

GEARING TRANSITION FINANCE

to Enable Social and
Economic Inclusion

June 2025





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1 Executive Summary

Scaling transition finance to achieve a Just Transition in South Africa requires collaboration among investors, policymakers, entrepreneurs and communities. By aligning the efforts of these key role-players, South Africa can address climate change while fostering economic and social inclusion, ensuring no one is left behind.

Implementing a Just Transition from a financing perspective faces significant challenges, primarily due to a funding gap for projects, especially in underserved communities lacking advocates, and the early-stage nature of many more inclusive projects. There is also a knowledge gap in private equity and the broader financial sector concerning the Just Transition's broader importance beyond green energy, battery storage and New Energy Vehicles (NEVs). Bridging this gap is crucial for aligning funding

with social equity and supporting Small, Medium and Micro Enterprises (SMMEs). Furthermore, rural and marginalised communities often focus on immediate needs, making it hard to engage them in long-term, intergenerational transition benefits.

Supported by the Ford Foundation, the National Business Initiative (NBI) is implementing an exciting project titled *"Financing the Future: Gearing Transition Finance to Enable Economic and Social Inclusion,"* which aims to empower early-stage SMMEs with high Just Transition ambitions. The goal is to provide guided learning and practical lessons to help SMMEs grow their businesses into investable startups capable of participating meaningfully in the green economy and South Africa's climate transition.

“Implementing a Just Transition from a financing perspective faces significant challenges.”



“The goal is to provide guided learning and practical lessons to help SMMEs grow their businesses into investable startups capable of participating meaningfully in the green economy and South Africa's climate transition.”

The main project objectives are to:

- Conduct research on what a “Just Transition” means for SMMEs and financiers in the current South African context.
- Contribute to the development of innovative, inclusive criteria for evaluating and supporting SMMEs in the context of a Just Transition, placing emphasis on social and economic considerations within projects.
- Facilitate connections between SMMEs, financiers and investors to create opportunities for collaboration and tailored financing mechanisms to bridge current funding gaps.
- Stakeholder engagement and capacity-building programs to strengthen the ecosystem for SMMEs, making them more investor-ready, bankable and preparing them for potential funding and scale up.

A truly inclusive and equitable Just Transition requires empowering women and fostering broader social inclusion. Inclusive climate finance and green economy initiatives that prioritise women's participation represent a crucial step toward a more equitable and sustainable future. However, these efforts must be underpinned by targeted structural reforms in public funding policies and institutional frameworks.

Without such reforms, systemic gender inequalities will persist, and women-owned businesses will continue to be excluded from meaningful opportunities in the green economy.

The private sector has a vital role to play. By embedding gender-responsive¹ practices into investment decisions, supply chains, and enterprise development, companies can help ensure that women are not only included but actively empowered as key contributors to the green economy.

The state, in turn, holds the power to unlock this potential by tackling systemic inequities in public spending. Public procurement accounts for approximately 19% of government expenditure – about R1.5 trillion over three years – yet women-owned businesses continue to receive a disproportionately small share of these contracts. This underrepresentation persists despite the government's target of allocating at least 40% of procurement to women-owned enterprises.²

This research highlights the urgent need for coordinated action to channel transition finance toward inclusive, gender-responsive, and community-anchored solutions. Such an approach can lay the groundwork for a Just Transition that not only meets climate goals but also drives systemic economic and social transformation in South Africa.

¹ Gender Responsive solutions are defined as outcomes that reflect an understanding of gender roles and inequalities and encourage equal and equitable participation and fair distribution of benefits: <https://climatepromise.undp.org/research-and-reports/gender-responsive-indicators-gender-and-ndc-planning-implementation>

² South African Government (2022). *Commission for Gender Equality launches procurement allocation report*, 26 September. <https://www.gov.za/news/media-advisories/government-activities/commission-gender-equality-launches-procurement>

2 Context

South Africa has a high exposure to both the physical and transition risk aspects of climate change and will require significant public and private sector collaboration and investment to decarbonise its economy. Given the country's high rate of inequality, poverty and unemployment, and current dependence on a fossil fuel-based energy system and economy, this transition must take place in a way that is just and socially inclusive. This means an approach that includes low-income households and vulnerable groups and sets a more equitable path that builds new and inclusive local industries and value chains.

A broad and ambitious Just Transition cannot be an afterthought but should be the goal for which South Africa aims. Such a transition should be well managed and contribute to the goals of decent work, economic inclusion and the eradication of poverty and inequality for all South Africans.

Figure 1 on the next page identifies key building blocks for a Just Transition. This framework was developed as part of the NBI-led Just Transition and Climate Pathways study, in close collaboration with key South African stakeholders.³

Uneven development and exclusionary economic policies have resulted in a dual economy, where the formal sector coexists with a marginalised informal sector. Additionally, there is widespread unemployment and poverty, particularly among women and youth. Despite women performing most of the work (including care work and looking after families), they remain underrepresented in the formal economy, often confined to low-skilled, low-paying jobs.⁴

As a result, many women seek employment or opportunities within the informal sector, where there is an overrepresentation of women. The shift to a green economy is seen as a chance to address structural issues that have historically excluded women and others from the formal economy.⁵

South Africa's Just Transition to a net zero and climate resilient economy by 2050 requires a finance ecosystem that enables broad-based economic participation and social cohesion. Enabling sufficient financing will be at the foundation of a just net-zero transition, and a managed transition will require significant investment. To deliver the objectives of the Paris Agreement on climate change and the UN Sustainable Development Goals (SDGs) it is a necessary condition that finance, and financial services be provided in a way that supports, enables, and encourages companies and countries to transition towards those objectives.^{6,7}

Research from the Just Transition Centre and the Climate Justice Alliance stresses that a transition should achieve both environmental sustainability and social inclusion. It is important that this transition is equitable, acknowledges the historical harms inflicted on people and the environment, and addresses power imbalances. While much of the focus has been on workers, many others – particularly women in poor and low-income communities – continue to be excluded from paid opportunities. Inclusivity is not just a desirable outcome; it is a fundamental necessity for achieving a sustainable and just future for all.

