



SEED

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SEED AWARDS
2005-2015

promoting entrepreneurship
for sustainable development

Founding Partners



SEED South Africa Symposium 2015 Summary Report

Entrepreneurship: A solution for
climate change and green growth

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Imprint

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September 2015

SEED is a global partnership for action on sustainable development and the green economy. Founded by the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and International Union for Conservation of Nature (IUCN) at

the 2002 World Summit on Sustainable Development in Johannesburg, SEED supports innovative locally driven enterprises around the globe which integrate social and environmental benefits into their business model.

SEED is hosted by Adelphi Research gGmbH, based in Berlin, Germany. Adelphi Research (AR) is a leading think tank for policy analysis and strategy consulting. The institution offers creative solutions and services regarding global environment and development challenges for policy, business, and civil society communities.

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Topline messages

- **Acknowledging the innovations made by small, micro and medium enterprises (SMMEs):** SMMEs often make product and service innovations that go unnoticed as they are not the result of large scale research programmes. The innovation of social and environmental SMMEs should be acknowledged so as to open sources of funding, and partnerships with larger enterprises and research institutions.
- **Building information-sharing platforms:** SMMEs possess limited financial and human resources, and therefore it is essential for them to have easy access to available funding sources, potential partners, research outputs and assistance, and other opportunities. Online platforms complemented by exhibitions and dialogue are powerful ways of bringing the relevant actors together.
- **Creating an enabling environment:** The policy, financing, and tax landscape should be adapted to better support the development of SMMEs, including social and environmental SMMEs that want to operate hybrid for-profit/not-for-profit models. In turn, SMMEs need to report on their triple bottom line of social, environmental and economic benefits.
- **Making funding available from the idea phase to scale-up:** A good idea does not directly translate into a sustainable business; market research, product development, testing, refinement, introduction to the market, and scale-up cost money, but revenues to pay for these are not generated until later. Creating specific programmes and partnerships for SMMEs and raising awareness among private investors will facilitate the access to and availability of finance tailored to the needs of SMMEs.
- **Providing policy incentives for a green economy:** In addition to funding programmes for social and eco-enterprises, other incentives such as tax regimes can play an important role in the adoption of environmentally friendly technologies by end-users, and in the willingness of entrepreneurs to follow a triple bottom line approach. Green Public Procurement is a good example of a measure which can create markets for social and environmental enterprises, as well as build consumer trust and awareness.
- **Working towards a coherent policy framework from the municipal to national level:** There is a lack of common understanding across government, at and within local and national levels, about social and environmental entrepreneurship. This can lead to different requirements regarding regulations, access to funds, or government procurement, and there is a general lack of awareness and understanding by governmental staff and the broader public. A coherent policy framework would reduce the burden for social and environmental enterprises and encourage the delivery of their benefits.



Participants following the opening of the SEED South Africa Symposium 2015



Brainstorming solutions to improve market access for SMMEs during the Worldcafé session

Introduction

On 27th May 2015 the 4th annual SEED South Africa Symposium entitled “Entrepreneurship: A solution for climate change and green growth” brought together more than 100 entrepreneurs, researchers, practitioners, donors and policy makers at the Birchwood Hotel in Johannesburg. Through a variety of interactive sessions the participants engaged in fruitful exchanges and developed policy responses in the South African context to two main issues:

- How can we build bridges for partnerships, especially between entrepreneurs and academia, for development and innovation?
- How can we adapt the policy and financing landscape to better support the development of social and environmental enterprises?

This year’s SEED South Africa Symposium brought together a broad-ranging audience to discuss these questions. They focused on links between enterprises and research, as well as policy responses by local governments. The Symposium was held as part of the International Conference on Innovation for Sustainability under Climate Change and Green Growth (26-28 May 2015), organised by the University of South Africa (UNISA) in partnership with Exxaro Resources Ltd, the South African Government’s Department of Environmental Affairs (DEA), the South African Local Government Association (SALGA) and SEED.

This report provides a summary of the key messages which emerged from the Symposium.

1 10 years of SEED Awards

In 2015 SEED celebrates 10 years of SEED Awards. Since 2005 SEED has supported more than 175 social and environmental enterprises in 37 countries, including 25 enterprises in South Africa which were Winners of the Award. In addition, SEED also promotes an enabling environment by building bridges between entrepreneurs and policy makers, and promoting Green Business Development Services.



