



Strategy Plan

2020/21-2022/23

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Abbreviations and Acronyms

B-BBEE	Broad-Based Black Economic Empowerment
B-BBEE Commission	Broad-Based Black Economic Empowerment Commission
BBC	Black Business Council
BLSA	Business Leadership South Africa
BMF	Black Management Forum
BUSA	Business Unity South Africa
CIPC	Companies and Intellectual Property Commission
FY	Financial Year
JSE	Johannesburg Stock Exchange
NDP	National Development Plan
NGB	National Gambling Board
NPA	National Prosecution Authority
PFMA	Public Finance Management Amendment Act, No. 29 of 1999.
SANAS	South African National Accreditation Authority
SAPS	South African Police Services
SARS	South African Revenue Services
the dtic	The Department of Trade, Industry and Competition
TID	Technical Indicator Description

Executive Authority Statement



The Public Finance Management Act requires that every public entity prepares a Strategic Plan setting out the overall strategy for the 5 year period covering the state's Medium-term Strategic Framework (MTSF). Every year, an Annual Performance Plan (APP) is prepared, which converts the overall strategy to key annual targets. These documents are then provided for approval to the Executive Authority and budgets are aligned to these plans.

The **Broad-Based Black Economic Empowerment Commission (B-BBEE Commission)** a division of the Department of Trade, Industry and Competition, has prepared its **Strategic Plan 2020/21 – 2024/25**, which I now submit to Parliament, as required by the legislation.

This is the first **Strategic Plan** prepared in the 6th Administration by the **B-BBEE Commission**. I have requested that all entity Strategic Plans and Annual Performance Plans be aligned to the MTSF, which incorporates the work to develop and implement National Sector Masterplans, as well as the trade reforms, investment and transformation work of the Department.

Once the revised MTSF has been signed off, we will review the Strategic Plan and Annual Performance Plan of the entity and align it accordingly. The Strategic Plan and Annual Performance Plan may further need to be aligned to Government's response to the COVID-19 pandemic, both during the period of the national disaster declared by President Ramaphosa, and thereafter as we adapt to the new economic reality. Should adjustments be made, a revised Plan will be submitted to Parliament.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', written over a horizontal line.

Mr. Ebrahim Patel
Minister responsible for Trade, Industry and Competition

Accounting Officer Statement



The priorities of the B-BBEE Commission were set at the beginning of the financial year in line with its mandate and key performance areas that are aligned with the goals and priorities of **the dtic** and objectives of the 2030 National Development Plan (NDP). The focus for 2020/21 and beyond reflects the B-BBEE Commission's vision of promoting transformation and inclusive economy.

The vision and mission are articulated through strategic goals and measurable performance indicators. We have also conducted an analysis of external and internal factors that could affect our ability to achieve the goals indicated. Strategic risks, which we could be exposed to, as well as mitigating controls, are also identified.

We remain focused on implementing our two fold strategy, firstly the compliance driven strategy that is aimed at creating an enabling environment for stakeholders to understand and better comply with the B-BBEE Act, and secondly the corrective enforcement strategy that aims to identify offending behaviour with a view of correcting it through remedial intervention and where blatant criminality and disregard of the B-BBEE Act is found, process without any remedy under the B-BBEE through criminal proceedings which will lead to fines of up to 10% of turnover or up to 10 years imprisonment.

After three years of operation, we are beginning to see the results of our strategy translating to some change in market behaviour.

Fronting continues to be the major challenge to achieving real benefits of the B-BBEE Act, which is why there is a need to continue with awareness and advisory services to prevent fronting schemes into the future, particularly in new transactions and initiatives. We are pleased that proactive requests for advisory opinions and presentations from stakeholders have increased significantly, with thirty-three (33) advisory opinions and one thousand two hundred and seventy-six (1276) clarifications received from 1 April 2019 to 31 December 2019, an increase of 27% and 24% respectively compared to 2018/19 financial year same period.

