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## Municipal Executive Dialogue Series #3

Developing a Green Economy: Are we ready?

Monday 11 October 2010  
7:30-10:30am

Venue: Durban Botanical Gardens Visitors Complex Hall



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## Begin with a quote from Marx

2



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## Groucho Marx

(of Marx Brothers fame)

3



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## “Why should I care about posterity? What's posterity ever done for me?”

4



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- Definition of Green Economy?
- Many ways of defining the Green Economy:
- Work with UNEP definition – sufficiently broad:
 

“Greening the economy refers to the process of reconfiguring businesses and infrastructure to deliver better returns on natural, human and economic capital investments, while at the same time reducing greenhouse gas emissions, extracting and using less natural resources, creating less waste and reducing social disparities”.

(Global Green New Deal: An Update for the G20 Pittsburgh Summit, September 2009)

5



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- Key theme:
  - Lower the intensity of carbon emissions:
    - Meet international treaties and commitments;
    - Benefit from international resources;
    - Create Green jobs.

6



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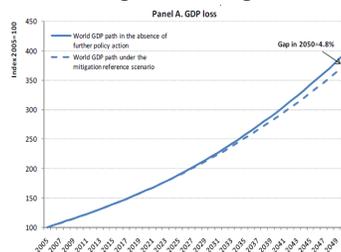
- Not just Green Economy opportunities:
- Costs:
  - investment in alternative technologies;
  - changed processes;
  - Taxes and the exponential increase in the cost of carbon.
- Will impact on all countries' GDP and employment

7



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- OECD modelling of challenge:



8

## The Green Economy

- Green Economy has to create and sustain new jobs, not just compensate for loss of carbon-related jobs.
- The IDC has identified the following sectors:
  - ENERGY EFFICIENCY (Solar Water Heaters and Heat Pumps, Retrofitting of Buildings, Industrial Processes and Emission Reduction, Steam Augmentation);
  - RENEWABLE ENERGY (Waste to Energy (biogas), Landfill Gas, Anaerobic Digestion, High Temperature Conversion of Waste, Co-Generation, Solar Photo-Voltaic, Solar Concentrated Solar Thermal, Wind Power, Hydro, Biomass, Wave Energy);

9



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- WASTE MANAGEMENT (Natural Resource Management (soil, water and biodiversity conservation); Recycling (paper, glass, metal, plastic, medical, electronic);
- CARBON-FRIENDLY TRANSPORT;
- BIOFUELS;
- AGRICULTURE AND AGRO-PROCESSING;

Add one to their list:

- BUILT ENVIRONMENT.

10



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- What role can local government play?
  - Building regulations to incentivise energy efficiency, renewable energy (solar water geysers) and environmentally-friendly building technologies and materials;
  - Challenges for renewable energy:
    - Limited by unresolved policy issues and independent power producers or municipal entities not having access to national / local grids (REDS etc);
    - Solar PV = dc (easier to locate but have to convert to ac);
    - Solar CST = ac (need for water and minimum level of solar radiation);
    - Both need large tracts of flat land and minimum level of radiation, not easily available in Metros, especially at the coast.

11



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- Renewable energy and energy efficiency generally high capital cost in relation to employment creation;
- Green Economy is about job creation as well as sustainable economic activity...
- High Investment vs. job output?
- Key sector is waste management –
  - Solar technology for managing certain types of waste;
  - Bio-gas from landfills – numerous initiatives (public transport, electricity generation) already in place;
  - Recycling.

12



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- Recycling is an area where Local Government can play a crucial role:
  - Challenges:
    - Absence of a regulatory framework;
    - Absence of regulations for allowing access to waste;
    - Unhygienic and possibly hazardous;
    - Low profit margin.

13



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- Opportunities:
  - Job creation: labour-intensive;
  - SMME creation: establishment of small businesses specialising in either paper, plastic, metal, glass;
  - Mobilisation of DFI at national, provincial and local levels to support enterprise start up.
  - New industry development

14



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### Key Constraints

- Policy environment?
- Institutional framework?
- R&D investment?
- Access to accurate and appropriate information.

15



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- Way forward:
  - Begin a process to unblock challenges to open the recycling sector up;
  - Continue dialogue on challenges and solutions to unlocking the Green Economy at local level:
    - Develop a stakeholder engagement forum;
    - Constantly scan environment for Green Economy and jobs at local level.

16



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## Thank You

17