Lynn Worsley of All Women Recycling and Will Coetsee of Botanica Natural Products, SEED South Africa Winners 2014, showing their products at the marketplace



Mapula Tshangela of the Department of Environmental Affairs hosting a table on Policy and Green Public Procurement during the Worldcafé



Participants during the plenary discussion of the SEED South Africa Symposium

Highlights of the SEED South Africa Symposium 2015

Enterprises Marketplace

24 social and environmental enterprises from South Africa, including SEED Winners and enterprises supported by the Industrial Development Corporation (IDC), the Small Grants Programme (SGP), and PETCO, showcased their products and services during the marketplace. The marketplace was sponsored by the Industrial Development Corporation (IDC).

SEED Accelerator

The evening reception of the SEED South Africa Symposium saw the announcement of the two 2015 SEED Accelerator recipients in South Africa, greenABLE and Botanica Natural Products, which presented convincing business models and scale-up plans. They were honoured by Geraldine Reymenants, General Representative of the Government of Flanders in Southern Africa which is sponsoring the Accelerator. The SEED Accelerator is an advanced support programme for SEED Award Winners to enable them to scale up.

Virtual exhibition

During the morning session, Helen Marquard, Executive Director of SEED, launched the SEED Virtual Exhibition. The interactive online platform offers a series of videos, infographics and case studies about the impact of social and environmental enterprises, as well as introducing the work of SEED and its Partners in promoting an enabling environment.

Case studies

A series of in-depth case studies, the most recent research project of SEED, demonstrates how eco-enterprises such as SEED Winners can contribute to sustainable development through their triple bottom line approach. The first case studies published for the Symposium included three South African SEED Award Winners: Mooi River Waste Reclaiming, IMAI Farming Cooperative and Muthi Futhi.



The social enterprise Unconventional Media from South Africa supported by IDC



Jennifer Higgs from greenABLE and Will Coetsee from Botanica together with Geraldine Reymenants from the Government of Flanders



Launch of SEED Virtual Exhibition by Helen Marquard, SEED

1. Entrepreneurship: A solution for climate change and green growth

Small, micro and medium enterprises (SMMEs) form the backbone of South Africa's economy: They represent 91 % of all formal businesses, contribute up to 57 % of the gross domestic product and employ about 61 % of the country's workforce (**The Edinburgh Group, 2013**). Consequently, the realisation of green growth and efforts to combat and adapt to climate change are dependent on this part of the private sector.

Within SMMEs, eco-enterprises, also called social and environmental enterprises, demonstrate how the private sector already contributes to sustainable development. Eco-enterprises which pursue not only economic goals but also provide social and environmental benefits, most often to the local community, are of equal importance and are viewed as central in the transition to a green economy.

In her opening address, **Helen Marquard, Executive Director of SEED**, highlighted the importance of examining what this part of the private economy is achieving at the grassroots level, and what challenges they face. Many eco-enterprises struggle to establish themselves and scale up. An in-depth survey of over 1,300 start-up enterprises undertaken by SEED¹, found that access to research and technology institutions was a critical success factor for many. The Symposium offered a golden opportunity to connect researchers with enterprises and help grassroots enterprises to build the green economy.

Geraldine Reymenants, General Representative of the Government of Flanders in Southern Africa, considered social and environmental enterprises, such as the SEED Winners, to be inspiring examples of organisations which have the tools to tackle social and environmental challenges. Like other organisations active in the social economy, they work to create added value for society. They go beyond the traditional focus on capital, profit, and consumption, while providing goods and services in a profitable and efficient way.



Geraldine Reymenants, Government of Flanders

These enterprises work according to important principles, including revenue-sharing, democratic decision-making processes and transparency. They provide sustainable, long-term jobs that are tailored to the peoples' skills and needs, and include vulnerable groups. People are at the centre of their endeavours. And, as Geraldine Reymenants said, an "economy with emotion inspires".

Despite the many positives, social enterprises still face challenges, such as access to finance, markets and skill development. This is why the Government of Flanders is partnering with SEED in promoting social and environmental entrepreneurship and creating a supportive

2 The Government of Flanders's commitment in the Southern African region

The Government of Flanders is active in Malawi, Mozambique and South Africa. It works with local authorities, and indirect actors such as NGOs, research institutes and international organisations. In South Africa, the main focus is on job creation through small enterprise development, and improving food security through smallholder farming. A Partner of SEED since 2012, the Government of Flanders has been one of the main sponsors of the SEED Awards in Malawi, Mozambique, Namibia and South Africa.

