



**Western Cape  
Government**  
Economic Development  
and Tourism

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# SELECTION OF A LONG-TERM PARTNER IN THE UPLIFTMENT AND GROWTH OF THE GREEN ECONOMY IN THE WESTERN CAPE

## Request for Information

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Issued by: **DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM**

Date of issue: **25 June 2019**

Closing date: **01 August 2019**

The RFI documents detailing the information requirements are available on the following websites: <https://www.westerncape.gov.za/110green/> and [www.westerncape.gov.za/dept/edat](http://www.westerncape.gov.za/dept/edat). The document is also available from the

following email addresses: [Moyra.Dick@westerncape.gov.za](mailto:Moyra.Dick@westerncape.gov.za) or [Yumna.Gihwala-Salie@westerncape.gov.za](mailto:Yumna.Gihwala-Salie@westerncape.gov.za).

All queries must be directed to Moyra Dick at 021 483 9227 or [Moyra.Dick@westerncape.gov.za](mailto:Moyra.Dick@westerncape.gov.za) , alternatively contact Yumna Gihwala-Salie at 021 483 9131 or [Yumna.Gihwala-Salie@westerncape.gov.za](mailto:Yumna.Gihwala-Salie@westerncape.gov.za). We will endeavour to respond within 48 working hours. Closing date for RFI submissions: **01 August 2019 at 12:00.**

Please ensure that all required documentation referred to in point 6 below is provided. **Failure to supply the required documentation will result in your proposal being marked as non-compliant and excluded from evaluation.**

Entities must ensure that all relevant documentation is submitted in the bid box on the 11<sup>th</sup> floor, 80 St. George's Mall, Waldorf Building, Cape Town, 8000 before the closing date and time as mentioned above.

#### **HOW TO PROVIDE THE INFORMATION REQUESTED**

- A formal hard copy version of your **business plan, business case or funding proposal** with all appropriate forms completed, etc. will have to be submitted.
- In addition to the formal hard copy, 2 electronic files must be provided via email – one in a Microsoft Word, and one in a PDF format.
- **The Word document must be a copy of the response section of this file with either the answers inserted in the appropriate places. and / or reference to business plan, business case or funding proposal.**
- A Microsoft Word version of the response section will be made available to prospective entities upon request.
- The PDF document must be an exact copy of the word document as well as all the other information contained in the hard copy submission.
- Expand the text boxes as necessary.
- Do not place additional information in an appendix or annexure; rather place any additional information immediately following the question before proceeding to the next question excluding where the information is already included in the business plan, business case or funding proposal.

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## 1 INTRODUCTION

This Request for Information (RFI) is to identify a suitable partner that can work with the Western Cape Government's (WCG) Department of Economic Development & Tourism (DEDAT) to support the growth of the green economy in the Western Cape.

The RFI is for non-profit and non-governmental entities with at least 5 years' experience operating in all components of the green economy. Further requirements are listed in point 5 of this document.

## 2 BACKGROUND

The green economy in the Western Cape has expanded substantially in the recent past in key areas such as:

- Energy - driven primarily by concerns around energy security, the cost of energy, and the demand for lower carbon intensities in order to mitigate climate change in line with the Paris Agreement;
- Water - driven primarily by the worst drought in the history of the Western Cape and ongoing water security concerns given climate change projections for the province;
- Waste - driven by the shortage of landfill space, the cost of raw materials, the cost of disposal and increasing littering and dumping;
- Understanding the value of and driving the need for improving resilience in ecosystems - driven by the realisation of the ability of natural systems to buffer the effects of climate change, improve the sustainability of water provision and provide new economic opportunities; and
- Green agri production and green agri-processing - driven by the need to reduce the vulnerability of agriculture to climate change and to maintain and grow job and business opportunities in agriculture and the agricultural value chain, taking advantage of new and more cost-effective means of production, and ensuring food security.

In addition to the above, there has been significant work undertaken by multiple stakeholders, including all three spheres of government, business and industry chambers and associations, research institutions, NGOs / NPOs, entrepreneurs, businesses and consultants on many of enablers including:

- Infrastructure – with the advancement of the Atlantis Greentech Special Economic Zone and detailed feasibility studies on the importation of liquified natural gas;
- Capabilities – through various skills development programmes, primarily in the energy and water fields;
- Knowledge management – through the development of channels to share best practice and latest information;
- Rules and regulations – with extensive work on small scale embedded generation feed-in frameworks, alternative water guidelines and regulations and sustainable public procurement; and

- Finance – with extensive work on small scale embedded generation feed-in tariffs and alternative financing models for energy and water, and with the finance sector and municipalities aimed at derisking green economy technologies and developing alternative financial mechanisms to make green technologies more accessible.

Notwithstanding the work undertaken to date, there is still a need for better co-ordination across many aspects, for taking this work to scale in many respects, and for the learnings and opportunities to be more effectively shared across the Western Cape. In addition, while the areas of smart transport (public transport, non-motorised transport, alternative fuels and the global shift towards electric vehicles (EVs)) have started to gain more traction, substantially more work is still required. Different stakeholders have different roles to play in advancing these issues.

