

# Online Biomass Platform and Policy Navigator

## Incentivising Activity in the Biomass Sector



**SEED**

promoting entrepreneurship  
for sustainable development

**indalo**  
inclusive



### Background

As a country vulnerable to adverse effects of climate change such as drought and wildfire, South Africa has mobilised to clear invasive and alien plant species, including those that threaten water security in the country and destabilise land use. Alongside government investment through the Working for Water (WfW) programme, private landowners and other aligned private and public sector parties have invested in clearing waterways to ensure security of water supply. There are an increasing number of SMMEs who are directly involved in invasive plant eradication and beneficiation in a variety of value chains, yet largely fail to scale for a number of reasons.

Increasing demand for energy and a long-term commitment to mitigating and adapting to climate change means that there may be ample opportunities for converting biomass to energy in South Africa. Using biomass for thermal energy through combustion presents an alternative energy source, and the sale of biomass processed fuels is an opportunity to bring clean heating energy to off-grid communities, addressing social inequalities and energy poverty.

Despite this opportunity, eco-inclusive enterprises often face difficulties to start and scale a business in this sector. There are a number of factors that can hinder business growth, including policy and legislative barriers. For example, when converting raw biomass material into a processed fuel, combustion of the biomass material produces certain pollutants that triggers environmental legislation and regulatory frameworks to which businesses must comply, such as environmental impact assessments and air quality licenses. Regulatory hurdles and poor information flow on market opportunities, feedstock availability and the business ecosystem linkages are contributing factors that hinder business success.

### Solution Overview

To incentivise small business activity in biomass sectors, this policy prototype looks to the biomass-to-energy value chain to pilot a mechanism that will catalyse sound decision-making in the biomass sector, leading to the implementation of sustainable invasive alien clearing, harvesting and biomass utilisation projects that connect to well-supported thermal energy markets. In order to address the challenges that small and medium businesses in this sector currently face, the prototype involves setting up a **knowledge-sharing platform to provide localised**

<b>Focus:</b>	Climate Change Adaptation and Mitigation
<b>Ecosystem Impact:</b>	Access to Markets, Business Registration and Licensing
<b>Lab Cycle:</b>	Policy, South Africa 2019
<b>Challenge Hosted by:</b>	Department of Environment, Forestry and Fisheries (DEFF)

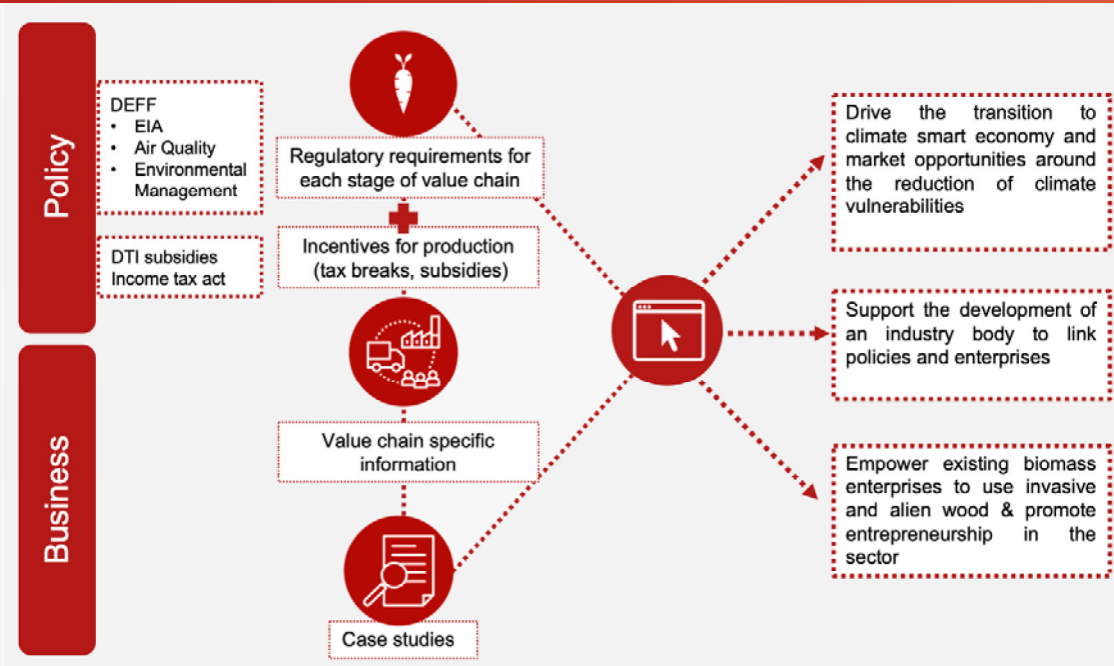
**value chain specific information, biomass to energy case studies, and information on how to navigate regulatory frameworks, policy and fiscal incentives.**