¹ Published in: Development in Practice Vol. 24, Iss. 3, 2014. – Authors: Heather Creech*, Leslie Paas, Gabriel Huppé Gabriel, Vivek Voora, Constance Hybsier & Helen Marquard – <http://www.tandfonline.com/doi/full/10.1080/09614524.2014.899561#.Vcr9hPIJHxE>

environment. The Symposium offered an opportunity to share the work of social enterprises, to build bridges and to advance sustainable development in South Africa.

The importance of political incentives for social and environmental entrepreneurship was a major tenet of the keynote address from **Professor Martina Maria Keitsch, Norwegian University of Science and Technology**. Professor Keitsch's address focused on the success of e-cars in Norway, which has the highest per capita ownership of electric cars. Government incentives, including free parking, exemptions from tolls and from annual licence fees, were driving the high uptake of the new technology.

Yet other factors, such as low electricity prices due to the prevalence of hydropower, and high valuation of the environment, also played a role. For government interventions to successfully promote green technologies, a clear roadmap and development plan needed to be developed in close cooperation with researchers, based on different policy scenarios. Many challenges can be overcome by forward thinking, and sound planning. In Norway, uptake had been higher than expected, and the government was to phase out its subsidies by 2017.

Alf Wills, Acting Director General in the Department of Environmental Affairs South Africa, pointed to the broader vision for South Africa, the National Development Plan 2030. Whether a global agreement on climate change is reached or not, national action plans will be needed to address climate change. South Africa's national challenge is how to transition to a green economy while creating inclusive jobs. To overcome the challenges and fill in gaps, areas which require supportive policies need to be identified and partnerships with the private sector developed. Alf also highlighted the role that SEED and its Partners play in supporting this and the transition to a green and inclusive economy.

Titus Baloyi, Founder of Bembani Technologies highlighted the business opportunities that the Green Economy offers, for example in the energy, waste, and agriculture sectors. However he also emphasized some of the frustrations experienced when developing and implementing projects in these sectors including complex administrative processes and the amount of time required to get projects approved from public institutions. He also underscored the importance of providing better market information to young entrepreneurs. One successful example of policy support in this context is the creation of the "YouthWorks SA Employability Portal", which provides key advice on how to start a business.



Professor Martina Maria Keitsch, Norwegian University of Science and Technology



Impressions from the opening plenary session

3 DEA and SEED South Africa Steering Committee

The government of South Africa through the work of the Department of Environmental Affairs (DEA) has been a forerunner in the field of eco-entrepreneurship. DEA has already implemented a variety of public projects in this field, in particular through its Green Fund Programme that seeks to support green initiatives to assist South Africa's transition to a low carbon, resource efficient and climate resilient development path. Through its long term partnership with SEED and as the representative of South Africa on the SEED Board and chair of the SEED South Africa Steering Committee, DEA is also committed to foster dialogue and synergies between the various stakeholders in South Africa.

2. Entrepreneurs, SMMEs, and research and innovation

SMMEs working on greener products and services play an important role in bringing about a more sustainable future. Some enterprises innovate technologies and processes, while others introduce products and services that are new to a community. In both cases, access to research partners can be crucial in bringing a novel idea to the market. Moreover, in order to scale-up their business and be competitive, entrepreneurs need continuously to innovate. However, SMMEs often find it difficult to access the research that they need. This was the focus of this fishbowl discussion which was moderated by **Cecilia Njenga, Director of UNEP Liaison Office in South Africa.**

Innovation is relatively easy. The difficulty is getting the product to the market according to **Roland Meintjes, Procurement Manager at ECOVEST.** The manufacturing sector often successfully manages this through partnerships which support training, and testing and refinement of the product design. In the process the information exchanged and generated needs to be protected. Similar partnerships are crucial for grassroots enterprises.

Paul Plantinga, Project Coordinator at The Innovation Hub confirmed that testing markets, getting feedback on products designed for end-users and market complexity are key bottlenecks for innovation. Additional problems are an initial focus on enterprise survival instead of focusing on innovation as a primary objective, cost and time of accreditation procedures, feasibility of plans, including financial and scale-up plans. These challenges highlight the need for innovation hubs, like the Climate Innovation Centre. The Centre incubates climate start-ups, provides mentoring, and offers seed funding of up to 1 million ZAR. One of their entrepreneurship programmes asks explicitly which problems private companies are facing and explores solutions.

