

# Resilience-led economic responses to an acute shock

Lessons learnt from implementing a series of resilience-led economic interventions to support the business of green during the shock of the COVID-19 pandemic

## Stresses & Shocks:

FINANCIAL/  
ECONOMIC  
CRISIS



COVID-19



## CAPE TOWN'S RESILIENCE STRATEGY

### PILLAR 1:

**People**  
**Compassionate,**  
holistically healthy city

### PILLAR 2:

**Place & Space**  
**Connected,** climate  
adaptive city

### PILLAR 3:

**Economy**  
**Capable,** job  
creating city

### PILLAR 4:

**Disaster readiness**  
**Collectively,**  
shock-ready city

### PILLAR 5:

**Governance**  
**Collaborative,**  
forward-looking city

## What is resilience?

In human terms, resilience refers to "the ability of an individual to recover from setbacks, adapt well to change and to keep going even when facing difficult circumstances". A resilient Cape Town is a compassionate, connected, and capable City, where Capetonians collaborate across households, communities and institutions, to build collective responses to the current and future social, environmental and economic challenges.

## PURPOSE

This case study reflects on lessons learnt from a series of multi-stakeholder resilience-led interventions implemented by GreenCape and an eco-system of partners during the months of lockdown that ensued from the outbreak of the COVID-19 global pandemic in early 2020.

The targeted interventions were focused on supporting the City of Cape Town's (CCT) green business community, as well as the regional and national economy. The main aim was to help make sure that green businesses, particularly green small, medium and micro-sized enterprises (SMMEs), could survive, adapt and eventually thrive again post pandemic, to play a key role in a #greenrecovery and #buildingbackbetter.

## IT IS WRITTEN FOR:

- ✓ Cities and regions exploring international collaborations to create a resilient network to draw on during acute shock events (e.g. severe regional droughts or global health pandemics).
- ✓ Cluster organisations that in many instances play a key co-ordination role during acute shocks.
- ✓ The International Cleantech Network's (ICN) member cluster organisations and their constituents, to document the lessons learnt to inform future global collaborations to grow the green economy.

## Background

Acute shocks are sudden, sharp events that threaten a city, for example, drought, fires, floods, diseases outbreaks and infrastructure failure. At the time of writing, the COVID-19 pandemic is not over. However, there are examples of green businesses that have adapted

to the acute shock in ways that are likely to remain standard practice after the pandemic has subsided. In effect, they have used the shock of the pandemic to adapt and to find new, efficient ways of operating, giving them the highest probability of a thriving in the future.

GreenCape is one of the CCT's Catalytic Business Partners. In many instances there were multiple stakeholders and co-funders for these COVID-19 resilience interventions, demonstrating the co-ordination impact of the CCT's Catalytic Business Partners programme.



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## Key Insights

- 1 International collaborations provide a strong foundation for creating a resilient network to draw on during times of acute shock.
- 2 Strategic and tactical support to green companies can assist them to use a shock, like the pandemic, to adapt and to find new, efficient ways of operating, giving them the highest probability of thriving in the future.
- 3 Insights about current international and South African green recovery approaches and initiatives, and barriers to implementation, can inform policy development towards investment practices that can continue to aid recovery, and the Just Transition.
- 4 **Small business is integral to the South African economy and must be supported to survive and thrive:** SMMEs have significant potential to contribute to the long-term growth and development of the South African economy, and especially to create the jobs required to reduce unemployment and to contribute to the long-term social transformation of South Africa.
- 5 **Green SMMEs should be prioritised in line with national objectives and international trends:** Green SMMEs have a fundamental role to play in the future development of the South African economy, in order to meet the parallel objectives of job creation, social upliftment and meaningful transformation, and environmental protection and rehabilitation, climate change mitigation and adaptation, and adoption of circular economy resource efficiency practices.
- 6 **Innovative funding models can save small business and help them to grow:** The Green Outcomes Fund offers a number of key insights into the resilient, adaptable nature of green SMMEs, and the role that innovative funding models can play in ensuring their survival and growth. The nature of the green economy, both across different sectors (e.g. clean energy, sustainable agriculture, waste management, water, etc.) and up and down value chains, ensures that even in times of crisis there is a need for their services and operations to continue.
- 7 **Support needs to align with strategic long-term objectives globally and nationally given the shortages of financial and other resources:** Whilst the immediate priority is to survive the impacts and enable recovery from the COVID-19 crisis, it is important to remember that the policy responses put in place now will have long-term impacts on the future structure, competitiveness and sustainability of the economy.

## Solutions

This case study, like the GreenCape COVID-19 response, uses the language and framework of resilience, specifically: **Survive, adapt and thrive**. This provides a useful and well socialised structure to present insights from implementing a series of interventions in response to the acute shock.





**Table 1: SURVIVE** – The first set of interventions were focused on leverage international partnerships and networks to support survival.

