

JUST ENERGY TRANSITION SKILLING FOR EMPLOYMENT PROGRAMME

Phase 2 Strategic Intervention: Empower SMMEs unlock more opportunities for market entry

Empowering SMMEs by removing technical, financial, and market barriers, enabling them to create more jobs and play a key role in building a sustainable and inclusive Just Energy Transition



Unlocking SME Potential in the JET



SA's JET has investments of ZAR 1.5 Tn; Currently SMMEs constitute 98% of registered businesses and are **responsible for 66% of total employment**.

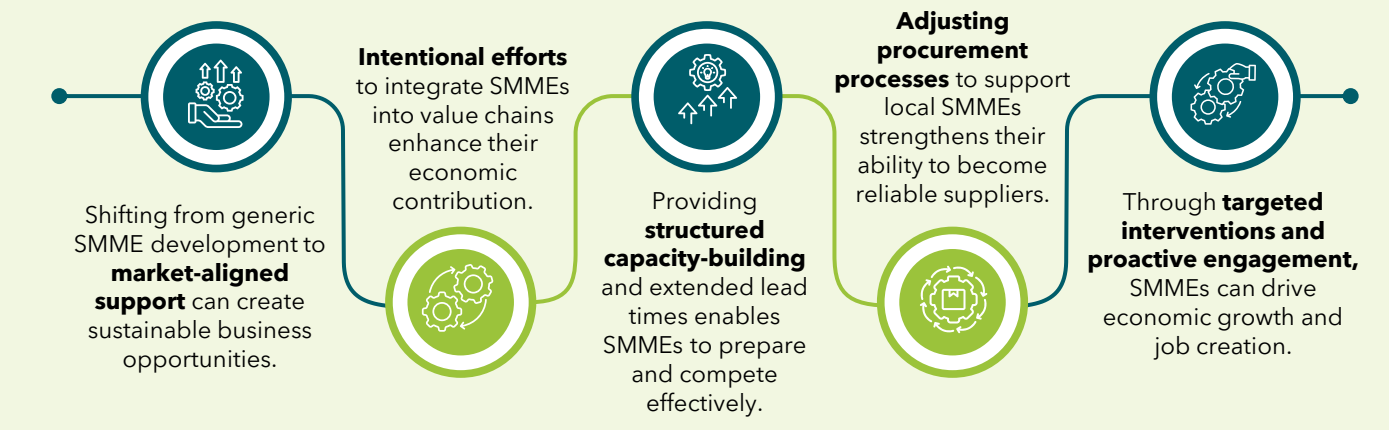
SMMEs face hiring constraints primarily due to **offtake uncertainty and financial limitations** (especially in relation to long-term tenders which require SMMEs to pay upfront costs).

Corporates are hesitant to work with SMMEs from a perceived higher risk due to a lack of technical skills (project mgmt., financial planning, business acumen, etc).

JET SEP is uniquely positioned to support SMMEs through:

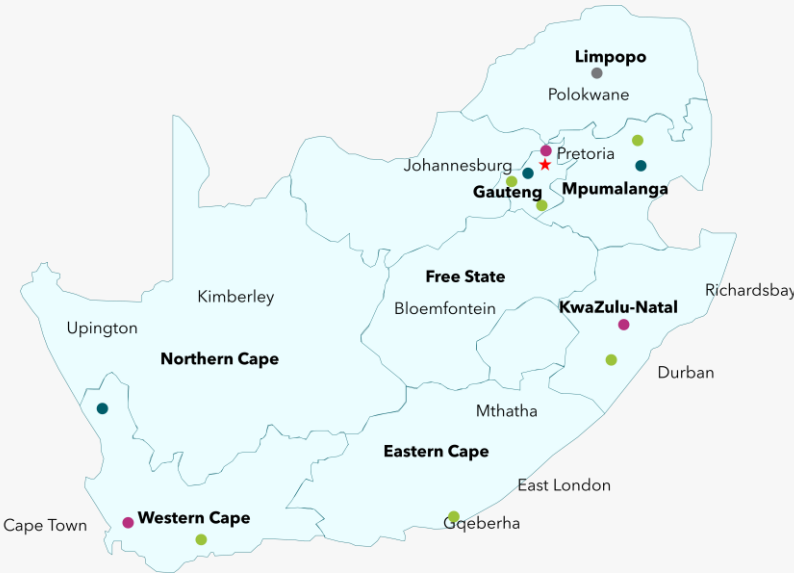
- Providing local SMMEs with **incubation and mentorship support** for market entry; Facilitate access to capital.
- **Upskilling SMMEs to be 'suppliers' for corporates** by leveraging existing incubators and supporting certifications for compliance.
- **Provide support** in restructuring financial payment contracts (e.g. upfront payments, low-cost working capital loans/grants).

High level intervention overview



Location of hubs that can support SMME incubation and support to township economies. Mpumalanga, Western Cape and Gauteng have hub support for phase 1 (IRM Hub locations)

Key		
Phase 1	Phase 2	Phase 3
Katlehong Mamelodi Mandeni Khayelitshe Atlantis SEZ	Evander/ Kriel Grootvlei Saldana Bay IDZ	Randfontein Vaal Sebokeng Emalahleni Ladysmith George/ Knysna



The roadmap to implementation



Key Risks

- **Market readiness gap:** Despite support, some SMMEs may still struggle to meet industry standards, leading to missed opportunities.
- **Dependency on support programs:** Over-reliance on structured interventions could limit SMMEs' ability to operate independently in the long term.
- **Slow procurement reforms:** Delays in adjusting procurement processes may prevent local SMMEs from fully benefiting from new opportunities.

Mitigations



Enhancing market readiness:

Equipping SMMEs with IRM and just transition-aligned skills through industry-focused training, mentorship, and partnerships, ensuring they can participate in the green economy.



Promoting long-term sustainability:

Fostering self-sufficiency by supporting access to diverse funding, and scalable business models, reducing dependency on transitional support.



Streamlining procurement for inclusion:

Advocating for fair procurement policies, extended lead times, and transparent processes to ensure local SMMEs play a meaningful role in the just transition value chain.

Support required to move forward

To bridge the urgent skills gap in our transition to a low-carbon economy, we are calling on funders, investors, and technical partners to join us in scaling our impact.

What support is needed?

- **Financial support** to expand high-quality interventions programmes in renewable energy, infrastructure maintenance, and circular economy skills.
- **Strategic partnerships** to provide work placements, mentorship, and pathways into employment.

Get in touch



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Connect with us to:

- Receive more information on strategic intervention
- Detail on what support and partnership could look like