

# **EXECUTIVE MAYOR COUNCILLOR MPHO PARKS TAU'S SPEECH AT THE ANNOUNCEMENT OF THE FIRST- EVER MUNICIPAL GREEN BOND IN SOUTH AFRICA – MAYORAL PARLOUR**

**04 June 2014**

**Programme Director, MMC for Finance, City Manager, Senior City Employees and the Media**

## **Programme Director**

Today the City of Johannesburg held a successful auction of the historic first listed Green Bond in South Africa on the Johannesburg Stock Exchange (JSE).

This is a pre-listing stage of the bond, and realises our commitment to minimise the negative effects of climate change, in February this year during the City's C40 Mayors Summit, which gathered for the first time in Africa in Johannesburg.

The C40 Summit attracted Mayors and Senior Executives from 66 major world capitals to reflect on the worldwide concern on climate change, which is recognised globally as a potential threat to environment and economic development.

This means year on year, we have to continue to increase our efforts to conserve our finite resources to guarantee the security of supply of water and energy for our residents. Successful intervention, therefore require focused resources and effective partnerships.

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The City's "green bond" has raised funds to help respond comprehensively to Climate Change and sustainable management of resources.

Today marks the completion of the last stage before listing of our green bond, referred to as COJGO1. The auction was oversubscribed by 150% and was priced at 185 basis points above the 2023 government bond. Our investor's demonstrate commitment to environmental stewardship and

climate change, while they also receive a positive financial return. As the City, we thank all investors in this debut Green Bond.

### **Programme Director**

As the largest City in Africa, it is important to position Johannesburg well, to play a critical role in the global Green Economy. To this end, we have undertaken a range of valuable and potentially important green initiatives.

Just to paint a 2030 global scenario:

- Demand for energy, will increase by 50%
- Demand for water, will increase by 30%; and
- Demand for food, will increase by 50%;

These, coupled with climate change, constitute what is referred to in the “**Perfect Storm**” in the Oxford Martin report.

Global challenges manifest in different ways at the local level. We have, however, taken steps to mitigate this situation, which includes but are not limited to the installation of 43 000 solar water heaters by City Power which will collectively help to generate the equivalent of 22.5 Gigawatt hours of electricity per year – enough to run a small town or part of a suburban area.

The City has further mandated the Environment, Infrastructure and Services Department, the Board and Management of City Power, to present to the Council proposals for a future energy mix. This should include the increased utilisation of gas, roof top photovoltaic systems and other alternative greener energy sources.

### **Programme Director**

Final decisions on these matters will be made once the department and the company have made proposals. As a city, we are of the view that the

proposals will have the capacity to create new exciting opportunities in the area of energy supply.

We continue to develop Biogas-to-Energy (BTE) plants at our wastewater treatment plants, to mitigate climate Change and reduce energy costs. In November 2013, we commissioned the first plant at our Northern Works wastewater site and the second one at the Driefontein Works will be operational this year.

As a City we are concerned about the growth in water demand brought on by continuing rapid urbanisation. I therefore would like to make an urgent call on our citizens, to use water sparingly and help us reduce our per capita consumption of water.

### **Programme Director**

The City is also currently reviewing its bylaws and tariff policies to incentivize and promote water conservation and demand management initiatives by its citizens.

The diversion of waste away from landfills, remains a key priority for the City of Johannesburg. Some of the waste streams identified include the diversion of green waste, builders' rubble, food waste and residual waste.

Separation at Source is currently being rolled out in: Waterval, Zondi, Diepsloot, Orange Farm, Central Camp, Marlboro and Southdale. A total of 470 000 households are targeted for participation in the programme. The City's garden sites are being upgraded to accept recyclables. In the final stages of the programme, a total of 950 000 households will be included in the programme.

We will continue to partner with the private sector to accelerate the implementation of waste to energy projects that will move the City towards the attainment of a 70% reduction by 2030.

During the C40 Conference in February, we launched our first two Metrobuses which are powered by dual fuel – Compressed Natural Gas and diesel. In the next financial year starting in July 2014, Metrobus will be converting 30 more buses as well as purchasing 150 new buses which will be using dual fuel. The adjudication of these buses is being finalised and local manufacture will be maximised.

These efforts will also extend to other public and private transport. At some stage, all Joburg residents will be able to use locally produced energy sources to power their vehicles and enabling them to pay less for fuel or public transport. Our collective efforts will contribute both to job creation and a reduction in carbon emissions.

Finally, **programme director**, the green bond is one of the critical building blocks in our programme of achieving our goal to make ***Joburg, a World Class African City.***

I thank you