Henry Roman Director Environmental Services & Technologies, Department of Sciences and Technology of South Africa pointed to the need to focus on cross-sectoral innovation to build a national innovation



Impressions from the Fishbowl discussion



Participant from the audience adding new questions to the Fishbowl discussion



Cecilia Njenga, UNEP Liaison Office in South Africa, moderating the Fishbowl discussion

strategy. This would involve coordination between the many research institutions, including the Medical Research Council (MRC), the Council for Scientific and Industrial Research (CSIR), and the Technology Innovation Agency (TIA). Key actions include developing road maps for different sectors to identify gaps in data, skills and innovation. New areas such as ecological infrastructure and the bio-economy need to be explored in addition to traditional areas such as water and waste management.

Another opportunity is to engage and encourage youth to bring their ideas forward and help to turn them into business models. To this end, students should be funded to undertake research and participate in business boot camps to grow their expertise. A five year commitment to upscale centres of competence exists; research chairs have been created to enhance capacity building. Climate technology networks are also going to be set up to assist developing countries to find technologies from developed countries, complemented by local services and funding. Innovation platforms allow for ideas from private companies, development of end-user capabilities and assistance with government procurement.

Titus Baloyi elaborated further on the potential of and opportunities available for young entrepreneurs. Additional efforts are needed to motivate youth, and to make them aware of the existing opportunities. Many youths are already active in waste management, but green opportunities such as recycling instead of landfilling, drawing on partnerships with landfill owners, and support from municipalities for recycling at source remain underused. In the water sector, youth involvement is rarer and more difficult to achieve as the cost of the technology is often prohibitively high.

Training, as a means to make green research and innovation work for youth and vulnerable groups, was brought to the table by **Jennifer Higgs, PR and Fundraising Specialist at greenABLE**. The SEED Award-winning enterprise creates employment opportunities for people with disabilities in the waste management sector. Its success is based on innovation along two lines (see box). For Jennifer Higgs, one outstanding challenge for SMMEs is the lack of linkages between academia, support services and financing. Creating an IT hub allowing entrepreneurs to quickly access the information they need would be great step forward.



Titus Baloyi from Bembani Technologies

4 The success of greenABLE: social and technical innovation

The 2014 SEED Award Winner and 2015 SEED Accelerator Recipient greenABLE has derived its success from two innovations. First, technical innovation allowed them to be among the first enterprises recycling empty printer cartridges, and with further research the enterprise is aiming for zero-waste production. Second, an innovative partnership model allows greenABLE to provide people with disabilities with on-the-job training and skills development. Sponsors pay stipends to enable beneficiaries to participate in the courses as part of their CSR projects, while greenABLE can maintain low operating costs, expand its programme, and collaborate with recyclers, NGOs and cooperatives. Furthermore, by engaging greenAGENTS to collect cartridges, greenABLE is promoting local entrepreneurship.



The greenABLE team attending the Marketplace

As new ideas are being developed, a challenge for SMMEs with limited resources is the protection of intellectual property rights. Here Trust Law, an organisation which offers pro bono legal advice to NGOs and social entrepreneurs can help. Another point stressed in this discussion was the importance of financing to bridge the gap between having an idea and successfully establishing the resulting product in the market. The Green Fund provides such opportunities in three areas, but faces problems related to the high costs of administering funds to SMMEs. **Mapula Tshangela, Director for Sustainable Development & Green Economy, DEA**, pointed to the Extended Public Works programme as a possibility for SMME funding, including in recycling and research.

A limiting factor to funding for research for SMMEs is the prevalent narrow definition of research in South Africa, according to Mapula Tshangela. Awareness about existing opportunities, in particular for SMMEs in rural areas, was stressed as an additional barrier to access funding by **Will Coetsee of Botanica Natural Products**, a 2014 SEED Award Winner. From his own experience as an entrepreneur Will Coetsee added that in addition to funding, other obstacles that are particularly pronounced for social and environmental enterprises in rural areas include the low market demand for innovative, environmentally friendly products and production capacity.

Innovation is proving particularly difficult in the biodiversity sector, even though business approaches in the field are growing. One platform which tries to bridge the gap between science and policy is the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), mentioned by **Kiruben Naicker, Department of Environmental Affairs**. Besides a fellowship programme to enhance capacity building of local people, the platform allows SMMEs and development departments to share information and acquire training. Next to this global network, the Department of Environmental Affairs is working on a national biodiversity strategy.



