



# Opportunities for benefit sharing in the development of the Green Hydrogen value chain in South Africa

Promoting Green Hydrogen Economy in South Africa

17 July 2024

# Macro Context

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South Africa

# Why?

- Embedded systemic imbalance in South Africa's economic and industrial foundations

Reinforced by:

→ Obvious factors:

→ Poverty

→ Joblessness

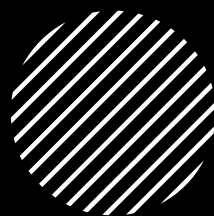
→ Inequality

→ Tacit factors:

→ Embedded bias in capital allocation mechanisms



What?



- South Africa's economic and industrial policy development pathways are rooted in the principles of **Economic Transformation**

- Inclusive economic/industrial growth
- Progress without Inequality



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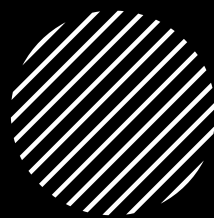
# How?

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- Economic Transformation Principles
  - How do we create longevity in industrial development and business practice?
  - Overarching question of sustainability....
- Rooted in Japanese Business Principle - Sanpo Yoshi (三方良し)
  - 3 parties in every business transaction – the buyer, the seller, society
- “Modern” interpretation - Creating Shared Value (Michael Porter)
  - Adds a 4<sup>th</sup> party – the supply chain



How?



- Broad Based Black Economic Empowerment Act


- Codes of Practice
- Sector Codes of Practice
- Procurement Regulations
- Licencing Regulations



# Median Context

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Global Green Hydrogen



# Why?

→ Est. latent demand for green hydrogen in 2024 is 94million tonnes

→ Est. latent demand for green hydrogen in 2050 is 1billion tonnes (10% of which is for mobility applications alone)





What?

- What is pushing the narrative that is driving the green hydrogen conversation?

→ \$ 1.3 TRILLION

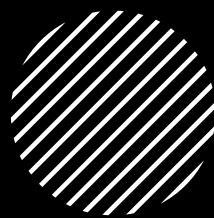
→ Capital allocation

→ Decarbonisation with profit





How?



- How are the capital allocation considerations driving the green hydrogen narrative?

- ESG
- Impact investing
- Green funds



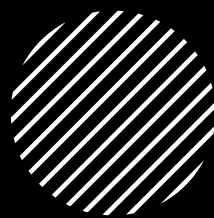
# Micro Context

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Green Hydrogen in South Africa



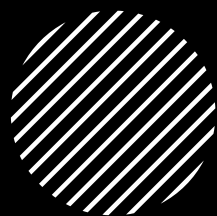
# SA Context



- RE Potential, but no grid availability
- Affordable Land
- Water Sources
- Technology
- Regulatory Environment



# Opportunities



- Shared Ownership
- Innovative Financing Models
- Supply Chain Diversification
- Skills Development
- Community integration
- Community participation





Questions