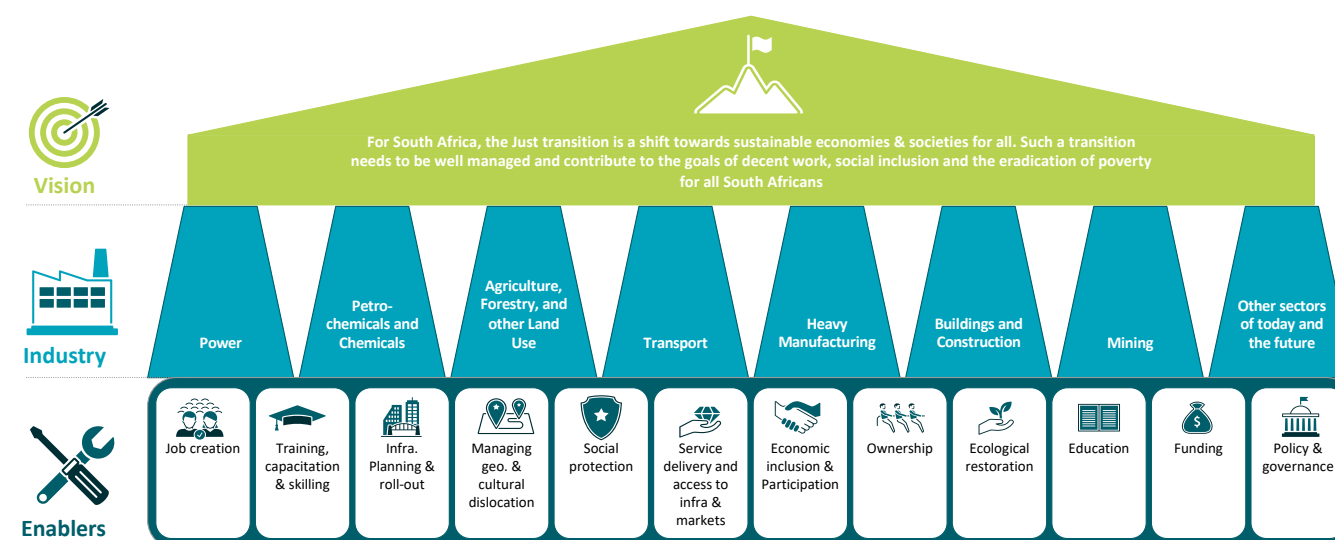


Figure 1: Initial Framework for Achieving the Just Portion of Climate Transition (NBI, BCG, 2022)

2.1 Building a Just Finance Ecosystem that Enables Economic Inclusion and Social Cohesion

A finance ecosystem encompasses the interconnected network of institutions, policies, technologies, and services that facilitate the provision and accessibility of financial products to individuals, businesses, and communities. This ecosystem includes both formal (banks, non-bank financial institutions, fintech companies) and informal (community-based savings groups) entities. It is supported by regulatory frameworks, digital infrastructure, and data systems that ensure the efficient and inclusive delivery of financial services.

In the South African context, the finance ecosystem's core purpose, beyond facilitating economic activity, is increasingly focused on driving economic and social

inclusion. This link is crucial because historically, a significant portion of the population was excluded from formal financial services due to discriminatory policies and socio-economic barriers.⁸

To build a finance ecosystem that enables true economic and social inclusion, it is necessary to actively support marginalised groups through targeted policies and initiatives. **This includes ensuring equitable access to financial resources, recognising and valuing unpaid care work, and facilitating access to new technologies and services.** These 3 areas are covered further on the following pages.

⁸ Center for Financial Inclusion (2024). *South Africa's Inclusion Story: Two Decades of Financial Progress Amid Economic Challenges*. <https://www.centerforfinancialinclusion.org/research/>

³ National Business Initiative, Business Unity South Africa, & Boston Consulting Group. (2022). *South Africa's Net-Zero Transition*. National Business Initiative. Retrieved from <https://www.nbi.org.za/wp-content/uploads/2023/01/South-Africas-Net-Zero-Transition.pdf>

⁴ Montmasson-Clair, G., & Patel, M. (2021). *Just Transition in South Africa: The case for a gender-just approach* (Policy Brief No. 4/2021, June 2021). Trade & Industrial Policy Strategies (TIPS). Retrieved from <https://www.tips.org.za/policy-briefs/item/4145-just-transition-in-south-africa-the-case-for-a-gender-just-approach>

⁵ UN Secretary General's High Level Panel on Women's Economic Empowerment, *Leave No One Behind: A Call to Action for Gender Equality and Women's Economic Empowerment*. Available at: <https://www.unwomen.org/en/digital-library/publications/2018/01/hlp-wee-reports-and-toolkits>

⁶ National Business Initiative, Business Unity South Africa, & Boston Consulting Group. (2022). *South Africa's Net-Zero Transition*. National Business Initiative. Retrieved from <https://www.nbi.org.za/wp-content/uploads/2023/01/South-Africas-Net-Zero-Transition.pdf>

⁷ Ben Caldecott (2022) Defining transition finance and embedding it in the post-Covid-19 recovery, *Journal of Sustainable Finance & Investment*, 12:3, 934-938, DOI: 10.1080/20430795.2020.1813478



1 EQUITABLE ACCESS TO FINANCIAL RESOURCES

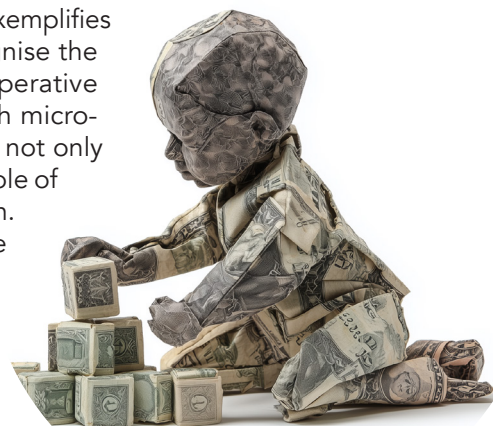
South Africa's National Development Plan (NDP) envisions increasing financial inclusion to 90% by 2030, emphasising the need to extend financial services to underserved populations. However, challenges persist, particularly for low-income individuals and small enterprises – many of whom lack adequate collateral or strong credit ratings – and therefore often cannot access affordable credit and banking services. Addressing these disparities requires targeted interventions, such as supporting community-based financial institutions and promoting digital financial services that cater to the needs of marginalised groups.⁹

The FinFind loan guarantee scheme is a pivotal initiative aimed at enhancing equitable access to financial resources for small businesses in South Africa, particularly those in townships with limited collateral. By providing risk cover to financial institutions, the scheme has enabled over 1,000 small, micro, and medium enterprises (SMMEs) to secure loans with reduced interest rates – up to 2% lower – since its launch in 2021.¹⁰ This reduction significantly eases the financial burden on entrepreneurs who might otherwise be excluded from formal credit markets due to lack of assets.

2 RECOGNISING AND VALUING UNPAID CARE WORK

Unpaid care work, predominantly undertaken by women, remains a significant barrier to economic participation. This work often goes unrecognised and undervalued, limiting women's opportunities for paid employment and financial independence.¹¹ Policies that acknowledge and support unpaid care work – such as providing affordable childcare services and implementing flexible work arrangements – are crucial for enabling women's full participation in the economy.

The Mamelodi Early Childhood Development (ECD) Cooperative exemplifies how accessible childcare services can empower women and recognise the value of unpaid care work. Since its inception in 2019, the cooperative has enabled over 200 mothers to re-enter the workforce or launch micro-enterprises by providing affordable, quality childcare. This initiative not only supports economic participation but also acknowledges the critical role of caregivers – predominantly women – in nurturing the next generation. By formalising and supporting this essential work, the cooperative contributes to a more equitable and inclusive economy.¹²



“Unpaid care work, predominantly undertaken by women, remains a significant barrier to economic participation.”