We are concerned that 78% of the total complaints received from 1 April 2019 to 31 December 2019 relate to allegations of fronting which are prevalent in ownership and management control elements in those reported entities. An increase of 43% in the number of complaints received is noticeable compared to 2018/19 FY same period, which can be attributed to provincial conferences and the information sessions that we embarked on raising awareness to encourage reporting of contraventions early on. Our tipoff line is also gaining popularity with more anonymous complaints that have led to real investigations, and we have more proactive investigations that are informed by market surveillance and media monitoring.

We realise that complaints require sensitivity, attention to detail and urgent intervention as most complainants would have suffered for a number of years prior to receiving attention and assistance. Our resources sadly do not enable us to deliver with the speed we would like to, especially in cases involving employees who are often dismissed during the investigation. The priorities of the B-BBEE Commission were set at the beginning of the financial year in line with its mandate and key performance areas that are aligned with the goals and priorities of **the dtic** and objectives of the 2030 National Development Plan (NDP). The focus for 2020/21 and beyond reflects the B-BBEE Commission's vision of promoting transformation and inclusive economy.

The vision and mission are articulated through strategic goals and measurable performance indicators. We have also conducted an analysis of external and internal factors that could affect our ability to achieve the goals indicated. Strategic risks, which we could be exposed to, as well as mitigating controls, are also identified.

Fronting continues to be the major challenge to achieving real benefits of the B-BBEE Act, which is why there is a need to continue with awareness and advisory services to prevent fronting schemes into the future, particularly in new transactions and initiatives. We are pleased that proactive requests for advisory opinions and presentations from stakeholders have increased significantly, with thirty-three (33) advisory opinions and one thousand two hundred and seventy-six (1276) clarifications received from 1 April 2019 to 31 December 2019, an increase of 27% and 24% respectively compared to 2018/19 financial year same period.

We are concerned that 78% of the total complaints received thus far in 2019/20 FY relate to allegations of fronting which are prevalent in ownership and management control elements in those reported entities. An increase of 43% in the number of complaints received is noticeable compared to 2018/19 FY same period, which can be attributed to provincial conferences and the information sessions that we embarked on raising awareness to encourage reporting of contraventions early on. Our tipoff line is also gaining popularity with more anonymous complaints that have led to real investigations, and we have more proactive investigations that are informed by market surveillance and media monitoring.

We realise that complaints require sensitivity, attention to detail and urgent intervention as most complainants would have suffered for a number of years prior to receiving attention and assistance. Our resources sadly do not enable us to deliver with the speed we would like to, especially in cases involving employees who are often dismissed during the investigation process without any remedy under the B-BBEE Act. To correct behaviour, where appropriate, we pursue alternation dispute resolution which offers immediate relief for complainants rather than the criminal process that may take a number of years before redress to the complainant can be achieved.

Notwithstanding the above provisions, a number of complaints were referred to the National Prosecuting Authority (NPA) and/or South African Police Services (SAPS) for criminal investigation whereas other complaints outside the jurisdiction of the B-BBEE Commission were referred to other regulatory institutions such as Companies and Intellectual Property Commission (CIPC), South African Police Services (SAPS) and Department of Labour. So, where there is clear criminality and blatant disregard of the B-BBEE Act, we will not hesitate to pursue criminal processes. This year will see even more referrals for criminal investigation and prosecutions given the number.

As at 31 December 2019 we concluded on average 63% investigations with final investigation reports produced. We issued eighty-seven (87) Notices of Non-Investigation, in respect of complaints where we found no evidence of contravention of the B-BBEE Act, or where a matter predated the B-BBEE Act, or does not

We successfully concluded nine (9) agreements relating to alternative dispute resolution where complainants were paid in total R65 120 000.00 as redress arising from the complaints, further, R260 3543.14 contributions were made by respondents towards promoting the objectives of the B-BBEE Act, particularly upskilling of black beneficiaries. The B-BBEE Commission also published its findings against Eskom Holdings SOC Limited on non-compliance with section 10 of the B-BBEE Act and MTN Zakhele-Futhi Scheme which was contrary to the B-BBEE Act. Also referred the findings to the National Treasury and the Minister of Public Enterprises, also noting previous publications relating to BEE Matrix (Pty) Ltd and SAB & T BEE Verifications (Pty) Ltd, which have both voluntarily withdrawn from verification following findings against them.

