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REPUBLIC OF SOUTH AFRICA

SPEECH BY THE DIRECTOR-GENERAL, DONDO MOGAJANE

LAUNCH OF THE REPORT ON THE ECONOMIC EMPOWERMENT OF WOMEN IN THE GREEN INDUSTRY - A POLICY ASSESSMENT

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- Good morning and welcome to this auspicious launch that touches on two global imperatives, that of redressing the economic exclusion of women and rebuilding the environment with sustainable green economic development.
- The imminence of the speakers on this morning's programme bears testimony to the importance of these developmental goals.
- I would like to extend a special welcome to our co-hosts Minister Nkoana-Mashabane - Min of the National Department of Women, Youth and People with Disabilities,
- Minister Barbara Creecy – Min of the National Department of Forestry, Fisheries and Environment.
- Mr Christian Gruen – Head of Cooperation, Embassy of the Federal Republic of Germany.
- Also welcome to Ms Adenike Oladosu – Founder and CEO ILead Climate who will be our guest note speaker and our presenters and panel discussion members
- Your contribution to this engagement is instrumental, welcomed and greatly appreciated.
- South Africa has made progress in fostering human rights, entrenching gender equality and the empowerment of Women.
- However, South African women, similar to the world over, still face significant challenges in accessing equal opportunities in the economy and equal treatment in the labour market.
- According to the Quarterly Labour Force Survey of the 2nd quarter of 2021,



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- the South African labour market remains more favourable to men than it is to women.
 - The research states that Men are more likely to be in paid employment than women regardless of race,
 - while women are more likely than men to be doing unpaid work.
 - The proportion of men in employment is higher than that of women.
- This inequality has been further exacerbated by COVID-19,
 - NIDS CRAM 2020 analysis over four COVID waves reports that women were more likely to be in sectors that were hardest hit by the crisis, and perhaps also less likely to have the skills or training to take up the new opportunities available.
 - The recently released UN Intergovernmental Panel on Climate Change (IPCC) Working Group 1 report has raised serious concerns about Global Heating, with extreme weather patterns having a greater effect on the already vulnerable, which includes women and children.
 - Rapid biodiversity loss, changes to the water cycle and ocean ecosystems requires drastic measures to reduce our impact on the Earth.
 - For the National Treasury as custodians of South Africa's national government finances, supporting efficient and sustainable public financial management is fundamental to the promotion of economic development, good governance, social progress and a rising standard of living for all South Africans.
 - Over the medium term, National Treasury priorities include increasing investment in infrastructure and industrial capital; improving education and skills development to raise productivity; improving the regulation of markets and public entities; and fighting poverty and inequality through efficient public service delivery, expanded employment levels, income support and empowerment.
 - In terms of our commitment to the Economic Empowerment of Women in the Green Economy, the National Treasury is in the process of introducing two separate reforms in support of the economic empowerment of women and in creating an enabling environment for the green economy. While these two reform agendas are at different stages of implementation it is the intention to build interlinkages so that women owned-businesses secure economic opportunities in the development of the green economy and as the green economy grows so too will the development of women owned enterprises.



- **The first is to promote Economic Empowerment of Women**

- **Preferential Procurement:** One of the mechanisms to support the economic development of women-owned business is through public preferred procurement. This economic developmental instrument will continue to find expression in the new Procurement Bill with set aside procurement targets for both women and youth owned enterprises.

- **Gender Responsive Budgeting:** To address the challenges of gender mainstreaming and responsiveness in government, the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA) was approved by Cabinet in March 2019. The National Treasury is contributing to the implementation of this framework, with the assistance of the IMF, by developing a Country roadmap for the mainstreaming of gender in the budget cycle for all government departments.

- **The second is the transitioning to a Green Economy which requires a collective effort by all sectors of society to consciously change our policy decisions, economic actions and personal behaviour.**

- South Africa is experiencing the impact of Global Warming with extreme weather patterns, impact on coastal regions, river ecosystems and biodiversity loss all impacting on our food security, physical wellbeing and social safety.

- **To support the systemic change needed to transition to low carbon and climate resilient economy, the key policy levers of the National Treasury are:**
 - *Carbon pricing:* Internalising the externality costs of climate change by explicitly pricing carbon through the carbon tax and influencing behaviour change.
 - *Green taxonomy and risk disclosures:* addressing transition risks and ensuring appropriate reallocation of capital via sustainable finance initiatives including the green taxonomy, climate related financial disclosures.
 - *Financial incentives:* Appropriate financial incentives for green investments including tax incentives, guarantees, green bonds and carbon finance.
 - *Reorienting public spending* towards a low carbon, energy-efficient and climate resilient infrastructure investments and mainstreaming climate considerations into the budget process.