Mapula Tshangela from DEA, Alison Kelly from Trust Law, Helen Marquard from SEED



Will Coetsee, Botanica Natural Products, 2014 SEED South Africa Winner

3. Greening SMME finance and policy

SMMEs are drivers of innovation in emerging eco-industries and in greening existing industries from the bottom up. However if SMMEs are to fully participate in the transition towards a green and inclusive economy, key barriers in SMME finance and policy need to be addressed through supportive policies and financing tools. In the panel discussion “Greening SMME finance and policy” three important players in South Africa’s finance and policy fields discussed their approaches to supporting the scale up of SMMEs.

A major focus of the DEA is exploring how to adapt and implement policies which best support the growth of SMMEs. As **Mapula Tshangela** highlighted the approach and focus of the department in how to achieve this has changed over the years. In recognition of their impact and potential, the focus has shifted towards greater engagement and partnership with SMMEs in which the DEA works alongside finance institutions such as the IDC to support and green finance and policy for SMMEs.

Such partnerships are key for finance and policy institutions looking to support the growth of SMMEs. **Naomi Koeberg, Senior LED Manager, Industrial Development Corporation (IDC) South Africa** underscored the need to focus investment not only on financial indicators but also on aligning policies, concepts, knowledge and the right social impact. IDC works to provide support to start-ups and SMMEs, which create social and environmental impacts in communities, through investment, grant-funding and mutually beneficial partnerships which encourage and support the growth of innovative enterprises.

Pieter Botes, Investment Manager, GROFIN South Africa also emphasized the importance of considering the unique business models and the social or environmental benefits of a business, when supporting SMME business models. Smart business means ensuring that those individuals with strong, original ideas for social and eco-enterprises have access to the resources and support networks which can help them to bring their ideas to life and to the market. GROFIN’s approach to investment is focusing on 2–3 years of proven business success and a two pronged approach. They provide funding and knowledge through business support, as well as a pure 5–7 year loan offer, which gives businesses time to scale without linking it to equity.

5 The Social Enterprise Fund by the Industrial Development Corporation (IDC) South Africa **Greening SMME Finance and Policy**

The Industrial Development Corporation is a national development finance institution set up to promote economic growth and industrial development, owned by the South African government under the supervision of the Economic Development Department. Through the support of the Government of Flanders, IDC established the Social Enterprise Fund which has social and environmental impact as its primary focus alongside economic benefit. Among other things, the Fund provides investment to establish and develop social enterprises and entrepreneurs; facilitate the integration of these enterprises into the main-stream economy; build and strengthen social capital and inclusivity; and support initiatives where community empowerment and integration of first and second economies are key.

4. Entrepreneurship and green growth: recommendations for action

Social and environmental entrepreneurs play a critical role in the transition towards a green economy by providing grassroots solutions to local problems. Entrepreneurs, policy makers and support organisations explored how to improve the overall frameworks so as to help eco-enterprises realise their full potential. This session set out to find solutions in the areas of access to finance, capacity building, market access, science and technology, and policy and procurement.

Access to Finance

Table host: **Michelle Layte, Secretariat Manager, The Green Fund, Development Bank of Southern Africa**

Small and Medium Enterprises often have limited **access to finance** which contributes to the so-called missing middle – the gap between large corporations and micro-businesses in the overall economy which is found in many emerging and developing countries. There is a lack of financial products in the lower investment range, in early stages of developing and testing ideas, and only a very limited range of product types for green SMME financing. SMMEs have limited human resources to search for opportunities, access information on different funding sources, learn about the specific requirements, write extensive proposals and engage in complex and often lengthy application procedures.

Among the solutions are enhanced consultation between finance institutions and SMMEs. Alignment of requirements and application procedures would reduce the time required for each individual application and improve the information provided. Feedback on proposals, including unsuccessful ones, can help SMMEs to improve future applications. Similarly, strategic partnerships, technical assistance to access information and the creation of referral systems can help to reduce barriers. Here, all funding organisations including government programmes such as The Green Fund, international funds such as the GEF Small Grants Programme and the European-South African Science and Technology Advancement Programme (ESASTAP), financial institutions, and others



Representative from PETCO South Africa



Impressions from the Worldcafé

are called upon to act to help create a more enabling environment.