As at 31 December 2019, eighty-three (83) B-BBEE transactions were registered, of those transactions twenty-two (22) involved Trusts, sixty-one (61) certificates of registration were issued and eleven (11) transactions rejected for non-compliance. Further, we have analysed all two hundred and seventy-two (272) transactions that were submitted in 2017/18 FY and we produced a report that was published in quarter 3 of 2019/20 FY and is available in the website. The report indicates a significant activity in B-BBEE ownership deals with the value of R188 billion. Moreover, one hundred and ninety-four (194) compliance reports were received from public companies listed on the JSE, organs of state and public entities in line with the requirement of section 13G of the B-BBEE Act. We remain concerned about the low levels of reporting from both the private and the public sector, and we have engaged the JSE and the Auditor General to enhance compliance through coordination.

As guided by our mandate, strategy and measurable goals, we have identified our key focus areas as follows:

- Safeguarding the outcomes of an inclusive economy;
- Implementing corrective enforcement to achieve compliance;
- Researching, analysing and reporting on the state of transformation;
- Collaborating with relevant stakeholders to advance transformation; and
- Developing capability and capacity of the B-BBEE Commission to deliver on its mandate.

This financial year we aim to fully implement our communication strategy to effectively communicate the work of the B-BBEE Commission, including publication of findings on concluded cases. This we will do through the various media channels, focused engagements with stakeholders through organised formations such as unions, business associations and government platforms, the main aim being to change mind-set and behavioural practices that manifest in how the B-BBEE Act is implemented. We will also embark on name and shame where necessary, but also acknowledge

cooperative entities who have made clear undertakings to fully comply. Despite our official office hours, we commit to being accessible and reachable to all our stakeholders, and we are in the process of developing and implementing a twenty-four (24)-hour Contact Centre to provide best services and rapid advice as required. At this point and with the three (3) years of operation, there seems to be no excuse for any entity not to approach us for assistance upfront, our turnaround times are great so far on advice, despite limited resources.

We will continue to monitor the markets daily and introduce measures to enable us to detect systematically improper and unethical practices that undermine the objectives of the B-BBEE Act, and initiate investigations against the offending entities. Attention to quicker redress through compliance interventions and alternative dispute resolution mechanism, will be provided where applicable to reduce litigation costs, but this will not be entertained in respect of serious violations or repeat offenders.

Realising that both the public and the private sector are key to achieving the objectives of the B-BBEE Act, we will continue with our collaboration efforts towards the improved implementation of the Memoranda of Understanding that we concluded with such as SANAS, CIPC, Competition Commission, NGB, and the Commission for Employment Equity. Further, we will put measures to effectively implement the referral protocol with sector councils in order to create the required consistency and harmonisation. We will continue to engage business formations such as BLSA, BUSA, BBC, BMF, AHI, and others for constructive collaborative effort towards compliance.

We will on ad-hoc basis identify persons that should benefit from B-BBEE, facilitate access/referral to relevant agencies and entities for financial and non-financial support, and assist them with links to platforms for market access and general marketing of products and services, whilst aiming to encourage beneficiaries to benefit from enterprise and supplier development

in order to improve our operational efficiency, we are currently in the final stages of developing a One-Stop-Shop Portal System which will introduce automated registration, reporting, complaints handling and further provide us with the capability for large data management and information intelligence. We will also commence the process to create the automated register of major B-BBEE transactions, which will also enable online updates by measured entities when changes occur.