⁹ National Planning Commission NDP 2030 150; also see related discussion by Cloete 2023. <https://iol.co.za/saturday-star/news/2023-04-14-the-importance-and-challenges-of-financial-inclusion/>

¹⁰ FinFind (2018). *The SA SMM E Access to Finance Report*. <https://www.finfind.co.za/funding-research-insights-and-reports>

¹¹ Enterprises University of Pretoria (Pty) Ltd. (2023). *Women in the South African economy 2024: To undertake a review and assessment of the current status of women in the economy in South Africa in 2022*. Commission for Gender Equality.

¹² Patience Mtenjana (2025). *City of Tshwane reopens its early childhood development centres for 2025*. City of Tshwane Metropolitan Municipality. <https://www.tshwane.gov.za/?p=82456>

¹³ Baraka, Kelly. (2024). *Digital Divide and Social Inequality*. *International Journal of Humanity and Social Sciences*. 3. 30-45. 10.47941/ijhss.2083.

3 FACILITATING ACCESS TO NEW TECHNOLOGIES AND SERVICES

The digital divide in South Africa disproportionately affects marginalised communities, limiting their access to financial services, information, and opportunities.¹³ Bridging this divide involves investing in digital infrastructure, promoting digital literacy, and ensuring that technological advancements are inclusive and accessible. Initiatives that provide affordable internet access and digital tools can empower individuals and small businesses, fostering greater economic participation.

Digital inclusion initiatives in South Africa are actively addressing the digital divide by equipping youth with essential skills for the modern economy. For instance, Microsoft's commitment to train 1 million South Africans in AI and cybersecurity by 2026 aims to provide industry-recognised certifications, enhancing employability and fostering innovation.¹⁴ These efforts are instrumental in empowering marginalised communities and promoting inclusive economic growth.

By implementing these targeted policies and initiatives, South Africa can cultivate a finance ecosystem that not only promotes economic inclusion but also addresses structural inequalities, paving the way for a more equitable and prosperous society. This is seen as a vital pathway to reducing poverty, fostering economic growth, and building a more resilient society.¹⁵



¹⁴ Nqobile Dlodla (2025). *Microsoft to train 1 million South Africans on AI skills*. <https://www.reuters.com/technology/artificial-intelligence/microsoft-train-1-million-south-africans-ai-skills-2025-01-23/>

¹⁵ Iffath Sharif (2024). *Why economic inclusion is key to reducing poverty and empowering people*. <https://blogs.worldbank.org/en/voices/why-economic-inclusion-is-key-to-reducing-poverty-and-empowering-people>



ROLE OF SMMEs IN THE JUST TRANSITION

SMMEs are a cornerstone of South Africa's economy, contributing over 40% to GDP and employing approximately 60% of the workforce.¹⁶ Their role is especially critical in the context of a Just Transition, as they are well-positioned to drive sustainable business practices, foster green innovation, and generate employment in emerging green sectors. However, only a third (34%) of SMMEs are majority women-owned, and these enterprises often face greater challenges in accessing finance, markets, and support services compared to their male counterparts.¹⁷ These gendered barriers are further compounded in the transition to a green economy, where access to green finance and technical support remains limited.

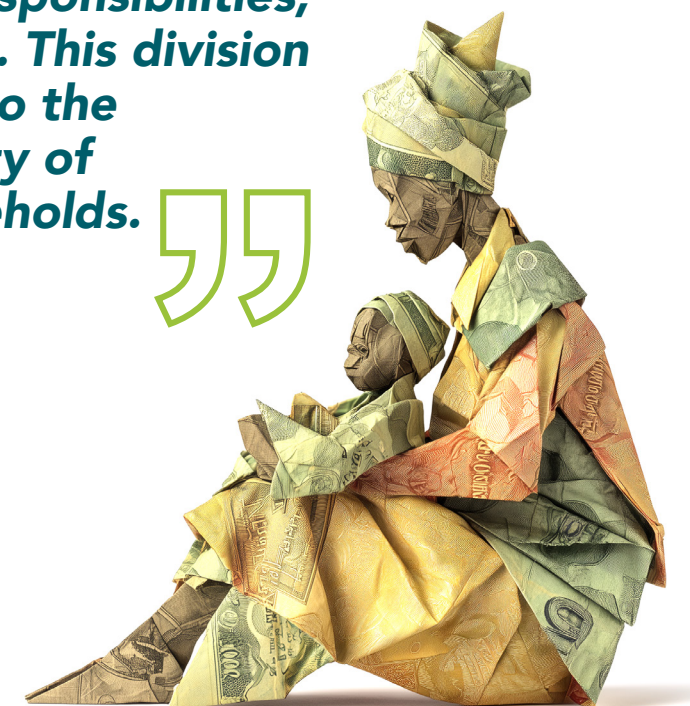
Excluding SMMEs (particularly women-owned businesses) from Just Transition frameworks not only exacerbates existing inequalities but also weakens South Africa's capacity to achieve inclusive, climate-resilient growth. To unlock their potential, targeted interventions are needed to expand access to green finance, facilitate the adoption of clean technologies, and integrate sustainability into business operations. Incorporating SMMEs into national development frameworks, policies and strategies, supported by cross-sector collaboration, is essential to building a competitive, inclusive, and low-carbon economy. Strong partnerships between government, the private sector, and financial institutions are key to provide the technical assistance, market access, and regulatory reforms required for SMMEs to thrive in a changing economic landscape.

GENDER EQUITY AND SOCIAL INCLUSION IN THE JUST TRANSITION

There are broader structural barriers that limit women's participation in the formal economy. The *Towards a Gender-Just Transition Working Paper*¹⁸ reveals the importance of understanding household dynamics and gender roles when designing inclusive climate and economic policies, especially within multigenerational, rural families. In many rural communities, young men often migrate to urban centres in search of work, frequently under precarious conditions, and send remittances back home. Women, by contrast, are more likely to remain in rural areas where they assume caregiving responsibilities, manage households, and support extended family members. This division of roles contributes to the economic vulnerability of female-headed households, which are more reliant on remittances and social grants, 50% compared to 23% of male-headed households.¹⁹ Furthermore, less than half (48%) of female-headed households derive income from wages, business, or pensions, compared to 75% for male-headed households¹⁵.

These dynamics are compounded by geographic and racial inequalities; 53% of Black female-headed households depend on grants and remittances, compared to just 11% of their white counterparts. This context underscores the need for gender-responsive and place-based policy interventions that address both economic exclusion and unpaid care burdens. Climate finance has a role to play in shifting this reality. By funding community-driven projects, infrastructure, and services that support women's economic participation - such as childcare, clean energy, and green skills training - climate finance can reduce the unpaid care load and open pathways to more stable livelihoods. Moreover, investing in rural green SMME development, particularly among women entrepreneurs, can foster local job creation and drive economic resilience. SMMEs are critical to economic development in South Africa so their integration into strategies represents a practical, high-impact lever for inclusive, climate-smart growth.

“Women... are more likely to remain in rural areas where they assume caregiving responsibilities, manage households... This division of roles contributes to the economic vulnerability of female-headed households.”