Participants wished to see the creation of a funding information portal which would give SMMEs an easy way to see which funding opportunities were available and check which matched their specific needs. The Department of Economic Development and the Department of Small Business Development were asked to collect and prepare the information, while provincial and local institutions had a role to play in disseminating the information. The City of Cape Town already provides such a map of support organisations for SMMEs.



Capacity Building

Table host: **Rest Kanju, SEED South Africa Programme**

Social and environmental enterprises need to build capacity along three lines: business management, technical knowledge, and measuring social and environmental impacts. Shortcomings in the capacity building support currently offered are a lack of knowledge about the eco-entrepreneurship sector and of focused activities compared to those provided for conventional businesses, and a lack of sector and product-specific support by many incubators. Similarly, there is a need for capacity building support to help enterprises transition to a business model with social and environmental benefits. For established eco-enterprises, adaptation to change, expansion and external macro factors remain major challenges.

Better coordination between existing programmes for entrepreneurs can help close the gaps. Creating partnerships between enterprises and technical and finance mentors in order to train local people in technical skills can go a long way towards building the capacity of SMMEs. The formation of such frameworks and partnerships can be fostered by umbrella bodies for enterprises in the specific sectors.

In addition, greater municipal and local level engagement through recognition and support for green and social start-ups is critical. The creation of a legal vehicle to enable social and green enterprises to register, as well as an institutionalised support system would be strong enablers. Partnership with and between government departments is important, particularly since all government departments have a budget and mandate to promote the green economy. In particular, the Department of Trade and Industry and the Department of Small Business Development have the lead.

Market Access

Table host: **Rebecca Szrama, Head of Responsible & Inclusive Business Hub (RIBH) South Africa – Deutsche Gesellschaft für Internationale Zusammenarbeit (giz)**

Accessing national and international markets, as well as integration into global value chains without middlemen, are among the key success factors for financial viability of social and environmental enterprises. Physical access to markets can be limited, particularly in rural and urban areas, but also obtaining proofs of product quality, i.e. accreditation and certification, as well as knowing the demand and size of the market can be difficult. Similarly, consultant and financial support is needed to build capacity on how to research and access the market. The lack of information and communication with SMMEs needs to be tackled.

The use of mobile technology and tailoring legislation that is sensitive to the unique situation of SMMEs can reduce such access barriers and get information into the hands of people who need it, as well as creating more user-friendly IT hubs to overcome information barriers. Retailers could also provide information about their requirements and assist in meeting them or pointing to support organisations. Departmental officials responsible for assisting entrepreneurs should have a general understanding of market access for SMMEs including eco-enterprises.

The tailored legislation should be developed and introduced by the Department of Trade and Industry, and the Department of Small Enterprise Development. A platform for governments and SMMEs as well as umbrella organisations for enterprises could enhance the flow of information, and enable the formation of partnerships between enterprises. Government could provide incentives for mentorship programmes, in particular between small and large corporations, or between social enterprises and research institutions which are able to provide market information and so help to increase enterprises' access to markets.



Research and Innovation

Table host: **Shanna Nienaber, Deputy Director Environmental Services – Department of Science and Technology South Africa**

Considerable innovation occurs at the grassroots; this is usually low tech and/or a modification of a product or service developed elsewhere. However, such innovations are often not considered in discussions on innovation and excluded from funding opportunities. High tech innovation requires access to research and technology, and the resources to comply with research standards, making it often difficult or even beyond the scope of small entrepreneurs. Additionally, lack of coordination of research makes access to the results more difficult and less relevant for SMMEs.

Aligning public research programmes, e.g. the Research Information Management System (RIM), South African National Energy Development Institute (SANEDI), and the Water Research Commission (WRC), providing information in a simplified manner for each sector, and responsiveness from government and funding agencies to the needs of SMMEs can improve the use of research among SMMEs, and enable them to take their 'out of the box solutions' to the market. The key issue that needs to be addressed is a value shift, looking beyond the current established players. Therefore it is necessary to ensure that organisations that use public funds for research make the findings available in a free and accessible manner.

At the grassroots level, where the community is often the subject of research, there is often the complaint that information gathered does not come back, and nor are the solutions shared. Instead of the top-down approach, people should be motivated to conduct research and share information with the community from such undertakings and with the broader public through knowledge-sharing platforms.



