

SEED South Africa Symposium 2019

Fuelling Entrepreneurship for a Climate-Smart and Socially Inclusive Green Economy

2 – 3rd April, The Innovation Hub, Pretoria

As in many other countries, South Africa faces challenges in operationalising its climate change mitigation targets for Nationally Determined Contributions (NDCs) to the Paris Agreement and linking sustainable development with ambitious adaptation efforts. At the same time, poverty alleviation and the reduction of inequalities and unemployment remain key priorities in South Africa's National Development Plan (NDP). As a UN PAGE (Partnership for Action on Green Economy) country since 2015 and host of the UN PAGE Ministerial Conference in January 2019 in Cape Town, South Africa is increasingly taking responsibility for leading the transition towards a socially inclusive, green economy.

Climate-smart and socially inclusive enterprises provide market-based solutions which help to enhance the adaptive capacities of the South African economy and society and bear immense potential to drive economies. However, many small and growing enterprises are unable to scale-up in light of significant barriers to accessing tailored business development services, financing instruments and policy frameworks.

In light of these challenges and innovation opportunities, **how can we strategically fuel the success of climate-smart and socially inclusive enterprises in South Africa through excellent business development support and tailored financing instruments?**

This key question brought together over **130 enterprises, financial institutions, policy-makers and business development service providers** during the SEED South Africa Symposium 2019 in Pretoria to develop innovative approaches and partnerships. The event was part of the implementation of "Building an Ecosystem for Social and Environmental Entrepreneurship in South Africa", a project supported by the Government of Flanders, with the support of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) through the International Climate Initiative (IKI).

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Highlights of SEED South Africa Symposium 2019

Participants joined together from 2-3rd April at **The Innovation Hub** in Pretoria – where **SEED South Africa (Indalo Inclusive)** has its office – to discuss, collaborate, and co-create through engaging discussions and interactive solution prototyping sessions at the sixth annual SEED South Africa Symposium 2019.

The 2019 Symposium was opened with speeches from key representatives from the South African **Department of Environmental Affairs (DEA)**, the **Government of Flanders** and **Indalo Inclusive (SEED South Africa)** who set the scene for the major themes to be discussed during the next two days.



Tlou Ramaru, Department of Environmental Affairs

Geraldine Reymenants, Government of Flanders

Tlou Ramaru of the *DEA* shared his support for SEED's efforts to build the much-needed capacity for all to respond to climate challenges through entrepreneurship. Where **Geraldine Reymenants** of the *Government of Flanders* emphasised that in our green economy development plans we must not solely aim for economic growth but keep social inclusion at the core of our approaches and called for more attention to be paid to innovative adaptation solutions, including those offered through SMMEs. **Rest Kanju**, *Head of Indalo Inclusive (SEED South Africa)*, welcomed all to the sixth South Africa Symposium and shared his excitement for the growth of Indalo Inclusive as an independent SEED Regional Hub in South Africa.

SEED Low Carbon Awards Ceremony

The Symposium also featured the **SEED Low Carbon Award Winner 2018 Ceremony** which celebrated and shared in the journeys of outstanding eco-inclusive enterprises from Colombia, Thailand, Uganda and Tanzania who have innovated products and services for climate change adaptation and mitigation. The awards were graciously presented by **Cecilia Njenga**, *Head of UN Environment in South Africa*, and **Rainer Agster**, *SEED Director of Operations*. Each award winner pitched the winning enterprise's innovative response to mounting climate change and shared stories of SEED enterprise development support as well as the enterprise's growth plans for generating further eco-inclusive impacts in their community and beyond. The SEED Low Carbon Awards 2018 are supported by the **International Climate Initiative (IKI)** of the **German Federal Ministry for the Environment, Nature Conservation and Nuclear Energy (BMU)**.



Cecilia Njenga (UN Environment in South Africa), Diana Wodeya (Khainza Energy), and Rainer Agster (SEED)



Christian Hafidh Mwijage (EcoAct Tanzania), Diana Wodeya (Khainza Energy), Daniel Rodriguez (Amazónico), Marcela Saldarriaga (Corporación Acción Semilla), and Vinita Suryanarayanan (Daily Dump)

Khainza Energy announced its plans to construct an additional 10 biogas plants across Uganda and noted how being a member of the SEED network has helped the enterprise to gain new clients and expand its visibility. **Corporación Acción Semilla** urged the importance of collaboration across borders and the potential for replication of their business model for waste management micro-grids to other regions of Colombia, South Africa and beyond. **EcoAct Tanzania** shared how SEED Catalyser support they received as an award winner enabled the enterprise to finance a larger machine for transforming plastic to durable timber. Christian Hafidh Mwijage of EcoAct called on all aspiring entrepreneurs and growing enterprises saying that “We need to learn to start small... the support will come along”. For **Daily Dump**, being a SEED Low Carbon Award Winner has meant taking the time to step back from the busy life of a growing enterprise to refine their business and set goals. Prior to being awarded by SEED, **Amazónico** was caught in a cycle of trial and error. SEED support enabled the enterprise to bring its priorities into focus and incorporate the key aspects into a comprehensive business plan.