INTERVENTION	DESCRIPTION	LINK
Webinar series	This was a webinar series leveraging the ICN network to unlock strategies to survive	<a href="https://www.youtube.com/watch?v=nhloh8lc9HE">https://www.youtube.com/watch?v=nhloh8lc9HE</a>
Clean Conversation (E1)	Bertrand Piccard, Mike Mulcahy, Jeannette Jackson and Denis Le Clerc discuss what the global approaches are for Cleantech to survive COVID-19.	<a href="https://www.youtube.com/watch?v=SuPAh88pdtU&amp;t=2802s">https://www.youtube.com/watch?v=SuPAh88pdtU&amp;t=2802s</a>
Clean Conversation (E2)	This was the second in the series and featured Lance Greyling, Director: Enterprise & Investment, CCT.	<a href="https://www.greencape.co.za/content/clean-conversations/">https://www.greencape.co.za/content/clean-conversations/</a>
Clean Conversation (E3)	Corporate champions in the efforts to build back better	<a href="https://www.youtube.com/watch?v=N2lFsSqK_SE">https://www.youtube.com/watch?v=N2lFsSqK_SE</a>
EU SMME resilience funding (E1)	The EU delegation provided some direct financial support to green SMMEs through the GoF	<a href="https://www.youtube.com/watch?v=kD1fopVUDJY&amp;t=235s">https://www.youtube.com/watch?v=kD1fopVUDJY&amp;t=235s</a>
EU SMME resilience funding (E2)	This is the 2nd video featuring SMMEs in South Africa's COVID-19 response	<a href="https://www.youtube.com/watch?v=8zDgR6loUXA">https://www.youtube.com/watch?v=8zDgR6loUXA</a>
EU SMME resilience funding (E3)	Third in the series – beginning to highlight some of the successes in this project.	<a href="https://www.youtube.com/watch?v=unaGxQljOzl&amp;t=112s">https://www.youtube.com/watch?v=unaGxQljOzl&amp;t=112s</a>

**Table 2: ADAPT** – A set of interventions aimed at supporting the build back better narrative locally, nationally and internationally.

INTERVENTION	DESCRIPTION	LINK
Solar Impulse Foundation SA	This was the launch of the Solar Impulse Foundation labelling platform in South Africa. About a dozen South African green companies were able to get a label.	<a href="https://www.youtube.com/watch?v=wXT8dALzylw">https://www.youtube.com/watch?v=wXT8dALzylw</a>  News release: <a href="https://www.greencape.co.za/content/sa-green-companies-among-1-000-global-profitable-cleantech-solutions/">https://www.greencape.co.za/content/sa-green-companies-among-1-000-global-profitable-cleantech-solutions/</a>
Green shoots at grass roots	This video has over 80k views and was about the regenerative opportunity for the Green Economy in SA.	<a href="https://www.youtube.com/watch?v=s0didLICuBg&amp;t=4s">https://www.youtube.com/watch?v=s0didLICuBg&amp;t=4s</a>
Policy workshop	This is a policy workshop with National Treasury (NT) and several stakeholders to learn in real time about the COVID-19 response.	<a href="https://www.youtube.com/watch?v=EgG7vdZ74v4">https://www.youtube.com/watch?v=EgG7vdZ74v4</a>
Build-back better: Green Economy	This video has over 50k views and was focussed on positioning SA as a preferred Green Economy investment destination.	<a href="https://www.youtube.com/watch?v=JLWlx4U_wfc">https://www.youtube.com/watch?v=JLWlx4U_wfc</a>
Policy brief	This is a policy brief that materialised from the EU workshop and was provided to National Treasury.	Email to request: <a href="mailto:greenoutcomes.fund@greencape.co.za">greenoutcomes.fund@greencape.co.za</a>
Research finding: SMME adaptation	This deck is a synthesis of research finding on how SMMEs are trying to adapt.	Email to request: <a href="mailto:greenoutcomes.fund@greencape.co.za">greenoutcomes.fund@greencape.co.za</a>
Simplify to Amplify media campaign	This was a national media campaign funded by FNF and provided a platform for the City to also speak about its climate plans to build back better (on national media platform with an international reach.)	<a href="https://iono.fm/e/966045">https://iono.fm/e/966045</a>