¹⁶ IFC (2020). Transforming Business Through Women's Economic Empowerment in South Africa. International Finance Corporation. <https://www.ifc.org/en/home>

¹⁷ OECD (2022). Financing SMEs and Entrepreneurs 2022: An OECD Scoreboard. OECD Publishing. <https://www.oecd.org/industry/smes/>

¹⁸ Towards a Gender-Just Transition Working Paper: <https://wiredspace.wits.ac.za/items/d280643f-24fb-4ba9-be66-f10f8ce9dc05>

¹⁹ Statistics South Africa (Stats SA). (2023). General Household Survey 2022. Pretoria: Stats SA. <https://www.statssa.gov.za>

3 Methodology

The research methodology for this study was designed to provide a comprehensive understanding of the landscape surrounding low-ticket size SMMEs and their participation in a Just Transition Financing Model (JTfM). Low ticket size businesses are defined as businesses with an annual turnover of less than R2 million.

The study focused on gathering qualitative and quantitative data through a series of structured engagements and targeted consultations with a wide range of stakeholders, including SMMEs, financiers, and implementing partners. The methodology was designed to assess the current needs of small businesses, understand barriers to investment, and explore opportunities for fostering a more inclusive and sustainable ecosystem for SMMEs in South Africa's transition to a low-carbon economy.



3.1 Research Process

The research process involved multiple stages to ensure the collection of diverse perspectives and identify key challenges and opportunities in supporting low-ticket SMMEs.

1 SAMPLE SELECTION CRITERIA

To identify suitable participants for this study, we collaborated with our network partner, GreenCape, leveraging their Green Pitch Challenge database. This provided access to a diverse pool of over 60 SMMEs, each with varying project scope and levels of alignment with Just Transition objectives.

The sample was narrowed down using a structured screening and selection process based on an **Eligibility Criteria and Selection Framework** (see **Appendix A**). This framework prioritised businesses that demonstrated strong Just Transition ambitions – particularly in terms of social and environmental inclusion – while also falling within the defined threshold of low-ticket size.

Following this screening process, seven SMMEs were selected to participate in the research. These businesses represent a range of sectors and business models but share a common profile: early-stage, high-impact enterprises with the potential to contribute meaningfully to the Just Transition agenda if adequately supported through tailored financing mechanisms and capacity development.

2 ONLINE NEEDS ASSESSMENT SURVEY

An online survey was conducted with the selected SMMEs as a first step in understanding and mapping out what startups require to grow and what challenges they experience in trying to engage with South Africa's emerging green and inclusive economy. The needs assessment provided valuable insights into the diverse types of climate and renewable energy projects seeking support and highlighted common constraints faced by low-ticket size enterprises within the Just Transition framework. The survey guiding questions are included in **Appendix B**.

3 ORIENTATION WEBINAR

To build on the insights from the survey, an orientation webinar was held with the selected SMMEs. This session served to provide context and background on their shared challenges and to clarify that the research project focused on non-financial technical support. It also outlined the next steps in the process, specifically the in-depth one-on-one engagements that followed with each of the seven participating SMMEs to further explore their specific needs and opportunities for support.

4 ENGAGEMENT WITH FINANCIERS AND IMPLEMENTING PARTNERS

The project team conducted interviews with three financiers and three implementing partners to capture their perspectives on the barriers and opportunities in the climate finance space. This step helped to understand how financing strategies can be adapted to support social and economic impact more effectively.

5 ROUNDTABLE DISCUSSION

A roundtable discussion was convened in October 2024 with stakeholders, partners, and financiers to broaden the dialogue and reinforce our research goals. This forum facilitated open discussions on best practices and potential strategies for supporting low-ticket SMMEs within the Just Transition.

3.2 Core Research Questions

The following research questions guided the data collection and analysis process:

1

What are the **primary barriers** faced by low-ticket SMMEs in accessing finance for Just Transition initiatives?

2

How can **capacity-building programs** be tailored to enhance SMME readiness for investment in green sectors?

3

What **financing models** (e.g., blended finance, impact investing) **are most effective** for supporting small businesses in the Just Transition?

4

How can **partnerships** between SMMEs, financiers, and implementing partners be structured to maximise the impact of Just Transition funding?

5

What role does **social equity**, particularly gender and youth inclusion, play in the successful implementation of Just Transition initiatives?

Appendix B provides the specific questions posed to SMMEs within the survey.



3.3 Key Respondents

Three sets of stakeholders were consulted to provide a broad view of the landscape for SMMEs:

1 SMMEs: Seven SMMEs from the GreenCape Green Pitch Challenge call for proposals engaged in this study. These enterprises operate across a range of sectors, including renewable energy, waste management, and sustainable agriculture.

Key respondents included:

SMME 1:
A women-owned, youth-led startup specialising in chemical-free water treatment and bioremediation technologies.

SMME 2:
A company that develops solar water heaters and food dryers for underserved communities, promoting access to sustainable energy solutions.

SMME 3:
A waste management and recycling company that partners with schools and restaurants to drive community-based sustainability initiatives.

SMME 4:
A micro-mobility and clean-tech startup that manufactures electric cargo bikes tailored for use in recycling businesses.

SMME 5:
A community-focused clean energy initiative based in Lesotho that promotes solar energy adoption at the grassroots level.

SMME 6:
A sustainability-driven enterprise developing biodegradable packaging from agricultural waste to reduce plastic usage.

SMME 7: An LPG distribution business committed to community safety and education, ensuring energy security and awareness.

2 FINANCIERS: The study engaged with a range of financiers (over 30 participants), including commercial banks in South Africa, local and international Development Finance Institutions (DFIs), impact investors, and equity funders. These stakeholders shared insights into their investment strategies, the challenges they encounter in financing small enterprises, and their perspectives on strengthening the financing ecosystem to better support SMMEs.

3 ECOSYSTEM STAKEHOLDERS: Consultations were held with three implementing partners; Fetola, Genesis Analytics, and Skultcha. These organisations, which provide technical assistance, capacity-building, and business development services, shared valuable perspectives on the types of support they offer, as well as the systemic challenges and emerging opportunities related to advancing a Just Transition.

3.4 Research Limitations

The scope of the report was defined by the factor below:

Sample Size: The study focused on a small, targeted sample of SMMEs and stakeholders. These resource and personal constraints shaped the scope of engagement and data collection. While this allowed for focused, in-depth interactions, it may not fully reflect the broader range of experiences and challenges faced by the wider population of small businesses across South Africa.



4 Areas of Intervention

This section presents the outcomes of the research process and summarises the findings into four key sections:

- 1 Defining a Just Transition for SMMEs
- 2 Unlocking catalytic funding
- 3 The role of partnerships
- 4 Capacity building for investment attraction and sustainability

4.1 Defining a Just Transition for Low-ticket Size SMMEs

To effectively support low-ticket size SMMEs, it is essential to define what a Just Transition entails for this market segment, considering their unique challenges and potential contributions to social equity and sustainable development.