Youbo Li from Hisense, SEED's Corporate Partner

6 Research & innovation from the perspective of a multinational company – Hisense, SEED Corporate Partner

Youbo Li, General Manager for Hisense in South Africa emphasised the importance of 'dreaming big and striving for innovation in entrepreneurship'. Innovation, supported by careful and thorough research, enables businesses to offer the best value and smartest technology to the public. Hisense's global R&D team, for example, works continuously to ensure that the best and latest possible technology is used when developing products as well as determining the extent of the market for the new product. In addition, a business strategy built around core values such as technology, quality, integrity, responsibility and mutually beneficial partnerships is key to creating a business or idea that will grow. These values in addition to the incorporation of social and environmental benefits in business models are the ingredients necessary to building businesses which contribute to sustainable development and the transition towards a green and inclusive economy.

Policy and Green Public Procurement

Table host: **Mapula Tshangela, Senior Policy Advisor, National Sustainable Development – Department of Environmental Affairs, South Africa**

In addition to taking direct policy actions, by introducing green procurement principles, governments and the private sector can ensure they are buying more sustainably while also helping to create demand and raise awareness for green products and services. However, governments are not yet using this means to incentivise a green economy and often procure mainly on the basis of price. For their part, SMMEs find it difficult to learn about procurement tenders, adhere to complicated application procedures, and prove the quality, and environmental and social impacts of their products.

Standardised labelling and social and environmental standards for applications for financing and government procurement, and for reporting, could help lower administrative burdens for SMMEs. Markets, trade fairs and workshops at provincial and municipal level could be a means to create awareness among end-customers and policy makers about green products.

Government regulation on green procurement, as well as on the requirements for a social and environmental enterprise, can help to create customer trust in social and eco-enterprises and awareness about sustainable consumption. However, over-stringent requirements can imperil the establishment or scale-up of an enterprise because of the human and financial resources needed for compliance. Therefore, it is necessary that policy is developed with the reality of SMMEs in mind.

Conclusions

Entrepreneurship, and in particular environmental and social enterprises, hold one of the keys for the transition towards the Green Economy. In order to help them overcome existing barriers to bringing their ideas to the market, and to reap their full contribution to sustainable development, the ecosystem needs to be sensitised and strengthened to support the take-up and growth of social and environmental enterprises.

The ecosystem includes international organisations including donors, government at the national but also provincial and municipal levels at which SMMEs operate, financing organisations, investors, enterprises of all sizes, research institutes, universities, incubators and other support organisations. Key actions needed are to:

- develop platforms which will make results from research, information on the SMME sector, funding and capacity building opportunities easily accessible.
- facilitate partnerships between the different stakeholder groups through dialogues promoted by actors such as SEED and the Department of Environmental Affairs.
- promote policies in the fields of research and financing which explicitly take into account the special situation and limited human resources of social and environmental enterprises.

The discussions during the SEED South Africa Symposium highlighted the need for closer cooperation between different actors, and at the same time offered an opportunity to forge them. It took forward the results from the SEED South Africa Symposium 2014 to arrive at the more detailed recommendations for actions set out in Section 3.

With this conclusion, the stage is well set for future interventions. The SEED South Africa Steering Committee, with its cross-government and UN membership and under the chairmanship of DEA, will be looking to play its part.

Key recommendations from the Worldcafé

During the worldcafé session, a set of recommendations have been developed for the following key players:



Funding Organisations

- Align requirements for application procedures to increase access to finance proposals and give feedback
- Provide technical assistance to access information and develop funding information portal to provide SMMEs with a simple tool to learn about available funding opportunities and to check requirements
- Establish a referral system (database) for SMMEs looking for funding



Academia and Research Institutions

- Make findings available and accessible through knowledge-sharing platforms, especially when research is publically funded
- Align public research programmes and package them in a clear manner for each sector
- Look beyond established players and partner with SMMEs to bring 'out of the box' solutions to the market
- Establish IT hubs to allow SMMEs greater access to information



Policy Makers

- Create demand and raise awareness for green products and services through Green Public Procurement legislation and programmes
- Provide a platform for governments, SMMEs and umbrella organisations to enhance the flow of information across the market
- Establish better coordination between existing public programmes to help close gaps. The Department of Trade and Industry and the Department of Small Business development should take the lead developing a clear road map to underpin the scale up of SMMEs
- Foster innovation hubs to help disseminate important information



Private Sector

- Build mentorship programmes and mutually beneficial partnerships between large and small companies to increase capacity development
- Adopt Green Procurement strategies