**Table 3:** – Towards **THRIVE**

INTERVENTION	DESCRIPTION	LINK
<b>ICN passport (Empire building challenge)</b>	With a primary focus on the R716 million Empire Building Challenge, this is a chance to put local businesses on the global stage and position the country as a clean technology, future-focused hub.	<a href="https://www.investcapetown.com/calling-all-south-african-clean-technology-companies/">https://www.investcapetown.com/calling-all-south-african-clean-technology-companies/</a>
<b>Solved Platform</b>	Solved is a platform for sharing GreenTech opportunities via the ICN members – this is a platform that is currently being populated – but is functional.	<a href="https://icn.solved.fi/login">https://icn.solved.fi/login</a>
<b>Solar Impulse Foundation label</b>	There are over 1000 Solar Impulse Foundation labelled green solutions from around the world – these include South African SMMEs, giving them access to a global label on a global stage.	<a href="https://solarimpulse.com/">https://solarimpulse.com/</a>
<b>Underway: Policy review of the opportunity for South African SMMEs to position themselves in the EU</b>	This work will enhance the competitiveness of SA SMMEs who export to the EU	Work due in Nov 2021
<b>Information sharing with the Investment Promotion Agencies</b>	There is a series of information sharing sessions with InvestSA and the World Bank – this will allow some sharing of what has worked in SA	Work in progress
<b>Market Intelligence Reports</b>	More than ever these credible sources of market intelligence decrease the barriers to entry.	<a href="https://greencape.co.za/market-intelligence/">https://greencape.co.za/market-intelligence/</a>

## Impact

It is very early to consider any of these interventions as thriving – however there are some signs that there might well be opportunities for SMMEs to pivot the way that they work and find new opportunities as a result.

The EU Delegation to South Africa and the GOF partnerships not only retained 760 jobs, but in addition resulted in 41 jobs being created by participating green SMMEs during project implementation. The project included stakeholder engagement dialogue events, financial resilience support to a cohort of green SMMEs through the GOF, as well as a policy input document presented to National Treasury's The Jobs Fund (the initiative that funds GOF's pilot phase). The SMMEs that were part of this project represented a spectrum of green economy businesses. The cohort included waste recycling, alternative clean energy, recycled materials, sustainable materials, sustainable agriculture, ecological sustainability, water sustainability and efficiency and land rehabilitation.

*“Green SMMEs offer a great opportunity through which South Africa can drive its post-COVID-19 recovery as well as longer-term structural reforms required to prosper. Given the key role played by small businesses in employment creation and inclusive economic growth, support for them will surely be an integral part of South Africa's recovery plan.”*

– Ambassador Riina Kionka, EU Ambassador to SA.

The Solar Impulse Foundation announced that it has officially reached the goal of assigning the Efficient Solutions Label to 1 000 profitable cleantech solutions from around the world. The Solar Impulse 1 000 Efficient Solution Label is designed to shed light on existing solutions that are both clean and profitable, and have a positive impact on quality of life. South African cleantech solutions now form part of this unique international portfolio.

## Impact

These interventions are currently followed up ongoing work with a network of partners that aims to be as proactive as possible in removing possible trade barriers that green SMMEs will face as a result of COVID-19. The intention is to explore ways to create viable climate-friendly business partnerships across borders in the context of a world that is recovering from COVID-19 and to play a role in mapping, understanding and overcoming the 'new' barriers to trade that are a result of the COVID-19 pandemic.

The ICN has also released a call for proposals for green businesses. The Charge On challenge is provided by BHP, Rio Tinto and Vale and aims at developing innovative ways to safely charge mining truck fleets without losing productivity (trucks of 220 tons requesting 220 kWh). This is an opportunity to enter a protected market (mines) and gain visibility with the Vale group and other corporates that are seeking solutions to reduce its carbon footprint. South African SMMEs are able to participate in this and other calls through GreenCape support.

*"The sort of opportunities that are embodied in the ICN challenges will allow South African companies to participate on a global stage, further positioning the City as a cleantech hub."*

– Alderman James Vos, City of Cape Town Mayoral Committee member for Economic Opportunities and Asset Management.

## SUMMARY



### SURVIVE

The pandemic triggered an immense level of global cooperation in working towards finding solutions. There was a definite narrative swing toward 'build-back-better', and an opportunity to use the Green Economy as the preferred global growth path reinforced this narrative, particularly for green companies.

Several interventions were specifically designed to help green SMMEs survive and begin to adapt.



### ADAPT

There is a great amount of insight into the resilience of firms and the attempts at trying new things. Perhaps the biggest standout insight from this work was the emotional support, when someone wanted a business to survive and that they were doing something about that.

There was huge creativity in adapting as companies changed approaches, business models and products in order to adapt to COVID-19 conditions.



### THRIVE

The COVID-19 pandemic is not over – and it is likely premature to point to examples of thriving as it seems as if the world is still in the adaptation phase. However, there are some examples of green SMMEs and companies that have adapted in ways that are likely to remain the standard practice after COVID-19 has passed. In effect, they have used the shock of the pandemic to adapt and to find new, more efficient ways of operating – giving them the highest probability of a thriving future.

For more information or to sign up as a GreenCape member, visit <https://www.greencape.co.za/become-a-greencape-member/>, email [info@greencape.co.za](mailto:info@greencape.co.za) or telephone 021 811 0250.

Visit the GOF web-page: <https://thegreenoutcomesfund.co.za/>  
Visit the ICN web-page: <https://www.internationalcleantechnetwork.com/>  
Visit the Solar Impulse Foundation: <https://solarimpulse.com/>