1 ECONOMIC INCLUSION

For low-ticket SMMEs, economic inclusion must go beyond access to capital. It should include creating enabling environments for small businesses to participate in green and circular economy sectors. Specific actions include:

- **Access to Finance:** Ensure that low-ticket SMMEs have access to affordable, flexible financing solutions tailored to the unique needs of small enterprises in vulnerable and rural areas. This includes grant-matching schemes, low-interest loans, and blended finance mechanisms. A finance plus mentorship model has proven

effective, where financiers not only provide capital but also offer technical assistance to help SMMEs understand financial products. This approach enhances financial literacy, reducing the likelihood of repayment defaults and fostering sustainable business growth.

- **Market Access:** Facilitate market linkages to help SMMEs access public procurement opportunities and supply chain partnerships in renewable energy, sustainable agriculture, and other green industries.

2 SOCIAL EQUITY

To promote equity and reduce barriers to participation, it is necessary to address the dynamics that historically marginalised SMMEs face. This involves:

- **Gender and Youth Inclusion:** Develop gender-responsive and youth-focused policies that prioritise women- and youth-led enterprises in transition-related financing and development programs.
- **Community-Led Development:** Encourage local ownership and participation in decision-making processes for transition

projects, ensuring that community priorities and cultural contexts are considered.

- **Black-owned Businesses:** Given historical imbalances, equitable participation in the green economy must actively support Black-owned businesses through inclusive procurement, preferential financing mechanisms, and targeted enterprise development initiatives.

3 CAPACITY BUILDING

Capacity building is central to developing a sustainable, investable pipeline of projects. Without it, even well-intentioned funding will fail to reach those who need it most or catalyse the structural shifts South Africa's climate and economic future demands.

The JTFM aims to bridge this exclusion by identifying and supporting early-stage businesses that align with environmental and social priorities. However, the viability and longevity of these SMMEs in the green economy requires targeted capacity-building support, not only for the enterprises themselves but also for financial institutions, which often lack the tools and risk frameworks to assess and back small, inclusive ventures.

Core capacity gaps identified:

- **Limited investor readiness:** Many SMMEs lack knowledge of financial modelling, compliance requirements, and pitching to financiers.
- **Sector-specific skill shortages:** Technical capabilities within the new emerging sectors in the new economy.
- **Weak digital integration:** Poor connectivity, digital literacy gaps, and the high cost of technology hinder growth and visibility.

KEY INTERVENTIONS:

1 Business Development Support

Comprehensive training in business planning, financial literacy, and market access is needed to help SMMEs meet the basic requirements for funding. This includes support on impact measurement and aligning business models with Just Transition principles.

2 Technical Training in Green Sectors

Partnerships with Technical and Vocational Education and Training (TVET) colleges and green skills incubators (e.g., [NBI's Installation, Repair and Maintenance \(IRM\) Hubs](#)) are central to equip SMMEs with the tools to innovate and operate within the green economy.

3 Digital and Technological Integration

Digital enablement – through mobile-first platforms like the [NBI Green Economy Toolkit](#) and the JET-IP Funding Platform – can streamline learning, improve business administration, and increase exposure to funders. These tools also address rural access barriers and help link SMMEs to a wider marketplace.

4 Capacity Building for Financial Institutions

To complement SMME readiness, DFIs, banks, and impact investors should also advance their exposure and effectiveness in the financial inclusion arena. Training programs focused on gender-responsive finance, alternative risk models, and climate-aligned investment strategies are necessary to reduce capital exclusion and unlock funds for high-impact, low-ticket projects.



4 DE-RISKING INVESTMENTS FOR SMMEs

Attracting private capital to support low-ticket size SMMEs requires a robust strategy to mitigate real and perceived investment risks. These SMMEs often lack collateral, have limited track records, and operate in underserved or rural areas, making them unattractive to traditional financiers. To unlock financing at scale, de-risking strategies must be systemic and inclusive.

① Blended Finance for Risk Sharing

Blended finance models, where public or philanthropic capital is used to absorb initial losses or provide guarantees, are essential for crowding in private investment. These instruments can improve the risk-return profile of early-stage, community-embedded projects and incentivise financial institutions to engage with enterprises that deliver environmental and social value. Government support is critical here: public funds should be strategically deployed to de-risk investments in high-impact areas, such as clean energy, circular economy, and sustainable agriculture.

② Grant Funding for Inclusion

Grant funding plays a catalytic role in the early development of SMMEs, especially those led by women, youth, and marginalised groups. These funds enable foundational work such as feasibility studies,

technology piloting, and skills development, which are necessary to move businesses from the informal to the formal economy. However, grants must be complemented by capacity-building (particularly in financial management and governance) to ensure long-term sustainability and prepare businesses for further investment.

③ Community-Led Financing Solutions

Locally driven financing models, such as community trusts, cooperative funds, or participatory budgeting mechanisms, can enhance accountability, foster local ownership, and build trust between funders and beneficiaries. These approaches are particularly effective in rural or formerly disadvantaged regions, where community buy-in is essential to implementation success.

④ Financing the Ecosystem, Not Just the Enterprise

Transition finance should not target SMMEs in isolation. A broader ecosystem approach that integrates sectors like mining, renewables, agriculture, and municipal development can produce mutually reinforcing value chains within the same geographic regions.

inclusive participation in the low carbon economy¹², leveraging the diverse perspectives of women, youth and rural entrepreneurs to address local climate and development challenges.

Implementation hinges on multi-stakeholder partnerships where municipalities can integrate SMMEs into local economic planning and infrastructure projects; larger companies can anchor value chains and offer mentorship and market opportunities; and community development programs can deliver training, finance and outreach to grassroots enterprises. These coordinated efforts lay the groundwork for recommendations on aligning partnerships and policies to sustain SMMEs and ensure an inclusive, long-term green transition.

4.2 Unlocking Catalytic Funding

Catalytic funding is a pivotal enabler for South Africa's Just Transition, offering early-stage, flexible capital to SMMEs developing innovative, high-impact solutions in green sectors. It is distinct from traditional green finance in that it explicitly integrates social outcomes (such as job creation, gender equity, and community participation) alongside environmental goals, using alternative credit risk indicators.²¹

In South Africa, catalytic funding is often directed at sectors critical for a low carbon, inclusive economy. These include renewable energy access (e.g., solar home systems, mini-grids, small-scale bioenergy), energy efficiency in manufacturing and buildings, climate-smart agriculture (such as drought-resistant crops and water-saving irrigation), circular economy ventures (e.g., recycling and waste-to-energy), and water and sanitation projects.²² There is growing emphasis on supporting community and worker-driven initiatives in former coal regions, and on enterprises led by historically marginalised groups.²³

Catalytic capital is typically deployed through:

- **Patient Equity:** Equity investments with a longer horizon and lower expected returns, allowing projects to mature before seeking profitability.
- **Impact-Linked Financing:** Funds released based on project outcomes related to specific social or environmental targets.
- **Revolving Funds:** A portion of catalytic funding is structured as a revolving fund that, once repaid, can be reinvested into new projects.
- **Innovative Just Transition Financial Instruments** which finance leverages a range of financial tools, including bonds, loans, and equity investments. These are designed to support projects that deliver both environmental and social benefits.²⁴