We will acknowledge and reward entities for significant steps taken to achieve the objectives of the B-BBEE Act and attaining the economic transformation milestones. We will reward entities for **leading from the front** on B-BBEE instead of **fronting black people** to achieve false B-BBEE credentials. In this regard, we will continue to recognise entities that are contributing positively towards implementation of B-BBEE through our annual awards, which we will improve each year.

We continue our focus on the **quality** of B-BBEE transactions and initiatives in the market; the **impact** of these B-BBEE transactions and initiatives in respect of all five (5) elements of B-BBEE; as well as incorporation of measures to ensure the **sustainability** of B-BBEE transactions are concluded.

A mind-set shift is required to move away from the 'tick box' approach to B-BBEE to a more strategic and sustainable implementation by measured entities, as well as a shift away from 'get rich quick' approach by some black people involved in B-BBEE transactions and initiatives as these undermine the objectives of the B-BBEE Act. The benefits of B-BBEE must be felt by all, especially the poor, through the development / support of black owned enterprises and industrialists that can grow the economy and create employment opportunities.

Having taken into consideration the challenges that may impact our operations and the dynamic environment we operate in, we are guided by the following organisational values, which serve as a base for how we serve, act and interact with our stakeholders:

An inclusive economy is our first consideration

- Our first priority and commitment is our national economic interests
- Our stakeholders are key to us achieving our economic goals

Open access and availability to all economic citizens

- We offer swift turnaround times guided by our service standards
- We offer fair and consistent redress within the legislative parameters
- We offer quick responses as we do not own any red tape

Impartiality

- We act without favour, fear, bias or prejudice regardless of the pressure we may be brought under
- We handle all matters objectively in living our purpose
- We respect confidentiality within the law

Consistency

- We provide clear directions and reliable guidance
- We provide decisions and advice that is consistent

Accountability for all our decisions and actions taken by us

- We uphold and respect all decisions taken by our organization
- We trust all our staff to serve stakeholders diligently and professionally
- We take responsibility for our actions

Zero Tolerance for corruption

- We are committed to proper governance
- We are transparent in all dealings
- We do not tolerate any corruption

Our *brand promise* is that of '*an inclusive economy for all*', which in essence refers to equal participation in the

economy, equal access to wealth opportunities by all people, inclusion of black industrialists in the economy and availability of non-financial and financial support and incentive schemes to achieve equality.

We guarantee zero tolerance to corruption, fronting and misrepresentation of B-BBEE status by measured entities. Our corrective enforcement coupled with our compliance driven strategy will isolate the culprits against whom strong and unapologetic action must be taken.

We are proud of our employees and their contribution to towards building a sustainable economy for South Africa. All of the staff members at the B-BBEE Commission are performing beyond expectation and go an extra mile given that we do not have resources to perform this critical mandate.

I wish to extend my sincere appreciation to the B-BBEE Commission Governance Committee Members for their support and guidance; the Executive and Management Team, **the dtic** Oversight Unit, and B-BBEE Commission Staff for their support, passion and dedication in making a difference in the lives of many South African citizens. I am also grateful to our strategic partners and key stakeholders for the tremendous support. I thank the Minister, the Deputy Ministers and the Director-General for their continued support of the work of the B-BBEE Commission.



Ms. Zodwa Ntuli
Commissioner


Official Sign-off

It is hereby certified that this Strategy Plan:

Was developed by the management of the Broad-Based Black Economic Empowerment Commission under the guidance of the Commissioner, Ms Zodwa Ntuli, and with the participation of the Entity Oversight Unit of **the dtic**.

This plan reveals the strategic goals and objectives which the B-BBEE Commission will consider over the period 2020/21 – 2024/25 in order to achieve its mandate. It also takes into account all relevant policies, legislation for which the B-BBEE Commission is responsible.

