



## ECONOMIC DEVELOPMENT AND PLANNING CLUSTER

### ETHEKWINI GREEN BUILDING INCENTIVE POLICY

<b>Policy Drafted by:</b>	Development Planning, Management and Environment Unit
<b>Policy Implementing Department:</b>	Environmental Planning and Climate Protection Department
<b>Policy Mandated by:</b>	Head: Development Planning, Management and Environment Unit
<b>Signature of Mandating Official:</b>	TBC
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## **1. PREAMBLE**

The Paris Agreement, ratified by the South African Government, has three major objectives, one of which is to limit temperature increase to 1.5°C pre-industrial levels. Deadline 2020, developed by C40 Cities Climate Leadership Group (C40), sought to bring meaning of the Paris Agreement for cities around the world. A key outcome from Deadline 2020 was the identification of key areas that offer high greenhouse gas (GHG) emissions abatement potential, which includes buildings.

Minimum building standards are established, at a national level, through the National Building Regulations. This has resulted in the eThekweni Municipality having to offer a voluntary approach to ensure new buildings have lower carbon intensities in the short-term, while pursuing mandatory standards that do not conflict with the National Building Regulations.

The Head: Development Planning, Management and Environment Unit has mandated the development of the eThekweni Municipality Green Building Incentive Policy

The Green Buildings Incentive Policy emanates from the C40 South African New Building Programme, in consultation with internal stakeholders, external stakeholders and a call for public comment from which this policy was then redrafted.

## **2. PURPOSE OF THE POLICY**

The purpose of the eThekweni Green Building Incentive Policy is to:

- (1) reduce Greenhouse gas emissions from new buildings;
- (2) encourage the development of resource efficient and resilient buildings; and
- (3) state the incentives available for certified green buildings.

## **LEGAL FRAMEWORK**

Constitution of Republic of South Africa, 1996;

National Development Plan (2012);

New Growth Path (2010);

Municipal Finance Management Act (2003);

Municipal Property Rates Act No.6 of 2004;

EThekweni Rates Policy;

EThekweni Municipality Integrated Development Plan; and

### 3. PROBLEM STATEMENT

- Limited implementation of net zero energy buildings;
- Limited reduction of GHG emissions from buildings; and
- Lack of development of climate resilient buildings.

### 4. DEFINITIONS AND ACRONYMS

#### (1) DEFINITIONS

Agreement	A written document entered into between the eThekwini Municipality and a property owner, of its representative, detailing the incentive granted and the rights and obligations of the parties.
Applicant	A person or entity that owns or act on behalf of a property owner who completes the Applications Form.
Application	Refers to the completed Application Form and supporting documents submitted to the eThekwini Municipality in respect of this policy.
Application Form	Refers to the latest Application Form for the eThekwini Green Building Incentive Policy.
Green Certified Building	A Green Certified Building means a building that has been validly accredited with either a Green Star, EDGE, Net-Zero or Net-Positive certification by the Green Building Council of South Africa.
Economic Development and Planning Committee	means a committee of eThekwini Municipality Council comprising of Councillors that oversee the Economic Development and Planning Cluster.
Energy	In terms of this Policy, refers to electricity consumption within a land parcel.
eThekwini Municipality	Refers to the eThekwini Municipality, as an organ of state.

Financial Incentives	In terms of this Policy, financial incentives relate specifically to rates rebates as contemplated in the eThekweni Municipality Rates Policy as approved.
Green Building Council	Refers to the Green Building Council South Africa, not-for-profit Company.
Green Economy	Refers to an economy that focus on the economic develop, environmental and social elements within a jurisdiction that results in sustainable development.
Green Building	In terms of this Policy, a green building refers to a building that results in lower carbon emissions than required by the National Building Regulations.
Greenhouse Gases Emissions	Refers to gases that include carbon dioxide, methane, nitrous oxide, Sulphur hexafluoride, perfluorocarbons, hydrofluorocarbons and nitrogen trifluoride that result from anthropogenic activities and which contribute to the Greenhouse effective.
Incentive	A motivation for property owners to adopt and implement stated objectives.
Net Zero Energy Building	A building operated on energy generated from non-fossil fuel sources.
New Building	In terms of this Policy, a new building refers to the construction of a facility or making major improvements to such a facility in the form of property, which did not exist previously or a major refurbishment, that requires the submission of a new building plan, and is completed in the year of the Application.
Property Owner	An entity/company or person that makes a commitment towards the construction of a green building and applies for financial incentives.
Rebate	A reduction or refund on money owed to the eThekweni Municipality for services rendered by the eThekweni Municipality.
Resilient Building	A building that is designed and constructed in a manner that is able to withstand the changing climate within the eThekweni Municipal Area, without negative impact to relevant stakeholders.
Resource Efficient Building	A building that consumes minimal energy and decreases discharges (Waste) from the building, without negative impact to relevant stakeholders.