- An easy-to-access, text-light tool that displays **species-specific** source to market **value chain opportunities** and case studies.
- A **policy navigator** that packages fiscal incentives, and describes policy and regulatory frameworks at each stage of the value chain.
- A **help desk function**, that acts as a **point of contact** for policy packages and fiscal incentives.
- A **mentorship and support** model to encourage knowledge sharing.

### Policy relevance

**Supporting South Africa's priorities of moving towards renewable energy sources, reducing risks associated with climate change, and stimulating the economy through supporting small and growing enterprises.**

- Increasing enterprise access to information
- Policy navigator feature to help enterprises to navigate policy and regulatory frameworks that govern the sector, and identify policy and fiscal incentives related to their activities
- Pave the path towards the establishment of an industry body or association to advocate for the sector at a policy level and act as a link between biomass enterprises, government programmes, and policy makers



## Key Features

The prototype addresses a gap in how information is provided to enterprises, and how the public sector can stimulate activity in a priority eco-inclusive sector. The value added of this prototype is the **combination of both business information and policy navigation aspects**, organised by value chain activities to be accessible and relatable to enterprises. By **packaging clear and accessible information** about potential fiscal incentives and regulatory requirements by activity, enterprises can make a quick calculation of the potential cost (and opportunity) of operating at that level of the value chain. This, combined with information about the market and case studies that showcase successful market interventions, allows enterprises to make a cost-benefit analysis and understand what is required at each stage.

To ensure the continued relevance of the platform, the information will be regularly updated with policy information, as well as with case studies and source to market opportunities. It is foreseen that the development of this prototype will occur in parallel to the **development of an industry body or association** that will eventually govern and update the platform.

## Benefits to Eco-Inclusive Enterprises

This policy instrument enables small businesses operating in the biomass sector to, amongst other issues:

- **Reduce costs of compliance with regulation** by making policy requirements clearer and by promoting fiscal incentives available.
- **Improve understanding** of the quality and availability of feed waste, and the transport and organisation of logistics around inputs.
- **Explore case studies of successful business models** across the value chain, and to evaluate the costs and benefits of operating at different stages of the value chain.

## Role of Government

Government plays a central role in the conceptualisation, governance, and implementation of this prototype. Firstly, the government through the Department of Environment, Forestry, and Fisheries, will **provide key information** regarding the species-specific value chain opportunities, policy and regulatory frameworks, as well as fiscal incentives for activity in this sector. The DEFF will also play a key **coordinating role** between government departments and enterprises to ensure that information is up to date and relevant. The government will also be involved in the development of an industry body that will take up **governance of the platform**, act as an intermediary between the core stakeholders, and provide industry advocacy opportunities for policy development.

## Solution Developers



**SOUTH  
SOUTH  
NORTH**

**ekasi.energy**

**Department of Environment, Forestry and Fisheries, South South North and Ekasi Energy**

### Contact person:

Garth Barnes: [GBarnes@environment.gov.za](mailto:GBarnes@environment.gov.za)

Amanda Dinan: [amanda@southsouthnorth.org](mailto:amanda@southsouthnorth.org)

Dave Lello: [dave@ekasi.energy](mailto:dave@ekasi.energy)

**SEED Practitioner Labs Policy Prototyping** work with policymakers and intermediaries over a multi-step collaborative process to design policy instruments which increase access to and improve the quality of support mechanisms for socially inclusive and environmentally sustainable enterprises looking to scale their environmental, social and economic impacts.