Panel Discussions & Parallel Sessions

During diverse panel discussions and hands-on parallel sessions, the two-days encouraged the diverse stakeholders present to mobilise in support of socially inclusive and environmentally sustainable entrepreneurship in green and inclusive economies while promoting tailored financing and business development services for small and growing enterprises.

Tailored Investments in the Green Economy Transition

Highly collaborative sessions reviewed existing and identified new opportunities for the design of tailored financial instruments that increase investment in and fuel support for socially inclusive and environmentally sustainable entrepreneurship in the green economy transition.

The panel and roundtable discussions on “**Unlocking Climate Finance for Entrepreneurship in Green Economy Agendas**” catalysed ideas for building on the momentum gained on the global stage during high-level engagements around our socially inclusive green economy transition. The expert panellists shared diverse perspectives on the role of SMMEs in our economies and the opportunities for greater coordination and understanding between small and growing enterprises and financiers. New opportunities for fast-failing, targeted financing solutions were probed at while exploring and fortifying partnerships around financing the “missing middle” of socially inclusive and environmentally sustainable enterprises.



Stuart Bartlett (Industrial Development Corporation), Jenitha Badul (Department of Environmental Affairs), Rainer Agster (SEED), Max Pichulik (Impact Amplifier), and Justin Schmidt (Absa Bank)

Jenitha Badul, *Department of Environmental Affairs (DEA)*, shared that a major challenge facing SMMEs is the lack of matching capacity building opportunities for SMMEs to match what financiers require. **Stuart Bartlett**, *Industrial Development Corporation (IDC)* (a South African national development finance institution) noted the importance of partnerships for blended financing opportunities along the entirety of an SMME's development path. **Justin Schmidt**, *Head of Renewable Energy Africa at Absa Bank*, emphasised that the pace of product development by financiers thinking creatively is too slow. Despite there being available financing to SMMEs, smaller enterprises struggle to access this financing and require more creative solutions that align payments with the cash flow of growing enterprises. **Max Pichulik**, *Impact Amplifier*, noted some of the challenges that SMMEs experience in having the adequate "soft skills" to manage the biases of financiers – from donor, creditor to investor – when reading the funding proposal of early-stage start-ups.

The panel and roundtable discussions closed with action points that were carried forward into a parallel session on **"Innovating Climate Finance Products & Instruments to Support Climate-Smart Entrepreneurship"** where a selection of Symposium participants co-created innovative climate finance product prototypes and supportive instruments targeted at multiplying the contributions of socially inclusive and environmentally sustainable enterprises to green economies in South Africa and beyond.

This session built on conversations and product development from SEED Practitioner Labs Climate Finance, as well as the climate finance panel, and resulted in a clearer sense of how actors can join together to design an exit strategy for SMME business development services to move from funding to financing; rethink credit risk assessment to account for the unique "client profile" of a climate-smart and socially inclusive SMME; and, develop a collaborative approach to deepening linkages between SMMEs, information suppliers on new credit risk data and financiers.

The parallel session on **"Building Investment Readiness of Social and Environmental Enterprises"**, hosted by the *Industrial Development Corporation (IDC)*, set out to equip enterprises present at the Symposium with insights into managing finances and mobilising resources for enterprise development. Conversations drove forward efforts to ensure that social and environmental enterprises have access to the necessary resources and skills to improve their financial performance and investment readiness as they start-up and scale-up.



Parallel Session on "Building Investment Readiness of Social and Environmental Enterprises", hosted by Industrial Development Corporation (IDC)

Advocating for Entrepreneurship in Green and Inclusive Economy Transition

On day one, the parallel session on **"Leveraging Strength of Climate-Smart, Inclusive Enterprises in South Africa's Fair and Green Economy Transition"** mobilised key stakeholders around a common and collaborative green economy agenda by identifying core barriers and discussing the role of climate-smart enterprises in adopting solutions to address these challenges. This session referred to the findings of the **South Africa Green Economy Barometer 2018** and key action areas for collaboration between multiple parties in South Africa. This session was hosted by SEED with the support of expert table hosts, including representatives from **Trade & Industrial Policy Strategies (TIPS)**, **International Labour Organisation (ILO)**, **GreaterImpact (AMSCO)** and the **Climate Innovation Centre South Africa (CICSA)**.

The session during day two on **"Leveraging Entrepreneurship for Climate Change Adaptation"**, hosted by *Trade & Industrial Policy Strategies (TIPS)* explored how environmentally friendly and socially inclusive entrepreneurship can be leveraged and further supported by ecosystem actors to innovate products and services for effective climate change adaptation. This session applied key findings from TIPS and SEED prototyping tools to facilitate the identification of strategies for growth in adaptation-related markets around small enterprises. The full TIPS *report on Small business development in the climate change adaptation space in South Africa* is **available here for download**.