The Committee                      The Committee shall mean the Green Building Incentives Committee comprising of representatives from eThekweni Municipality's Energy Office, Economic Unit, Development Planning, Management, Environment and Management Unit and Treasury Unit, Real Estates Unit, and the Legal and Compliance Legislative Drafting Unit.

## **(2) ACRONYMS**

C40	C40 Climate Leadership Group
GBIP	Green Building Incentive Policy
GHG	Greenhouse Gas Emissions

## **5. POLICY RULES AND PROVISIONS**

### **1. The Deputy City Manager: Economic Development and Planning Cluster must:**

(a) establish a Green Building Incentives Committee comprising of representatives of the Economic Development and Investment Promotion Unit, Development Planning, Environment and Management Unit and Treasury, Real Estates Departments, and the Legal Department.

### **2. The Deputy Head: Environmental Planning and Climate Protection Department must:**

- (a) ensure development of Standard Operating Procedures to give effect to this Policy; and
- (b) implement and ensure adherence to this policy.

### **3. The Applicant must:**

- (a) complete the application form in full, as contained in Annexure 1, and provide necessary supporting documentation;
- (b) sign the agreement;
- (c) comply with the Agreement; and
- (d) make the relevant data available for the annual reviews.

### **4. The Energy Office: Project Officer must:**

- (a) ensure that an Application form and the process to be followed is available on [www.durban.gov.za](http://www.durban.gov.za) and [www.shisasolar.org.za](http://www.shisasolar.org.za) and made available on request;
- (b) receive the application and create a unique application number and communicate such to the applicant;

- (c) develop and maintain a database of all applications received, agreements concluded and reviews conducted;
- (d) assess the application and supporting documentation, in consultation with the Green Building Council, and according to the criteria set out in Annexure 2;
- (e) Submit a request to Revenue for verification of calculation of rebate;
- (f) develop and table a report to The Committee for relevant applications, as needed;
- (g) develop and a table report to the Economic Development and Planning Committee, for relevant applications;
- (h) formally communicate with applicant on outcome from The Committee or the Economic Development and Planning Committee and, if relevant, that an agreement with the City Manager has to be entered into;
- (i) Prepare agreement in accordance with rebate amount approved;
- (j) facilitate the signing of the agreement by the City Manager and the Applicant;
- (k) archive and manage signed agreements and associated records; and
- (l) conduct annual review of the Agreement, during the three year period of the Agreement.

**5.The Energy Office: Project Manager must:**

- (a) calculate the rebate for each application, utilising the tool provided by the Revenue Unit.

**6. The Committee must:**

- (a) convene on a monthly basis, or as needed by the Energy Office: Project Officer; and
- (b) assess reports tabled and either decline an Application or make a recommendation to the Economic Development and Planning Committee to approve a rebate for applicable Applications.

**7.The Business Analysis, Special Projects Department, Revenue Unit must:**

- (a) provide the Energy Office with a tool that will calculate the applicable rebate;
- (b) verify the rebate amount calculated by the Energy Office: Project Manager; and
- (c) implement the relevant rebate for each application.

**8.The City Manager must:**

- (a) sign an agreement with successful applicants.

## **6. POLICY PROCEDURES FOR IMPLEMENTATION**

The Procedures for Implementation of this Policy contained in this Section, should be read with the 'Green Building Incentive Standard Operating Procedures', Annexure 3.

Furthermore, Annexure 4 depicts the process flow associated with the policy.

