Switch Africa Green Networking Forum

Organised business perspective on transitioning towards Green Industries

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  • Legislative requirements;
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Introduction

• Business is very aware of its role in the transition to a low carbon economy;
• There are many complexities in dealing with business – who to speak to;
• The role of organized business;
• The role of the Johannesburg Stock Exchange and its influence on its members;
• The existence of many businesses, privately held, owner managed, etc;
• The role of government, at a National, Provincial and Local level;
• How to integrate their respective obligations and responsibility for delivery of the transformation of the economy;
• There has been very good progress, but a lot more needs to be done to understand the impact of the levels of investment.
Some perspectives from business

- Business is always willing to contribute, as they have a vested interest in the employment of capital into their specific operations;
- What they always seek is certainty in the market, so that the investing of capital is likely to be secure;
- The development of policy and the supporting legislation and regulation is a key determinant of this;
- Basically they want to see the economy grow; be they large listed companies, or the privately held businesses;
- And through this ensure that the future of the country is one that enables a sustainable future for the next generations;
- And they seek all means of engagement to make this happen.
The challenges and the opportunities

• Some key challenges are:
  • Building the relationships between government and business, at all levels, that will enable the delivery of the needed changes to enable increased green business;
  • Developing a common agenda that will ensure that this mobilizes private capital;
  • Improving the gathering and reporting of past achievements, current activities and future plans;
  • Being able to engage with a broader number of businesses in seeking to obtain their support;
  • Knowing who is busy transforming to a green business.

• The Opportunities
  • If there is a clear picture of what is expected and the regulatory framework enables this, then significant transformation can happen;
  • The role of the policy, legislative and regulatory bodies becomes vital to ensuring that they create the right environment for development;
  • Business and private capital will do the delivery – that is their role, investing capital and making a return.
  • This can be done ensuring that there is job creation, social development, improved well-being of the population.
A view on three areas

• Some comments on three key areas:
  • Legislative requirements;
  • Policy taking into consideration the Sustainable Development Goals; and
  • Responsibility towards the environment as a global citizen/player.

• These are critical areas to get right to enable the investment of private capital;

• It is essential that to ensure a transition to enabling the development of green industries that these three areas are considered:

• I have taken the liberty to focus the comments on these three areas by looking at the carbon plans for South Africa.
Legislative requirements

• The commitment, by South Africa to the Paris Agreement has resulted in the release of a number of Regulations that will enable business to contribute to achieving this goal;

• These Regulations require:
  • That business collates and reports on their carbon emissions;
  • That large emitters prepare ‘Pollution Prevention Plans’ for submission and approval’
  • That a Carbon Tax will be introduced in the next couple of years;

• Business is very aware of the need to report on their carbon emissions:
  • Large companies have been reporting their carbon emissions and large emitters are well advanced in their development of a carbon strategy to sustainably reduce their emissions, for example a large Hospital Group has invested in new technologies and measures the financial return achieved;
  • A family owned business has another view on their carbon mission reporting – for them it is essential that the process of measuring, reporting and responding to their carbon emissions is straight forward, so seek a means for this to be cost effective.
  • However there needs to be more engagement with business as to whether they all share this view and if they have alternative suggestions that will achieve the same outcome.
Policy taking into account the Sustainable Development Goals and the National Development Plan

- The Sustainable Development Goals have had an impact on the views of business, however this varies by sector and size of business;
- The typical response from business surveyed is that the SDGs provide guidance to strategy formulation, but is not necessarily a key to the determination of the strategy;
- The National Development Plan is used to give direction and inform the company on what is important to consider when determining the future focus of the business;
- The view of business indicated that they recognize that the Regulations are critical to business, but they consider what is important to the business first and always seek to be transparent;
- This is different for the smaller privately owned business who consider the importance of Regulation as much as the larger businesses, but they have a more localized view on what they are seeking to achieve.
- This point is important where there is the need to engage more with the privately owned businesses when looking to see how they can contribute to greening their businesses.
Responsibility towards the environment as a global citizen/player

• The views of business on this vary;
• A key determinant of being a global citizen is driven by the role of the business in the global markets;
• The preference is that the strategic focus of the business is what is central to the role that they play, and this is influenced by the membership of global bodies that promote the interests of the sector and the role that it plays;
• For the smaller privately owned businesses they seek to ensure that in the sphere of influence they are able to promote their business;
• This may also be influenced by the sector in which they operate and its global profile, e.g. supplying to the mining sector;
• The overriding consideration is how the business leadership, the board and management view their responsibility towards being a responsible citizen.
Concluding remarks

• There is no doubt that business is aware of and wants to be engaged in the promotion of green business initiatives;

• However how they are involved varies based on a couple of issues:
  • The type of business and their role/impact on the environment;
  • Their size – are they a large listed entity or a local business;
  • The sector in which they operate in and its direct or indirect impact on the environment;

• It is essential that:
  • Business and Government engage each other regularly so as to develop that common understanding and agenda;
  • That Forums such as Switch Africa Green provide the opportunities for this to happen;

• I would always encourage business and government to see how they can enable the creation of a environment that will allow the creation of new green initiatives.