JUST ENERGY TRANSITION SKILLING FOR EMPLOYMENT PROGRAMME

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

NBI 30 Years
National Business Initiative

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

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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

Shifting from generic SMME development to **market-aligned support** can create sustainable business opportunities.

Intentional efforts to integrate SMMEs into value chains enhance their economic contribution.

Providing **structured capacity-building** and extended lead times enables SMMEs to prepare and compete effectively.

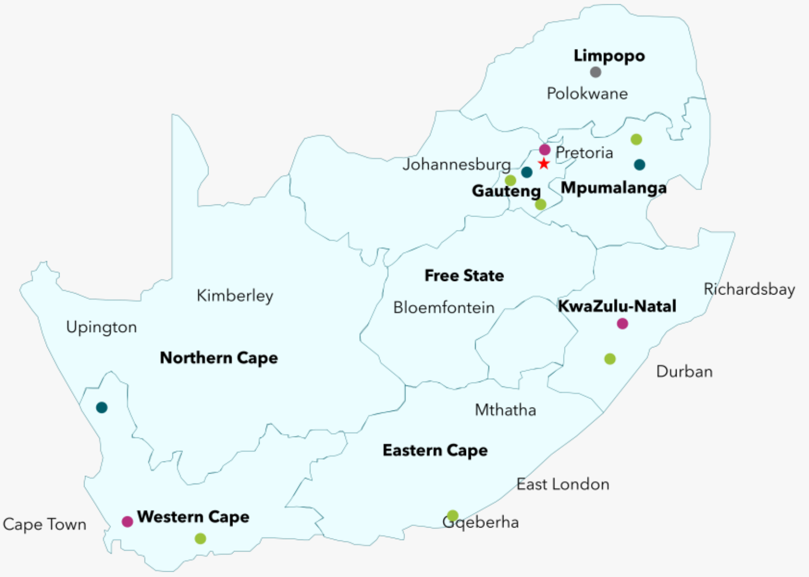
Adjusting procurement processes to support local SMMEs strengthens their ability to become reliable suppliers.

Through **targeted interventions and proactive engagement,** SMMEs can drive economic growth and job creation.

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

Access to markets through identified opportunities in the green and circular economy.

Access to capacity building through enterprise development and skills development.

Access to finance and funding readiness through networks and linkages.

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