### **(1) PROCEDURE**

- a) Completion of application form, by the applicant.
  - i. Insertion of relevant information required for data fields.
  - ii. Attachment of required supporting document, as stipulated on the application form.
- b) Submission of the application form, including supporting documents, by the applicant to the Energy Office, only after an Occupation Certificate is issued by the relevant eThekweni Municipal authority.
  - i. Contact information should be updated on the relevant websites.
- c) Application received by the Energy Office: Project Officer.
- d) Creation/updating of a database, by the Energy Office: Project Officer.
  - i. All applications should be captured onto one database and issued a unique application number.
- e) Communication with applicant by the Energy Office: Project Officer.
  - i. Receipt of the application is acknowledged.
  - ii. Applicant advised of the unique application number applicable to the application.
- f) Complete an Internal Check List for each unique application:
  - i. Energy Office: Project Officer must prepare a check list for each unique application.
  - ii. Start completing the check list for each stage of the application process by the Energy Office: Project Officer.
- g) Form completed properly
  - i. Energy Office: Project Officer must ensure that the application form is completed properly.
- h) All supporting documents attached
  - i. Energy Office: Project Officer Ensure that all supporting documentation is attached,.
- i) All supporting documentation verified
  - i. Energy Office: Project Officer must verify that all supporting documents are legitimate,
  - ii. Energy Office Project Officer must email the Green Building Council South Africa), to ensure that the property has been certified and to request the detailed final scoring/assessment sheet.
  - iii. Energy Office: Project Officer must take a screenshot of the South African
- j) Calculation of the rebate by the Energy Office: Project Manager.
- k) Completion of request to Revenue Unit by Energy Office Project Officer:
  - i. Completion of the form,



- ii. Forward the completed form to Revenue Unit.
- l) Verification of calculation of rebate.
  - i. Verification of calculation of rebate, Business Analysis, Special Projects Department, Revenue Unit.
  - ii. Completion of the form, Business Analysis, Special Projects Department, Revenue Unit.
- m) Draft and table report at The Committee by Energy Officer: Project Officer
  - i. Draft a report to The Committee for applications received, outcome from verification and information from Revenue Unit,
  - ii. Gather signatories on the report.
  - iii. Table the reports meeting of The Committee.
  - iv. Call a meeting of the Committee, the Deputy City Manager.
  - v. Draft minutes and outcomes from The Committee,
- n) Communication with applicant by Energy Office: Project Officer
  - i. Only if The Committee declines an application, will the applicant be notified which shall include rationale for the declined application. If The Committee supports the application, no communication with the applicant will be required.
- o) Draft and table report at the Economic Development and Planning Committee by Energy Office Project Officer
  - i. Draft a report to the Economic Development and Planning Committee for applications received, outcome from verification and information from Revenue Unit.
  - ii. Gather signatories on the report.
  - iii. Table the reports meeting of The Committee,
- p) Communicate decisions.
  - i. Communication of final approval, based on Council Minutes, should be communicated to The Committee, Energy Office: Project Officer.
  - ii. Communication of final approval, based on Council Minutes, should be communicated to the applicant, Energy Office: Project Officer.
- q) Draft and confirm Agreement.
  - i. Draft an Agreement, between the eThekweni Municipality and the applicant, Energy Office: Project Officer.
  - ii. Circulate the Agreement to Legal Unit for vetting, Energy Office: Project Officer.
  - iii. Request applicant to come to the office, with a witness, to sign the Agreement (two copies), Energy Office: Project Officer.
  - iv. Draft a covering letter, for the City Manager to sign the Agreement (two copies), Energy Office: Project Officer.
- r) Communicating and archiving the agreement.
  - i. Send electronic copy of the agreement, to Revenue Unit for enacting rebate Energy Office: Project Officer.
  - ii. Send electronic copy to applicant, for record purposes, Energy Office: Project Officer.

- iii. Archive hard and soft copy agreements.
- s) Set electronic appointment for verification.
  - i. Upon archiving the agreement, an electronic appointment must be inserted into the calendar of the Energy Office: Project Officer, for the annual verification a year henceforth, Energy Office: Project Officer. This will be undertaken on an annual basis, for the three years.
- t) Assessment of supplied and actual figures.
  - i. Request relevant data from the applicant for the verification process, Energy Office: Project Officer.
  - ii. Assess information to ensure that the figures are no more than the allowed variance, Energy Office: Project Officer.
  - iii. If there is a variance of greater than permitted, the relevant clause in the agreement needs to be enacted to adjust the rebate received by the applicant, Energy Office: Project Officer.
  - iv. Communication of 2.c, above, must be communicated to the Revenue Unit and applicant, Energy Office: Project Officer.
  - v. If the variance is within allocated spectrum, then communication of such should be communicated to the applicant.

## **7. POLICY EVALUATION AND REVIEW**


### **(1) EVALUATION**

The Energy Office: Project Officer must produce an evaluation report to The Committee on an annual basis. The Committee will evaluate the report, before submitting the report to the Council.

