

Green investment trend creates opportunities for expanding SA SMEs

The Global Impact Investing Network puts the global ESG (Environmental, Social, Governance) or Impact Investing market value at \$715bn. For an industry in its infancy, its growth has been exponential, and on the African continent, South Africa is leading the charge.

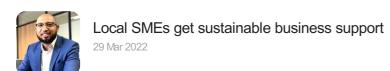


Source: Pexels

This is corroborated by the most recent African Investing for Impact Barometer, in which South Africa was found to be the country with the largest amount of fund assets being dedicated to at least one Investing for Impact (IFI) strategy. The proliferation of the sector brings with it indispensable opportunities for green small-and-medium-sized enterprises (SMEs) to access funding and become a key driver of change.

It is this impetus that is fuelling SME financier, Business Partners Limited to continue its focus on providing finance for South African SMEs who demonstrate commitment to reducing their carbon emissions, adopt renewable energy technologies and enhance the environment.

This focus is an expansion of the company's commitment to green businesses following its establishment of a successful R300m Green Fund in 2015.





"Our focus on green businesses forms part of a vision that we as a company have been invested in for a number of years. With the funding we provide, we have the opportunity to drive the country's broader sustainability goals at a grassroots level by supporting small business as an important cornerstone of the South African economy.

"Through our green business focus, we hope to create a supportive and enabling environment for green entrepreneurship," Mark Paper, chief operating officer at Business Partner Limited, commented.

The green industries that are considered for finance include the energy, waste and water sectors. Financing applications for SMEs that meet a number of green criteria are granted access to loans between R500,000 to R50 million. Beyond those industries, Business Partners Limited also has a particular interest in companies that can provide innovative solutions to the growing needs for a sustainable world.

Enabling SMEs to adopt green processes

Catering to small business owners who aspire to join the movement towards a greener business environment, Business Partners Limited has established a technical assistance programme, offering technical assistance loans at zero interest, which can be used to support SMEs in adopting green processes and policies. Mentorship by a team of external experts is fundamental to this initiative and is used as a means by which to educate and empower emerging entrepreneurs to enter the space.

As a result of the finance and support provided, Business Partners Limited has seen its green SME clients demonstrating high levels of proactivity. Many have adopted solar energy as a way of reducing their carbon emissions and mitigating the impact of loadshedding. Others have found creative ways to improve their water efficiency and adopt more effective recycling measures. These proactive decisions point to a promising future for the green SME sector in South Africa.



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The green finance focus team is working fervently towards expanding its reach across South Africa and aims to gain significant ground by the end of 2023. The focus of Business Partners Limited extends beyond the institutional character of emerging SMEs – the ultimate objective is to help boost the economy and tackle the country's record-high unemployment rate.

Paper concludes: "The bigger picture is what we always bear in mind and we're more determined than ever to collaborate with local and international partners that have similar goals; as well as public sector initiatives such as The Green Fund, which are aimed at supporting the South African transition towards a greener economy.

In accordance with this, we are hoping to make a big announcement which will benefit more green South African SMEs, by the end of April."

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