Annex: SEED South Africa Symposium 2015 Programme

Entrepreneurship: A solution for climate change and green growth

Programme – 27 May 2015	
	Chair: <ul style="list-style-type: none"> • Professor Memory Tekere, University of South Africa
08.00 – 08.45	Registration and coffee
08.45 – 08.55	Housekeeping Speaker: <ul style="list-style-type: none"> • Prof Godwell Nhamo, University of South Africa – Conference Chair
08.55 – 09.05	Introduction and welcoming Speaker: <ul style="list-style-type: none"> • Helen Marquard, Executive Director SEED
09.05 – 09.30	Keynote address Speaker: <ul style="list-style-type: none"> • Prof Martina Maria Keitsch, Norwegian University of Science and Technology Electric Vehicles – Uptake and Up-scaling in Norway
09.30 – 09.40	Opening address Speaker: <ul style="list-style-type: none"> • Geraldine Reymanants, General Representative of the Government of Flanders in Southern Africa
09.40 – 10.20	Setting the scene Speakers: <ul style="list-style-type: none"> • Alf Wills, Deputy Director General, Department of Environmental Affairs (DEA), South Africa • Titus Baloyi, Founder of Bembani Technologies
10.20 – 10.30	Launch of SEED Virtual Exhibition Speaker: <ul style="list-style-type: none"> • Helen Marquard, Executive Director SEED
10.30 – 11.00	Coffee Break and Marketplace (organised by SEED and IDC)

Breakaway Session – Room: Baobab

	Chair: <ul style="list-style-type: none"> Helen Marquard, Executive Director, SEED
11.00–13.00	Fishbowl discussion Entrepreneurs, SMMEs, and research and innovation Speakers: <ul style="list-style-type: none"> Jennifer Higgs, PR and Fundraising Specialist, greenABLE Paul Plantinga, Project Coordinator at The Innovation Hub Henry Roman, Director Environmental Services & Technologies, Department of Science & Technology, South Africa Roland Meintjes, Procurement Manager at ECOVEST Mapula Tshangela, Director for Sustainable Development & Green Economy, DEA Moderator: <ul style="list-style-type: none"> Cecilia Njenga, Director of UNEP Liaison Office in Pretoria, South Africa
13.00–14.00	Lunch and Marketplace
14.00–14.40	Panel discussion Greening SMME Finance and Policy Speakers: <ul style="list-style-type: none"> Pieter Botes, Investment Manager, GROFIN South Africa Naomi Koeberg, Senior LED Manager, Industrial Development Corporation (IDC) South Africa Mapula Tshangela, Senior Policy Advisor, National Sustainable Development, Department of Environmental Affairs, South Africa Moderator: <ul style="list-style-type: none"> Helen Marquard, Executive Director SEED



Breakaway Session – Room: Baobab

14.40–16.00	<p>Worldcafé Session</p> <p>Entrepreneurship and green growth: recommendations for action</p> <p>The Worldcafé session offered interactive small groups the opportunity to elaborate and identify key solutions and enablers to foster the growth of entrepreneurship for climate change and green growth. The following topics were be discussed: Research and Innovation, Policy, Green Procurement, Finance, Capacity Building, Market Access. The discussions were led by different experts in the research, development, entrepreneurship, finance and policy fields.</p> <p>Table moderators:</p> <ul style="list-style-type: none"> • Rest Kanju SEED South Africa • Michelle Layte, Secretariat Manager, The Green Fund, Development Bank of Southern Africa • Shanna Nienaber, Deputy Director Environmental Services – Department of Science and Technology South Africa • Rebecca Szrama, Head of Responsible & Inclusive Business Hub (RIBH) South Africa – Deutsche Gesellschaft für Internationale Zusammenarbeit (giz) • Mapula Tshangela, Senior Policy Advisor, National Sustainable Development – Department of Environmental Affairs, South Africa
16.00–16.15	<p>Coffee Break and Marketplace</p>
16.15–17.15	<p>Summary of the day and closing comments</p> <p>Wrap-up of the Worldcafé Session by the moderators</p> <p>Closing comments by Helen Marquard, Executive Director, SEED</p>
17.15–18.00	<p>Announcement of the recipient of the 2015 SEED Accelerator in South Africa and Networking</p> <p>Remarks by:</p> <ul style="list-style-type: none"> • Youbi Li, General Manager Hisense South Africa • Geraldine Reymanants, General Representative of the Government of Flanders in Southern Africa





For more information please write to info@seed.uno or visit www.seed.uno



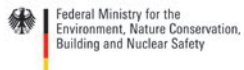
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