The parallel session on **“Tracing Journeys of Climate-Smart Tech Start-Ups”** hosted by *Climate Innovation Centre South Africa (CICSA)* followed the success stories of exemplary cleantech start-ups that offer environmentally conscious and socially inclusive solutions and have achieved market penetration while reinforcing the case for further investment in green tech-driven innovation. This session heard from a diverse range of CICSA-supported enterprises and explored how these case studies can be built on in South Africa for climate-smart solutions in emerging green economies. These green tech start-ups offer a variety of waste management and clean energy solutions, ranging from e-waste management, waste to fuel and solar energy innovations.



Parallel Session on “Tracing Journeys of Climate-Smart Tech Start-Ups”, hosted by *Climate Innovation Centre (CICSA)*

Excellence in Business Development Support

The 2019 Symposium celebrated achievements in and fuelled collaboration around the delivery of excellent business development services in order to cater to the unique needs of growing social and environmental enterprises and multiply the positive contributions of these enterprises to sustainable development.

The **SEED BDS Standard process presentation and roundtable discussions** showcased how the regulation and certification of Business Development Support+ services will be streamlined to ensure quality BDS across South Africa. **Mandisa Tshikwatamba**, the Chief Executive Officer of the **Small Enterprise Development Agency (SEDA)**, offered her opening remarks on the importance of multi-stakeholder collaboration to ensure that we all see BDS as a career: “We have to come up with something that helps us to forge an international best practice [for business development services], starting in South Africa”.

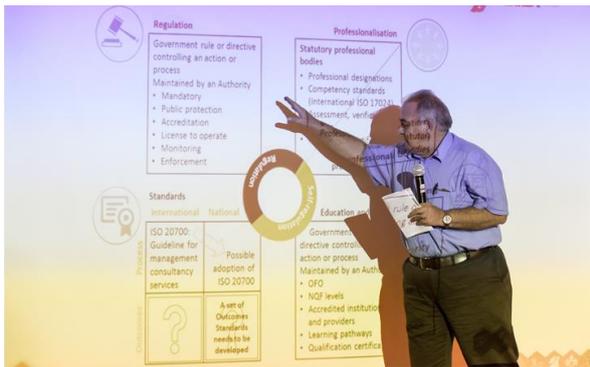


Mandisa Tshikwatamba, CEO of Small Enterprise Development Agency (SEDA)

The presentation of the discussion paper on the advancement of a BDS Standard in South Africa by **Tsiliso Tamasane** (*Services SETA*) and **Div De Villiers** (*SEED BDS+ Business Advisor*) outlined strategies for improving the quality of business development and business advisory services. This presentation led into a highly active panel discussion with leading actors from the public and private sectors, including Mzoxolo Maki (**Department of Small Business Development (DSBD)**), Ntokozo Majola (**Small Enterprise Development Agency (SEDA)**), Div De Villiers (**SEED BDS+ Business Advisor**) and Joseph Tshiwilowilo (**Institute of Business Advisors Southern Africa (IBASA)**).

As IBASA Chief Executive Officer **Joseph Tshiwilowilo** noted, despite “a lot of [BDS] support, ...the issue has been coordination” among the private sector, BDS providers and government. Therefore, the objective for today, as reiterated by DSBD Chief Director **Mzoxolo Maki** is “launching of the discussion paper so that we can solicit as much input as possible from ecosystem actors... then take this to the economic cluster in government” in order to shape the future of BDS in South Africa. In doing so, SEED Associate and BDS+ Advisor **Div De Villiers** reiterated that within the BDS Standard process following this high-level presentation of the discussion paper at the SEED South Africa Symposium 2019 “We must integrate the concept of eco- and social-inclusivity [eco-inclusive] into the mind-set, toolkit and methodology approach of all business support”.

The discussion paper on the future of the BDS Standard in South Africa is [available for download here](#).



Div De Villiers, SEED BDS+ Business Advisor



Rest Kanju (Indalo Inclusive / SEED South Africa), Joseph Tshiwilowilo (IBASA), Mzoxolo Maki (DSBD), Ntokozo Majola (SEDA), and Div De Villiers (SEED BDS+ Advisor)

Enterprise Solutions Exhibition

The Enterprise and BDS+ Providers Exhibition showcased innovative entrepreneurial approaches and effective enterprise support to drive sustainable development and climate action. The enterprise exhibition featured past SEED Award Winners from South Africa, including [SolarTurtle](#), [Umgibe Farming Organics](#) and [Ekasi Energy](#), as well as multiple climate-smart enterprises supported by the [Climate Innovation Centre South Africa \(CICSA\)](#).



Building momentum as ecosystem supporters

At SEED, we would like to thank all SEED South Africa Symposium partners and supporters and look forward to continuing to collaborate with you all to promote entrepreneurship for economically and socially inclusive and environmentally sustainable economies – through targeted financing, BDS standardisation and other mechanisms that involve the entire ecosystem of enterprise champions.

To find out more about our Direct Enterprise Support and Ecosystem Building activities visit us at: www.seed.uno. For further information or comments please contact: symposium@seed.uno

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