Signature:



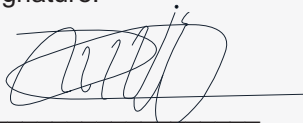
Ms. Nontokozo Nokhwali-Mboyi

Signature:



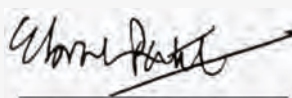
**Ms. Amanda Moipone Kgaboesele
Enforcement**

Signature:



**Ms. Zodwa Ntuli
Commissioner**

Signature:



**Mr. Ebrahim Patel
Executive Authority**

Part A: Our Mandate

1. Constitutional Mandate

The Constitution of South Africa lays the foundation for economic empowerment in order to provide a democratic and equitable society. Section 9(2) of South Africa's Constitution says, "equality includes the full and equal enjoyment of all rights and freedoms. to promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken". This perspective argues that to promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination must be taken, hence the introduction of the codes of good practice (the codes) to facilitate a state of equality.

The B-BBEE Commission as a public entity is governed by the democratic values and principles embedded in the Constitution, including the following principles: (a) A high standard of professional ethics must be promoted and maintained. (b) Efficient, economic and effective use of resources must be promoted. Further, section 217 of the Constitution requires that all organs of state procurement be in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

Through its legislative mandate the B-BBEE Commission plays a significant role in upholding and preserving the principles enshrined in the Constitution under the Bill of Rights sub-section 9 (2).

We are established by Section 13B of B-BBEE Act and we have jurisdiction throughout South Africa. We must be impartial and perform our functions without fear, favour or prejudice, in the most cost-effective manner. In terms of Section 13E of the B-BBEE Act, we are financed from money that is appropriated by Parliament for the B-BBEE Commission, and money lawfully received from any other source. The Auditor-General is mandated to audit our financial records every year.

2. Legislative and Policy Mandate

2.1 Legislative Mandate

Given that we are not a listed public entity yet, we operate within the budget and reporting framework of the dtic

Section 13F of the B-BBEE Act articulates our functions as follows

- To oversee, supervise and promote adherence to the B-BBEE Act in the interest of the public;
- To strengthen and foster collaboration between the public and private sector in order to promote and safeguard the objectives of broad-based black economic empowerment;
- To receive complaints relating to broad-based black economic empowerment in accordance with the Act;
- To investigate, either on its own initiative or in response to complaints received, any matter concerning broad-based black economic empowerment;
- To promote advocacy; access to opportunities and educational programmes and initiatives of broad-based black economic empowerment;
- To maintain a register of major broad-based black economic empowerment transactions, above a threshold determined by the Minister in the Gazette;
- To receive and analyse such reports as may be prescribed concerning broad-based economic empowerment compliance from organs of state, public entities and private sector enterprises;
- To promote good governance and accountability by creating an effective environment for the promotion and implementation of broad-based black economic empowerment;
- To exercise such other powers which are not in conflict with the Act as may be conferred on the B-BBEE Commission in writing by the Minister; and
- Increase knowledge of the nature and dynamics and promote public awareness of matters relating to broad-based black economic empowerment by implementing education and awareness measures, providing guidance to the public and conducting research on matters relating to its mandate and activities.
- To promote good governance and accountability by creating an effective environment for the promotion and implementation of broad-based black economic empowerment;
- To exercise such other powers which are not in conflict with the Act as may be conferred on the B-BBEE Commission in writing by the Minister; and
- Increase knowledge of the nature and dynamics and promote public awareness of matters relating to broad-based black economic empowerment by

Our strategic focus areas are derived from the mandate in Section 13F of the B-BBEE Act, with the resources made available in accordance with Section 13E of the B-BBEE Act and takes into account all responsibilities under the Constitution and the Public Finance Management Act (PFMA) as amended governing organs of state and public entities.

The B-BBEE Act and the Codes of Good Practice clearly outline the imperatives that the performance of our mandate must make an impact on, and in terms of which transformation progress should be measured, namely:

- Ownership
- Management Control
- Enterprise and Supplier Development
- Skills Development
- Socio-Economic Development

3. Institutional Policies and Strategy over the Five Year

Drawing from the Constitutional mandate, the B-BBEE Strategy was adopted, which culminated in the B-BBEE Policy and the subsequent promulgation of the B-BBEE Act. These are the cornerstone and foundation for the existence of the B-BBEE Commission.

