committed to taking extra steps to ensure the acceleration of this programme. This Accord emphasises Government's commitment to this end. It is especially significant in that it also carries the commitments of the Business, Labour and Community constituencies to meet this target, and other important objectives of the green economy agenda in South Africa



Minister Thulas Nxesi
Minister of Public Works, Policy Statement, 2011

The Department of Public Works is committed to the principles underlying the Green Economy Accord. Over the last year, we have retrofitted 1,000 public buildings with energy saving devices. A further 100 buildings have been fitted with water saving technology. Over the next year we plan to fundamentally rehabilitate 70 state buildings to comply with Green Star Rating – including state-of-the-art water and energy saving devices, intelligent lighting and air conditioning, solar technology and roof-top vegetation



Sidumo Dlamini
President COSATU

This Accord calls for a collaborative approach in furthering the green economy agenda. We commit to doing our part, not only in rolling out specific initiatives such as meeting the target of one million solar water geysers by 2015, but also in other areas of the green economy. We will also mobilize workers to take part in green initiatives so as to promote the green economy at all levels



Minister Naledi Pandor
Minister of Science and Technology, Green Economy Summit, May 2010

One of the areas we will have to address is the need to remove policy barriers to the creation of a viable green economy and to ensure that the plan recognises the transversal nature of a green economy



Ms Nomaxabiso Majokweni
BUSA, Signing of Green Economy Accord, November 2011

This affords us an opportunity to come up with a more consolidated way of responding to the challenges of climate change, local manufacturing and our energy requirements. By dealing with these collectively, we will be able to make a bigger impact. That is the significance of this Accord for us as business. We have made commitments around the creation of jobs. The various associations in this area alone, have committed to about 50 000 jobs by 2020. More than 8% of those jobs will be of engineers and technicians. We are also committed to achieve industry wide localisation of 35% by 2016 and to increase local content in the years that follow, towards a longer term target of 75%."



Lawrence Mavundla
President
Nafcoc

We are eager to explore green economic opportunities for black economic empowerment

companies and small business, especially where investment in the green economy is concerned. We look forward to encouraging businesses to take up several exciting opportunities as put forward in the Accord



Dennis George
General Secretary
Fedusa

We fully support the green economy and are happy to support Business and Government in

contributing to its growth. To this end, we have committed to providing opportunities to train people and establish co-operatives in rural areas for the installation and maintenance of solar water geysers



Mxolisi Zwane,
President
Fabcos

We trust that this Accord will bring the green economy to micro-enterprises and informal

businesses. We will facilitate the process of bringing our member businesses into the mainstream green economy as it develops, in partnership with the wider business community



Manene Samela
General Secretary
Nactu

The green economy is broad and therefore offers an array of job creation

opportunities. We look forward to exploring these opportunities with the help of Government and other entities such as the Job Creation Trust, to maximise the impact of the green economy on the absorption of labour in South Africa