Global examples that demonstrate how inclusive financing can help bridge the gap for underserved populations, providing them with the financial tools and resources needed to improve their social and economic situations, include:

- **Pradhan Mantri Jan Dhan Yojana (India):** Launched in 2014, this initiative opened millions of bank accounts for unbanked populations. It provides access to overdraft facilities, accidental insurance, and life insurance coverage.²⁵
- **M-Pesa (Kenya):** A mobile money transfer service that allows people to deposit, withdraw, transfer money, and pay for goods and services using a mobile device. It has significantly increased financial inclusion in Kenya.²¹
- **Grameen Bank (Bangladesh):** Founded by Muhammad Yunus, this microfinance organisation provides small loans to the impoverished without requiring collateral. It has empowered many women to start their own businesses and so improve their livelihoods.²¹
- **Kiva (Global):** An online platform that allows individuals to lend money to low-income entrepreneurs and students around the world. It connects lenders with borrowers to support small businesses and educational opportunities.²⁶
- **Nasira:** an innovative financial program designed to support underserved entrepreneurs, particularly in Sub-Saharan Africa and countries neighbouring Europe. The project aims to address the risks involved in lending to entrepreneurs who have limited or no access to finance by providing portfolio guarantees to local financial institutions, such as banks and microfinance institutions. These guarantees encourage institutions to lend to previously underserved groups by covering up to 95% of the potential losses on the underlying portfolio.²⁷

5 SUSTAINABLE ECOSYSTEM DEVELOPMENT

Sustainable ecosystem development is important for supporting low-ticket SMMEs in South Africa's Just Transition. SMMEs comprise about 90% of businesses and account for over 50% of jobs in emerging economies,²⁰ yet their growth depends on a supportive environment. Rather than supporting individual enterprises in isolation, a Just Transition for SMMEs should promote the development of localised ecosystems that foster collaboration and mutual growth. These ecosystems could connect SMMEs with private sector, municipalities, and community programs to drive inclusive economic development.

This networked approach ensures that the transition's benefits are shared equitably across communities. A supportive green economy ecosystem explicitly fosters the development of marginalised SMMEs and

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21 World Economic Forum. (2022). *Mobilising Climate Finance for Emerging Markets*. <https://initiatives.weforum.org/financing-transition-community/home>

22 National Treasury of South Africa (2022). *Financing a Sustainable Economy: Technical Paper*. www.treasury.gov.za/comm_media/press/2021/2021101501%20Financing%20a%20Sustainable%20Economy.pdf

23 Just Transition Finance Lab (2025). *Just Transition Finance*. <https://justtransitionfinance.org/just-transition-finance>

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25 Prashant Gaur (2024). *Understanding Financial Inclusion: Meaning, Importance and Examples*. www.fincart.com/blog/understanding-financial-inclusion

26 Mitchell Grant (2024). *Financial Inclusion: Definition, Examples, and Why It's Important*. www.investopedia.com/terms/f/financial-inclusion.asp

27 FMO: Entrepreneurial Development Bank (2025). *About Nasira*. <https://www.fmo.nl/about-nasira>

4.3 Partnerships for Inclusive Transition Finance

Partnerships between private sector, donors, and the public sector help to effectively finance low-ticket SMMEs, particularly for distributing risk across stakeholders and ensuring financial sustainability. For the JTFM to be truly inclusive, partnerships should prioritise collaborative, trust-building engagements and leverage best practices from both local and global contexts.

1 COLLABORATIVE ECOSYSTEMS

Financing the Just Transition requires a multi-actor approach that aligns public finance with private capital and development support. The Department of Trade, Industry, and Competition (DTIC), the Industrial Development Corporation (IDC), and National Treasury play a pivotal role in steering incentives and co-financing arrangements. However, other institutions like the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA), provincial development corporations, and

local municipalities must also be actively engaged to ensure ground-level delivery and responsiveness.

Non-banking intermediaries such as the National Business Initiative (NBI), with strong community ties and on-the-ground presence, can help bridge the gap between financiers and small, marginalised enterprises. Collaborations must be structured to enhance trust, share risk, and deliver coordinated capacity support across ecosystems.

2 PRIVATE SECTOR LEADERSHIP

Large corporates play a vital role in integrating SMMEs into inclusive green value chains. For example, Woolworths' Inclusive Justice Initiative supported over R4 billion in SMME procurement in one year, including R7 billion directed to black- and black women-owned suppliers.²⁸ Similar efforts are seen even in heavy industry, with procurement-driven models emerging: Anglo American's Zimele enterprise hubs use the company's purchasing power to incubate SMEs from disadvantaged communities, diversifying its supplier base and helping new businesses to scale.²⁹

These programmes illustrate the private sector's potential to shift procurement practices, embed Environmental, Social and Governance (ESG) principles, and create reliable markets for green SMMEs. However, scaling this impact requires streamlined policies and co-investment from government and development finance institutions to de-risk early participation and promote inclusive standards across supply chains.

3 STRENGTHENING PUBLIC INSTITUTIONS

The coordination of DFIs and national programmes must improve to address the fragmented nature of SMME finance. Many DFIs struggle to reach rural, youth- and women-led SMMEs due to lack of presence or agility at the local level. Meanwhile, SEDA, SEFA, and provincial development agencies often work in silos or lack the funding to scale.

An inclusive financing model should map and align these institutional players under a shared vision with common criteria for impact, transparency, and inclusion. Central to this is designing inclusive financial instruments that support enterprise development while addressing structural barriers, such as land ownership restrictions, infrastructure gaps, and limited access to working capital.

4 LOCAL LINKAGES

Municipalities, although often under-resourced, play a key role in enabling localised enterprise development. Targeted partnerships between local governments and community intermediaries are essential to match local needs with appropriate financial instruments and technical assistance.

Entities such as business chambers, cooperatives, and innovation hubs can help identify viable SMMEs and offer capacity building. Their proximity to grassroots challenges allows them to tailor solutions and build social capital, which is key for long-term project success.

5 GLOBAL LEARNING AND COUNTRY PLATFORMS: SCALING JUST TRANSITION PARTNERSHIPS

South Africa's Just Energy Transition Partnership (JETP), launched in 2021, already serves as a country platform – coordinating public, private, and concessional finance to support decarbonisation. Global frameworks such as those advanced by the World Resources Institute reinforce the JETP's relevance by positioning country platforms as integrated climate finance vehicles – facilitating not only capital mobilisation but also the design of green banks and facilities that assess and embed social impact. The South African JETP thus offers a useful model for other nations, while also benefiting from continued engagement with multilateral best practices.³⁰

Global partnerships enable knowledge sharing on financing structures, inclusive metrics, and tools for

tracking Just Transition outcomes. South Africa can export lessons by linking inclusive transition financing models to regional trade and development goals. For example, support for rural SMMEs in renewable energy, climate-smart agriculture, and water projects could tie into regional food security and energy access goals under SADC or AU frameworks.

The goal is to use such platforms not only for financing but to co-develop enabling policies, impact standards, and country-owned strategies for scaling a Just Transition. Multi-level partnerships, rooted in South African realities but globally informed, are vital to ensure finance flows equitably toward a low-carbon, inclusive economy.