The B-BBEE Commission is implementing a two-fold strategy, being the compliance driven strategy that is aimed at creating an enabling environment for stakeholders to understand and better comply with the B-BBEE Act, and the corrective enforcement strategy that aims to identify offending behaviour with a view of correcting it through remedial intervention and where blatant criminality and disregard of the B-BBEE Act is found, through criminal proceedings which will lead to fines of up to 10% of turnover or up to 10 years' imprisonment. The following activities are seen as key to achieve the two strategies:

Compliance Driven	Corrective Enforcement
<ul style="list-style-type: none"> • Providing advisory opinions • Issuing clarifications • Receiving and analysing compliance reports • Registering and analysing major B-BBEE transactions • Publishing explanatory notices • Publishing practice guides • Issuing advisory letters • Conducting education and awareness sessions • Conducting site visits for tip-offs 	<ul style="list-style-type: none"> • Handling Complaints • Conducting investigation • Conducting site visits • Facilitating alternative dispute resolution (ADR) • Issuing findings • Issuing remedial recommendations • Refer to other regulators or relevant institutions • Refer for criminal prosecution • Institute of legal proceedings in court to seek appropriate remedial relief

Economic inclusion and equality are paramount to creation of an equal society which ensures economic benefits, employment and social cohesion through a more competitive and growing economy. Thus strategies for implementation as adopted by the B-BBEE Commission are aligned to the goals set in the NDP, NGP and the dtic strategy to contribute towards the advancement of economic transformation.

The B-BBEE Commission has adopted the following operational policies and strategies:

- Communication Strategy
- Compliance Strategy
- Enforcement Strategy

Also to prepare for its listing as an entity, the B-BBEE Commission developed and adopted a B-BBEE Plan which outlines how it will implement and comply with the B-BBEE Act as required of public entities in section 10 and section 13G of the B-BBEE Act.

4. Relevant Court Rulings

The B-BBEE Commission as a regulatory authority may when discharging its statutory mandate in terms of provisions of the B-BBEE Act generate disputes that may result in litigation or reviewable administrative action which may lead to reputational risk and possible personal liability.

The litigation may not only attract legal costs, however, it may also negatively impact the functions of the B-BBEE Commission due to diversion of valuable human resources based on time spent to prepare for court proceedings.

There are no rulings made against the B-BBEE Commission, however, review processes have been initiated relating to the B-BBEE Commission's findings in the following matters, which are being defended:

- CRRRC-E-Loco
- Planet Waves
- Cargo Carriers

The B-BBEE Commission successfully defended legal action in terms of which Thomas SA sought to obtain a court interdict to compel the B-BBEE Commission to remove the name of its company from the list of Invalid B-BBEE Certificates published by the B-BBEE Commission on its website from time to time.

Part B: Strategic Focus

5. Our Vision

An inclusive industrialised economy that is globally competitive

Inclusive – refers to equal participation, equitable opportunities for all, and benefits experienced by every section of the society across South Africa. This generally implies a link of macroeconomic and microeconomic factors of the economy for inclusivity to materialise. As the B-BBEE Commission, we are vested with a regulatory responsibility to ensure that the South Africa's economy is broad-based and inclusive in order to attain the vision 2030 in the National Development Plan (NDP). For the economy to thrive, function and grow all South Africans must be involved and contribute meaningfully in the value chain and critical sectors of the economy. Therefore, inclusivity must be facilitated through skills development, ownership, management control, socio-economic development, enterprise and supplier development, as well as removing economic barriers for black people, so joint efforts by private and public sector are required as no one individual can do this on their own.