The green economy currently suffers from multiple market failures that need to be addressed including:

- Productive and allocative inefficiencies due to the fact that utilities, such as waste, energy and water:
  - are not priced effectively,
  - are not used as efficiently as possible and
  - are the backbone of municipal revenue and required for cross subsidisation.
- Monopoly power: particularly in the energy space with Eskom.
- Negative (environmental and social) externalities: the price of resources doesn't reflect the true cost of environmental externalities such as:
  - the over abstraction of water (affecting long term water availability and ecosystem functioning) and
  - carbon emissions, with knock on climate change impacts.
- Information failure: The dynamic nature of new, fast changing and 'untested' technologies in the green economy and the rapidly decreasing costs of these technologies means that businesses and investors are not able to take informed decisions on alternative means of and more resource efficient & resilient production or market opportunities.
- Missing markets: The latest International Panel on Climate Change (IPCC) report in October 2018 gives the global economy less than 12 years to "rewire" towards a low carbon economy, yet there are no market mechanisms to drive the scale of change required.
- Incomplete markets: Due to pricing and other barriers, many green economy related technologies and products struggle to compete with less resource efficient and environmentally damaging products and technologies.
- Unstable markets: the recycling market – Critical to managing waste in a more sustainable manner and potentially providing significant work opportunities – is highly volatile, with consequent knock on impacts to the sustainability of businesses in this area.

- Inequality: The relatively high cost of green economy related products, technologies and services means that they are currently more accessible to larger, well-resourced businesses and more wealthy households, enabling the well-off to save costs, not servicing the less affluent, and negatively impacting on municipal revenues which are used to cross subsidise the poor.

Most of these market failures are external to government and generally occur within the private sector realm. In order to address market failures, the development of the green economy requires significant work towards market creation (identifying and helping to develop new business opportunities and new products, technologies and services that change the game), policy changes, advocacy, facilitating a technology friendly regulatory environment, using government buying power to drive process down, changing revenue, financial and costing models, and enabling decentralisation where appropriate amongst others.

Addressing both the supply and demand sides of the green economy requires working across multiple spheres of government, businesses and organisations, co-ordinating parties, lobbying for changes in the regulatory environment (usually at a national and local government level), and exploring alternative forms of financing, and networking.

All these activities enable the gathering of extensive and rapidly evolving market intelligence. Crossing these divides requires a trusted, ecosystem co-ordinated, independent and responsive industry-facing body. As the Western Cape Government, while we play a co-ordination/enabling role and focus on addressing multiple systemic issues, we are or can be perceived to have a particular policy perspective, and to have vested interests and we are, therefore, not always regarded as a trusted, ecosystem co-ordinated and independent industry-facing body.

### **3 WAY FORWARD**

Respondents are requested to outline how they would support the growth of the green economy in the Western Cape, particularly as a trusted, ecosystem co-ordinated, independent and responsive industry-facing body. A funding proposal/business plan/business case must be submitted that clarifies what is needed to unlock the green economy (both the demand and supply side), what industry needs are, what the role of a trusted, ecosystem co-ordinated, independent and responsive industry-facing body would be and how this role would be realised in a partnership between the Western Cape Government, other spheres of government, business and industry chambers and associations, research institutions, NGOs/NPOs, entrepreneurs, businesses and multiple other stakeholders consultants and the responding non-profit/non-governmental organisation.

The responding entity would need to clarify and show evidence of past experience that indicates that they are able to support multiple sectors of the green economy –

both the supply and demand sides as well as across multiple themes including, for example, energy, water, waste, transport, ecosystems, etc.

## **4 FREQUENTLY ASKED QUESTIONS**

### **1. Is there a preferred respondent type?**

The WCG would like to partner with a non-profit/non-governmental entity that can act as trusted, ecosystem co-ordinated, independent and responsive industry-facing body. Sub-contracting may be allowed, however written approval must be sought from the project manager prior to sub-contracting, and this must not exceed 25% of the value of the agreement. Further requirements will be clarified in the agreement.

### **2. Are there options for the public sector to contribute financially to the project?**

Yes.

### **3. What period would the partnership be valid for?**

The WCG is looking to partner for an extended period. The need for such a partnership would be reassessed as and when required.

## **5 SUBMISSION REQUIREMENTS**

### **5.1 SCOPE OF THIS RFI**

The Western Cape Government (WCG) through the Department of Economic Development and Tourism (DEDAT) seeks information from green economy sector-focused NPOs/NGOs that outline the entity's interest in enabling and helping to grow the Western Cape's green economy, through the establishment of a long-term partnership with the WCG/DEDAT. Information submitted is to take the form of entity credentials and business plan, business case or funding proposal.

The key focus areas of the information provided should include:

- The aims, objectives, profile and description of the entity.
- The approach towards identifying economically viable green economy business opportunities in all green economy sectors.
- The approach towards acting as a trusted, ecosystem co-ordinated, independent and responsive industry-facing body in identifying and unlocking barriers that prevent green economy opportunities from being realised.
- The approach to aiding green economy businesses (i.e. supply side - green technology, product or service suppliers) in all green economy sectors to help them grow, establish, invest and generate employment opportunities in the Western Cape.
- The approach to aiding the demand side of the green economy – i.e. supporting businesses to green e.g. their design/products/operations/logistics/ value chains.
- Evidence of strong delivery capabilities in the green economy as per the above.

- An overview of how progress would be monitored and evaluated.
- Track record of the entity's ability to leverage additional funding.
- An overview of the skills set within the entity that enable the entity to meet its aims and objectives.

Note that in addition to the above, the respondent must provide evidence that:

- The entity has operated for at least 5 years in the green economy.
- The entity is a member/affiliate of an internationally recognised organisation/association whose interests are specific to the development of sectors within the green economy.
- A minimum level of corporate governance is achieved/maintained.
- It has a Board that meets regularly to provide oversight to the entity.

## **6 REQUIREMENTS AND RESPONSE SECTION**

Respondents to this RFI must follow exactly the format presented in the response form document.

Respondents are required to define their solution in appropriate detail and to describe the ways in which it meets the requirements defined in the RFI. Respondents are also required to define and elaborate on any other features, functions and/or capabilities included in the information provided, but not stated as requirements in the RFI.