4.4 Capacity Building for Investment and Financial Sustainability

Building a pipeline of investor-ready, socially impactful SMMEs requires a coordinated national approach. Capacity building must be seen not as an add-on but as a precondition for the success of any inclusive transition finance agenda.

Financing alone is insufficient to enable SMMEs particularly in rural and marginalised areas to participate meaningfully in South Africa's economy. Targeted, long-term capacity building is necessary to unlock investment, ensure financial sustainability, and support green enterprise development.

A lifecycle-based approach to SMME development is needed – one that maps the journey from due diligence and technical assistance to mentorship, brand-building, and market integration. Capacity-building efforts should define what a Just Transition means for entrepreneurs and clarify how SMMEs contribute to national social, economic, and climate goals. A strong focus is needed on identifying and engaging key stakeholders – ranging from informal cooperatives and township entrepreneurs to municipalities, intermediaries, and funders – to ensure inclusive implementation.

Research findings highlight that a recurring barrier for SMMEs is not simply the absence of finance, but a lack of ability to access or absorb it. Many small enterprises struggle with limited financial literacy, have difficulty in articulating their social and environmental impact, and face challenges navigating complex procurement and compliance systems. Addressing these capacity gaps is as important as unlocking funding and must be a central component of any SMME support strategy within the Just Transition.

Capacity building must be comprehensive and embedded throughout the enterprise lifecycle, from business planning and due diligence to brand positioning and post-investment support. This can include:

- Technical assistance to build understanding of the green economy, Just Transition policies, and sectoral opportunities.
- Financial literacy and business development training to enable budgeting, forecasting, and reporting.
- Technological literacy and digitisation support, preparing enterprises for participation in digital supply chains and e-procurement systems.
- Mentorship and peer learning, through platforms like the NBI-supported accelerators and Installation, Repair and Maintenance (IRM) Hub Incubators.
- Support with social impact articulation, helping SMMEs demonstrate their role in inclusive, low-carbon development.

Capacity-building programmes should be coordinated with existing public and community-based infrastructure such as TVET (Technical and Vocational Education and Training) colleges, SETAs, and local development initiatives. Access to funding should also be paired with financial education, particularly for green SMMEs, to ensure effective use and long-term viability.

28 Woolworths Holdings Limited (2023). "Woolworths spends billions on small business procurement." Retrieved from <https://www.woolworthsholdings.co.za/newsarticle/woolworths-spends-billions-on-small-business-procurement/>

29 Anglo American's Zimele Enterprise Program: A Case Study (2016). www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/anrc/Anglo_american_corporations_Zimele_enterprise_program.pdf#:~:text=a%20suite%20of%20enterprise%20funds%2C,These%20SMEs%20in%20turn%20generate

30 World Resources Institute (2024). "Are 'Country Platforms' the Key to Delivering Green Growth at Scale?" <https://www.wri.org/technical-perspectives/country-platforms-delivering-green-growth-scale>

5 Areas of Knowledge Advancement

Several areas are needed to deepen support for SMMEs within the Just Transition:

- **Sector-Specific Challenges:** Challenges may manifest differently in different economic sectors. Sector-specific research and data is needed to identify tailored support and financing mechanisms for SMMEs.
- **Capacity Building for SMMEs:** It is necessary to investigate the effectiveness of capacity building initiatives like technical assistance programs, sector-specific training and financial literacy. This will allow the gaps in current training and mentorship offerings to be identified and to propose more robust programs that can increase SMME readiness for investment.
- **Regional Differences:** A broader geographic study is needed to assess the regional variations in challenges faced by SMMEs, especially between rural and peri-urban areas, and the types of interventions needed for effective support.
- **Investor Perspectives:** Investor perspectives do change, so it is necessary to understand the evolving perspectives of impact investors and DFIs, examining how their investment strategies can better align with the goals of the Just Transition for SMMEs.

These areas of future knowledge advancements aim to foster SMME growth and enable their active participation in South Africa's green economy, driving inclusive social and economic outcomes.



6 Conclusion



South Africa's transition to a low carbon economy must be shaped not only by climate imperatives but by the urgent need for inclusive economic growth, social equity, and resilient local enterprise development.



This report highlights a pathway for mobilising capital that is grounded in the realities of South African SMMEs, informed by the insights of over 30 financiers, development partners, and community-based enterprises.

Collaboration across the ecosystem is essential. Public institutions, private investors, DFIs, philanthropic organisations, and local intermediaries must work together to de-risk early-stage innovation, unlock catalytic funding, and build the capabilities of SMMEs in underserved communities. Strong, trust-based partnerships that include the Department of Small Business Development (DSBD), National Treasury, provincial development agencies, SEFA, SEDA, and others will be vital in aligning resources and scaling delivery.

A barrier for many SMMEs is not just the lack of finance, but the capacity to access and effectively use that finance. Future funding must therefore prioritise investment-readiness, governance support, and tailored technical assistance. This will enable SMMEs to shift from survivalist models to growth-oriented enterprises that can contribute meaningfully to Just Transition objectives. Sector-specific training in areas like clean energy, waste management, circular economy, and regenerative agriculture, through partnerships with TVET colleges and local innovation hubs, is essential.

Equally important is the capacity building of the financial sector itself. Enhancing the ability of financial institutions to assess, support, and finance SMMEs, particularly those in underserved communities, is crucial. This includes training on understanding the unique challenges faced by these enterprises and developing products that are accessible and appropriate for them.

Moreover, as South Africa moves toward greater digitalisation, SMMEs must be supported to adopt digital tools, improve financial literacy, and measure and communicate their environmental and social impact. These are not merely operational improvements, they are necessary conditions for accessing blended finance, forming inclusive value chains, and participating in global markets.

Inclusivity must remain at the core of Just Transition finance. This includes deliberate efforts to support youth-, women-, and community-led enterprises; to co-create policies with affected stakeholders; and to embed recognition of unpaid labour and access to services in our Just Transition efforts. A Just Transition is not just about decarbonisation, it is about democratising opportunity and ensuring no one is left behind.



Appendix A: Eligibility Criteria and Selection Framework

ELIGIBILITY CRITERIA

To ensure alignment with the objectives of the Just Transition Financing Model (JTfM), participating SMMEs were required to meet the following criteria.

Business Registration:

- Must be a legally registered business entity operating within South Africa.
- Must be fully compliant with local business regulations, including tax obligations and company registration status.

Sector Alignment:

The business must operate within sectors that directly support Just Transition goals. Eligible sectors include, but are not limited to:

- Renewable energy
- Sustainable agriculture
- Waste management and circular economy solutions
- Eco-tourism
- Other environmentally sustainable or socially inclusive sectors

Stage of Development:

- Businesses may be in early or startup phases but must have an annual turnover of less than R2 million.
- They must demonstrate a clear trajectory toward contributing to economic inclusion, job creation, and environmental sustainability.

Social and Environmental Impact:

- The enterprise must have a core mission or business model that explicitly seeks to generate positive social and/or environmental outcomes.
- Activities should align with the principles of a Just Transition, such as supporting marginalised groups, reducing emissions, promoting resilience, or addressing systemic inequality.