Industrialised – refers to the creation of a sustainable productive economy that is driven by a wide range of locally sourced and produced products and services. This envisages an economy that has a high rate of literacy levels, stimulates economic and employment growth through targeted programmes, allows trade and investment more in education to produce highly competent and skilled labour force that could contribute to job creation, creates start-ups and broaden the production base. Involves well developed and productive commercial markets such as advanced manufacturing and value added services. In essence more beneficiation and exporting o

Economy - entails the state of the country in terms of production, distribution and consumption of goods and services in a particular geographic region. The International Monetary Fund (IMF) in its press briefing of April 2015 painted a picture of declining economic growth in emerging and developing economies. It is imperative for the country to grow its economy through internal production and distribution of goods locally and internationally, and there is a need for a strong trade investment arm within government that will not only identify markets for locals, but will also ensure sustainability.

Globally Competitive - implies viable and integrated international markets with export capability in order to stimulate economic growth. South Africa does not operate in a confined space but has to compete with other nations for resources, skills and markets, which means that we have to support our local products and services and leverage these against other markets. We need to focus on areas where we have uniquely South African products that can be targeted for export markets – we need to have niche and unique offerings. In this regard, benchmarks, peer reviews and adherence to world standards provide the necessary pointers on the areas that the country must improve or capitalize on to remain globally competitive, without compromising national economic interests.

6. Our Mission

To facilitate the accelerated productive implementation of the Act

Facilitate – to make it easy and possible for the B-BBEE Commission stakeholders to comply with and implement the B-BBEE Act by creating conducive environment for interactions and engagements; and by providing guidance and support through advisory

opinions, explanatory notices and clarifications, amongst other things, on the application and interpretation of the B-BBEE Act, and implementing education and awareness programmes and corrective measures for non-compliance.

Accelerated – ensuring that transformation moves at a faster pace with a target in mind from the existing baseline, which can be regularly measured to ensure that the country is meeting its economic objectives on equity and empowerment for all intended beneficiaries of B-BBEE. This includes reaching out to targeted people, sectors and industries that have not felt transformation and empowerment to date, and enhance the impact of B-BBEE on all sectors of our society.

Productive - moving to a more applied industry where raw materials are transformed into finished products within our country; a state where we do not rely on imported goods for our finished products. We plan to interact with learning and technology institutions, engage with students and youth to encourage entrepreneurship and innovation at a young age, facilitate access to financial and non-financial support and guidance for potential and established companies, not working longer hours but working smarter and creatively, come up with new and innovative ideas and technologies to take the country forward, and provide a conducive working environment where citizens are serviced properly.

Implementation – it is often said that South Africa has the best policies but always suffers when it comes to implementation due to many factors including red tape, lack of coordination, not understanding the vision, implementers not understanding mandate, lack of resources and finances and other related constraints. Thus, it is important that the B-BBEE Commission is properly and sufficiently resourced with the funds, assets and people with the requisite skill and expertise to deliver on the mandate.

7. Our Brand Promise

An inclusive economy for all, together'

Inclusive - refers to equal participation, equitable opportunities for of all, and benefits experienced by every section of the society across South Africa. This generally implies a link of macroeconomic and microeconomic factors of the economy for inclusivity to materialize.

Economy - entails the state of the country in terms of production, distribution and consumption of goods and services in a particular geographic region. It is imperative for the country to grow its economy through internal production and distribution of goods locally and internationally, and there is a need for a strong trade investment arm within government that will not only identify markets for locals, but will also ensure sustainability.

Together - forging and forming relations, working as teams and partnering with others to achieve end goal – private sector, government, labour and civil society - no one should be left behind as we strive for an inclusive economy for all. This economy must effectively benefit all of us, thus we should work towards the same vision as outlined in the NDP, and in line with goals and targets set by Cabinet from time to time.