### **(2) REVIEW**

On an annual basis, the Head: Development Planning, Management and Environment Unit shall undertake a review of this policy, in line with the eThekweni Municipality Rate Policy, and report to Council.

## 8. ANNEXURE 1: REBATE APPLICATION FORM

<b>EThekwini Green Building Incentive Application Form</b>	
	<b>EThekwini Municipality</b> <b>Green Building Incentive Application Form</b> <b>2019</b> <b>Incentives</b>
<b>Please take note of the following before completing the application form:</b>	
1. Applicants are advised to refer to the eThekwini Municipality Green Incentive Policy 2019 and Guidelines to Applicants prior to completing this application form, in order to fully understand the requirements and relevant criteria.	
2. Applicants must ensure that all relevant sections of the application form are completed in full.	
3. Applications must be signed by the authorised representative of the entity and dated.	
4. Applicants must ensure that all relevant supporting documents are submitted with the application form.	
5. It is important that the information submitted by applicants is correct and complete to ensure that applications can be processed quickly and efficiently.	
6. Applications must be submitted between 01 July 2019 to 30 June 2020. Applicants are urged to adhere to the specified deadline, as applications received by the Department after the deadline will not be evaluated. The eThekwini Municipality will not take responsibility for external factors that may render applications being received after the deadline.	
7. Completed application forms must be submitted in hard copy (1) and electronic format (1) and delivered to the Energy Office, SmartXchange Building, 5 Walnut Road, Durban, 4001.	

<b>SECTION 1: INCENTIVE CATEGORY</b>	
<b>Please indicate (with a 'X') the incentive that you are applying for:</b>	
Net-Positive Carbon and Net-Positive Water and Net-Positive Waste and Net-Positive Ecology	<input type="checkbox"/>
Net-Zero Carbon and Net-Zero Water and Net-Zero Waste and Net-Zero Ecology	<input type="checkbox"/>
Net-Zero Carbon	<input type="checkbox"/>
Edge	<input type="checkbox"/>
6 Star Green Star (with 14 points from ENE1)	<input type="checkbox"/>
5 Star Green Star (with 8 points from ENE1)	<input type="checkbox"/>
4 Star Green Star (with 4 points from ENE1)	<input type="checkbox"/>
<b>Please indicate (with a 'X') the additional bonus incentive that you are applying for:</b>	
Socio-Economic Category	<input type="checkbox"/>
Innovation Category	<input type="checkbox"/>

FOR OFFICIAL USE ONLY. REFERENCE NUMBER:

## SECTION 1: PARTICULARS OF PROJECT

1. Development Name:		
2. Description of Development:		
3. a. Development Address:		
3. b. eThekweni Municipal Account Number:		
4. Have you obtained an Occupation Certificate?	Yes:	
	No:	
	Date	
5. Is the development currently benefitting from any incentive scheme/s, or has so in the past? If Yes; please provide details and date:		
6. Development Type:	Residential:	
	Business:	
	Commercial:	
	Industrial:	

## SECTION 2: DETAILS OF APPLICANT

7. Contact Person:		
8. Organisation:		
9. Position:		
10. Contact Details:	Tel:	
	Cell:	
11. Email Address:		

## SECTION 3: DETAILS OF PROPERTY OWNER

<b>12. Name:</b>		
<b>13. Contact Details:</b>	<b>Tel:</b>	
	<b>Cell:</b>	
<b>14. Email Address:</b>		

## SUPPORTING DOCUMENTATION REQUIRED

The following documentation must be attached to the application submission. Mark with a "X" if document provided.

	<b>1. A copy of Occupational Certificate.</b>
	<b>2. A copy of relevant Green Building Council South Africa Certification.</b>
	<b>3. Detailed scoring sheet from Green Building Council South Africa. This should include the Socio-Economic and Innovation categories, if applicable.</b>
	<b>4. Projected energy savings of the Building as per Green Building Council South Africa, as per Energy Calculator for ENE1.</b>
	<b>5. A letter of good standing on municipal rates from eThekweni Municipality.</b>
	<b>6. Confirmation from the owner of property that this application for the Green Building Incentive is being voluntarily applied for and will annually submit required data and information to the eThekweni Municipality.</b>
	<b>7. Original, Valid, Tax clearance certificate or SARS Tax Clearance PIN</b>
	<b>8. Certified copy of VAT registration certificate (VAT 103)</b>
	<b>9. Registration document (CIPC) with certified copies of Directors/Owners ID / Letters of Authority of Trustees with certified copies of ID of Trustees</b>
	<b>10. Any other documentation that would assist in motivating the application.</b>