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- *Tracking the flows of climate finance* by the public and private sector to inform future funding needs and priorities
- *Access climate finance* through the Green Climate Fund, Climate Investment Funds and other mechanisms.
- *Energy sector economic reforms and Just transition and Operation Vulindlela* a joint initiative between the Presidency and National Treasury supports the Fast tracking procurement of additional electricity, improving municipal distribution and reducing the administrative burden for an embedded generation.

Additional game changing initiatives currently undertaken by National Treasury includes

- **The City Support Programme** is working with metros and sector departments to drive a support and reform agenda that strengthens the climate resilience and sustainability of metropolitan municipalities.
 - The integration of climate change into the planning, budgeting, reporting and capital project prioritisation processes of metros will help to ensure that climate change is considered as an integral and strategic component of city planning and decision-making, resulting in investments in capital projects that strengthen the resilience of our cities and the wellbeing of our citizens.
 - Central to ensuring a resilient, green economy is ensuring that services that are vulnerable to transitions, such as water, solid waste management and municipal electricity address the risks that they face.
 - The Cities Support Programme is driving reforms in the metropolitan water and electricity businesses, as well as solid waste management, to strengthen the resilience and performance of these businesses.
 - For example, while prolonged drought draws attention to the need for investments in water resources, these investments will be wasted without ensuring that the municipal businesses that run water (or solid waste or electricity services) are resilient and able to adapt to transitions. The levels of water loss – in cases upwards of 40% of water in the network – cannot be justified particularly in a context like ours of scarce water stress and fiscal constraints.



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- Implementing reforms that address the underlying causes of inefficiencies in these businesses is foundational to ensuring a resilient, green and just economy.
- Harnessing opportunities in the just transition to strengthen service delivery, particularly in underserved areas and communities and to address inequality has to be foremost in our agenda.
- **Sustainable Finance**, in June 2020 National Treasury launched an extensive multi stakeholder process aimed towards the development of a national Green Finance Taxonomy.
 - A green financing taxonomy is “an official classification or catalogue that defines minimum criteria for assets, projects, and sectors that are eligible to be defined as "green" in line with international best practice and national priorities.
 - This means they address climate change and other environmental priorities, while also seeking to reduce social risks and enhance social impacts.”
 - A taxonomy, therefore, helps financial sector participants to track, monitor and demonstrate the credentials of their green activities in a more confidently and efficiently way.
 - The Green finance taxonomy was released for public comments in June 2021 and is undergoing case study testing in nine financial institutions.
 - A handbook on sustainable finance methodologies and instruments is also being finalised, together with the Guidelines for climate-related disclosures by local financial institutions.
- **Climate Budget Tagging**
 - In the 2020/21 Budget Review, the National Treasury highlighted the risks of reactionary measures to mitigate climate change. To counteract these risks, the National Treasury will be undertaking an exercise of tagging climate-related expenditure to identify, classify, weigh and codify (“mark or tag”) climate-related expenditure that is related to the government’s budget system. This is to prepare for the estimation, monitoring and tracking of climate-related expenditure.



- Tagging climate-related expenditure lines is a useful starting point for understanding whether spending is aligned with needs, given climate risks and vulnerabilities facing the different sectors and parts of society.
- **Demonstration of collaboration and the potential of socio-economic upliftment of vulnerable groups in the green economy at a local level - within the City of Tshwane**
 - National Treasury's social responsibility programmes have provided support to various City of Tshwane community projects.
 - One such project is the City in collaboration with the South African Waste Pickers Association, Groundwork, the Department of Forestry, Fisheries and Environment, the Government Technical Advisory Centre and the European Union through the Capacity Building Programme for Employment Promotion (CBPEP), supported by the National Treasury, is developing a business model for the integration of waste pickers in the waste value chain within the City of Tshwane.
 - The main aim of the project is for the socio-economic upliftment of waste pickers and for the improvement of the natural environment by encouraging the diversion of waste from landfills, enterprise development and reusing of diverted waste resources for the manufacturing of new or recycled products.
 - This project has demonstrated amongst many other opportunities, the potential to create an enabling environment for the economic empowerment of women in green industries.
- There is still much work to be done but it is evident that addressing economic inclusion of women through building the green economy will protect the environment for future sustainable growth and development.
- It is now my privilege to introduce Minister Nkoana-Mashabane - Min of the National Department of Women, Youth and People with Disabilities, who will be sharing opening remarks
- Minister Barbara Creecy – Min of the National Department of Forestry, Fisheries and Environment who is unfortunately not available at this time but has kindly recorded her message for this auspicious occasion



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- And Mr Christian Gruen – Head of Cooperation, Embassy of the Federal Republic of Germany

Thank you and wishing constructive engagement