Location:

- Priority is given to businesses based in underdeveloped, rural, or historically marginalised regions of South Africa.
- Additional preference is afforded to those aligned with or operating near existing NBI Inclusive Regional Economic (IRM) Hubs, to leverage existing support networks and infrastructure.

SELECTION FRAMEWORK

The following table outlines the key selection criteria used to assess SMMEs for alignment with Just Transition principles, focusing on climate and environmental action, socio-economic impact, and gender equality and social inclusion (GESI). Each criterion includes associated objectives, expected outputs, and contextual comments to guide consistent and meaningful evaluation.

ELEMENT 1: CLIMATE AND ENVIRONMENTAL ACTION		
OBJECT	OUTPUT	COMMENT
Emission mitigation	<ul style="list-style-type: none">• Reduction in CO₂ emissions• Use of cleaner energy alternatives	Broad overview on emission reduction.
Adaptation and resilience	<ul style="list-style-type: none">• Reduction of vulnerability in people	Reduced time burden for women in households through use of new technology.
Reduction of pollution and waste	<ul style="list-style-type: none">• Minimise/reduce/restore• Land conservation• Recycling• Health	Assesses initiatives that improve environmental health, promote circular economy principles, or reduce local pollution.
Food security (e.g. food gardens)	<ul style="list-style-type: none">• Access to land• Access to productive inputs• Access to markets	Focuses on how businesses increase food self-sufficiency and local food system resilience.
Water use and management	<ul style="list-style-type: none">• Distribution of safe, clean and accessible water poor to households/communities	Evaluates access and efficiency in water delivery, particularly in underserved communities facing water insecurity.
ELEMENT 2: SOCIO-ECONOMIC		
Accessibility and affordability of products and services	<ul style="list-style-type: none">• Engagements with consumers• % of goods/services targeting underserved segments• Organisational organogram	Reviews the affordability, reach, and inclusivity of the business's offerings, especially for low-income or rural consumers.
Livelihood enhancements	<ul style="list-style-type: none">• Jobs created• Educational enrolment (if applicable)• Employee reskilling• Participation of communities and social dialogues• The role of communities/villages and women in ecotourism and conservation of natural areas• Respecting and recognising ancestral knowledge and practices carried out by local communities and indigenous peoples in natural resource management	<ul style="list-style-type: none">• Value chain livelihood opportunities• Product knowledge• Technical capacity• Door to door campaigns to understand social status in the communities operating in – GESI action plan• Engagement plan for the communities• Community ownership/cooperatives
Social Entrepreneurship	<ul style="list-style-type: none">• Access to sources for finance	Looks at entrepreneurial sustainability, financial inclusion, and whether the enterprise actively supports women's empowerment and equitable voice.

ELEMENT 3: GESI		
OBJECT	OUTPUT	COMMENT
Gender equality	<ul style="list-style-type: none"> Women in leadership and management 	Gender-balanced leadership teams Address gender power imbalances in representation during meetings and capacity building workshops. Providing safe spaces (sometimes women-only spaces) for planning, implementation (including the selling, distribution and installation of products and services)
	<ul style="list-style-type: none"> Gender pay gap 	Remuneration (equal pay for work of equal value)
	<ul style="list-style-type: none"> Gender- empowering and sensitive human resources policies, practices, and procedures 	<ul style="list-style-type: none"> Equal opportunities for men and women Recruitment Working hours Flexible working policies Occupational health and safety Sexual harassment
Social Inclusion	<ul style="list-style-type: none"> People living with Disabilities (PLWD) 	<ul style="list-style-type: none"> Implementing a system to ensure decision-making opportunities, training, and project co-benefits support people with disabilities, and vulnerable groups, equitably. - Looking at both physical and neurodiverse
	<ul style="list-style-type: none"> Unemployed Youth 	Provide team organogram expressing number of youth and female employees

Appendix B: Guiding Research Questions for SMMEs

Business Operations

- Please provide an overview of your day-to-day operations (including suppliers)
- What differentiates your solutions from competitors in the market?
- In which community does the business operate?

Community Impact

- How do you identify and prioritise communities or groups to target for your clean energy initiatives?
- What measurable impact has your educational and training programs had on the communities you serve?

Challenges and Barriers

- What are the challenges you face in scaling your operations?
- How do you address safety concerns and misconceptions about your project?

Financial and Technical Needs

- SMME is looking for (R?) as a grant/sponsorship for expansion and branding.
- What is the (R?) for? Define the expansion.

Gender and Social Inclusion

- How do you plan to further promote gender equality and inclusion within your business and the broader community?
- What strategies do you use to engage local communities in decision-making and ownership of clean energy solutions?

Future Growth

- What are your plans for national and regional expansion, and how do you envision our support contributing to this?
- What partnerships or collaborations would be most beneficial to help you achieve your long-term vision?

Appendix C:

Action Plan Template for Gender Equity and Economic Inclusion

STRUCTURE OF ACTION PLAN
PART A: GESI ASSESSMENT (CURRENT)

1. PROBLEM STATEMENT

a Describe the socio-economic and environmental challenges

- Who is affected by them
- How are they affected by them
- What are the risks of not addressing these challenges

b Provide sources of information (primary/ secondary)

2. Scope of the project

- Geographical presence
- Transition pathway (e.g. energy, circular economy)
- Show how the project can make an impact on 1 or more of the above challenges
- Show the contribution to SDGs

3. STAKEHOLDER MAP: WHO BENEFITS FROM THE PROJECT

STAKEHOLDER	HOW DO THEY BENEFIT	
	DIRECT	INDIRECT

4. GESI BENEFITS

SOCIAL & ECONOMIC INDICATORS	HIGH	MEDIUM	LOW
1. Representation in company by women, youth, people with disabilities			
2. Stake in company by women, youth, people with disabilities			
3. Contribution of project to local skills development			
4. Contribution of project to local manufacturing			
5. Contribution of project to Job creation			
6. Sourcing from local suppliers			
7. Contribution of project to lowering costs of service/product			
8. Contribution of project to making product/service more accessible to lower income households/individuals/ communities			
9. Internal (organisational) policies for inclusion of women, youth, people with disabilities			
10. Opportunities for local SMMEs (women and youth-led/owned)			
11. Contribution to the local economy			

PART B: GESI ACTION PLAN (AMBITION)


1. GESI RISK MATRIX

RISK AREA	HIGH	LOW
1. Financing/investment		
2. Sourcing of skills		
3. Sourcing of sustainable materials		
4. Socio-cultural constraints		
5. Political unrest		
6. Economic conditions		

The National Business Initiative (NBI) is a voluntary coalition of local and multinational companies committed to sustainable growth and development in South Africa.

Established in 1995 and launched by former President Nelson Mandela, the NBI works to promote responsible business practice, support socio-economic transformation and address the key challenges facing South Africa, including:

- **Environmental sustainability**
- **Inequality and inclusivity**
- **Unemployment and skills development**
- **Local government capacity building**

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