## DECLARATION BY APPLICANT

I hereby declare that the information in this application is a correct and true reflection of the intended project. I am aware of the fact that the information submitted will have a material bearing on the adjudication of the application and if it therefore subsequently appears that any information in the application with supporting documents were not correct, or that certain information was omitted, the Municipality reserves the right to prosecute anyone who wilfully provides false information with the intention to benefit unlawfully from the rebates awarded. By signing and submitting this application, I hereby agree and consent to the terms and conditions of the eThekweni Green Incentive Policy and that a final agreement will have to be entered into between the eThekweni Municipality and the applicant.

Full name:

Designation:

Signature:

Date:

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## 9. ANNEXURE 2: CRITERIA FOR QUALIFICATION OF RATES REBATE

The different financial incentives offered by the eThekweni Municipality, for Certified Green Buildings, as per tables below. The incentives on offer for the current period, 2019/20, is in the form of a Rebate, in line with the eThekweni Municipality Rates Policy. These incentives are subject to change during the policy review process at the end of each municipal financial year. The Municipality reserves the right to allocate an incentive at its sole discretion based on the City's priorities

### (a) GREEN STAR

Certification	Description	Incentive/Provision	Responsibility
6 Star	Mandatory: 6 Star rating, i.e. over 75 points, with a minimum of 14 points for ENE 1 and MAT 1. Optional additional: 1. 6 points or more for the Socio-Economic Category, and/or 2. 3 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 35% rebate. Optional additional: 1. Additional 3%; and/or 2. Additional 2%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
5 Star	Mandatory: 5 Star rating, i.e. between 60 and 74 points, with a minimum of 8 points for ENE 1 and MAT 1. Optional additional: 1. 12 points or more for the Socio-Economic Category, and/or 2. 5 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 20% rebate. Optional additional: 1. Additional 6%; and/or 2. Additional 4%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
4 Star	Mandatory: 4 Star rating, i.e. between 45 and 59 points, with a minimum of 4 points for ENE 1 and MAT 1. Optional additional: 1. 12 points or more	Rebate calculated on property rates tax payable: Mandatory: 9% rebate. Optional additional: 1. Additional 6%.	Revenue Management Unit and Development Planning, Management and Environment Unit.

	for the Socio-Economic Category.		
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(b) EDGE

<b>Certification</b>	<b>Description</b>	<b>Incentive/Provision</b>	<b>Responsibility</b>
Edge	Mandatory: Residential buildings to achieve minimum 20% less energy use (than National Building Regulations), 20% less water use, and 20% less embodied energy in materials, as per the EDGE tool.	Rebate calculated on property rates tax payable: Mandatory: 35% rebate.	Revenue Management Unit and Development Planning, Management and Environment Unit.

(c) NET ZERO / NET POSITIVE

<b>Certification</b>	<b>Description</b>	<b>Incentive/Provision</b>	<b>Responsibility</b>
Net-Positive Carbon <b>and</b> Net-Positive Water <b>and</b> Net-Positive Waste <b>and</b> Net-Positive Ecology	Mandatory: Carbon – Level 2, Water – Level 2, Waste – Level 2, Ecology – 2.	Rebate calculated on property rates tax payable: Mandatory: 65% rebate.	Revenue Management Unit and Development Planning, Management and Environment Unit.
Net-Zero Carbon <b>and</b> Net-Zero Water <b>and</b> Net-Zero Waste <b>and</b> Net-Zero Ecology	Mandatory: Carbon – Level 2, Water – Level 2, Waste – Level 2, Ecology – 1.	Rebate calculated on property rates tax payable: Mandatory: 60% rebate.	Revenue Management Unit and Development Planning, Management and Environment Unit.
Net-Zero Carbon	Mandatory: Carbon – Level 2. Optional additional: 1. 6 points or more for the Socio-Economic Category, and/or 2. 3 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 50% rebate. Optional additional: 1. Additional 3%; and/or 2. Additional 2%.	Revenue Management Unit and Development Planning, Management and Environment Unit.



**10. ANNEXURE 3: ETHEKWINI GREEN BUILDING  
INCENTIVE: STANDARD OPERATING PROCEDURES**

*Draft for Public Consultation*

# 11. ANNEXURE 4: GBIP APPLICATION EVALUATION PROCESS FLOWCHART