8. Our Values

Our operational environment presents various challenges for us, and these include lack of proper corporate governance, fronting tendencies, falsification of empowering credentials, misrepresentation of facts to secure contracts and quick fix solutions to empowerment, all of which present a fertile ground for unethical conduct in and outside the public sector. Having considered this environment and our goal of operating a credible and effective regulatory entity, we have agreed and committed ourselves to live by the following equally important values:

Value 1: An inclusive economy is our first consideration

- Our first priority and commitment is our national economic interests
- Our stakeholders are key to us achieving our economic goals

Value 2: Open access and availability to all economic citizens

- We offer swift turnaround times guided by our service standards
- We offer fair and consistent redress within the legislative parameters
- We offer quick responses as we do not own any red tape

Value 3: Impartiality

- We act without favour, fear, bias or prejudice
- We handle all matters objectively in living our purpose
- We respect confidentiality within the law

Value 4: Consistency

- We provide clear directions and reliable guidance
- We provide decisions and advice that is consistent

Value 5: Accountability for all decisions and actions taken by us

- We uphold and respect all decisions and actions taken by our entity
- We trust all staff to serve stakeholders diligently and professionally
- We take responsibility for our actions

Value 6: Zero Tolerance for corruption

- We are committed to proper governance
- We are transparent in all dealings
- We do not tolerate any corruption

9. Situational analysis

9.1 Organisational environment

The B-BBEE Commission currently operates with limited personnel. The challenge facing the organisation includes inability to secure funding and to attract skilled, experienced people with requisite expertise who will hit the ground running upon joining the organisation. The work of the B-BBEE Commission is highly specialised and technical. Table below lists of identified challenges with possible interventions:

Table 3: List of Challenges and Interventions

Challenges	Interventions
1. Listing of the B-BBEE Commission	- Engage the Minister of Trade and Industry to engage with the Minister of Finance
2. Inadequate and inaccessible budget, no permanent office space to operate and human resource constraints.	- Apply for additional budget from the dtic . - Engage the dtic to source office space. - Seek alternative office space
3. Lack of implementation of the B-BBEE Act by organs of states, public entities and SETAs [s10 and 13G].	- Refer to relevant portfolio committees, DPME and Auditor-General. - Pursue non-compliance in terms of the B-BBEE Act.
4. Limited reporting by JSE listed companies	- Pursue non-compliance
5. the dtic issuing clarification, advice and / or rulings on B-BBEE.	- Pursue SLA - Regular engagements and meetings with the dtic
6. Sector Codes and Generic Codes not aligned.	- Advocacy to Sector Council and the dtic .
7. Continuing harmful conduct while the matter is under investigation.	- Court relief / interdict [s13J (4)].

Further, as our mandate is throughout the country, efficiency and effectiveness are critical to reaching all corners of South Africa through creative and user-friendly means. We will operate in a cost-effective manner, use tax-payers' money with the necessary diligence and utmost care, and in a manner that will not unnecessarily add to compliance and regulatory burden. High level operational systems and tools are necessary to achieve this.

The high level Organisational Structure shown in page 15 below is based on the defined strategic goals of the B-BBEE Commission informed by our mandate in the B-BBEE Act, taking into account the fiscal constraints. We

structure will be reviewed upon implementation with updates and changes where necessary to fully carry out the mandate. The organisational design process has

9.2 SWOT Analysis

SWOT analysis enables an organisation to examine and identify both internal and external influences. The main objective of SWOT analysis is to help the organisation evaluate and develop awareness of all factors that may impact on the organisation's decision or achieving strategic goals. The table below provides summarized SWOT analysis elements that were identified during our strategy session:

Table 1: List of Strengths and Weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Dedication and team work • Knowledge, expertise and clear mandate • Understanding of complementary legislation • Ability to simplify the legislation • Creation of a talent pool • Educating, raising awareness and advocacy • Learning and training opportunities • Remedial interventions 	<ul style="list-style-type: none"> • Inadequate budget and no permanent office space to operate in • Human resource constraints • Limitation in the legislation, e.g. no Tribunal, over criminalisation of the Act • Red tape and bureaucracy (external factors) ñ turnaround times on decisions and processes slow • Language barriers affecting stakeholder understanding of the legislation • Operational processes and data management not automated

Table 2: List of Opportunities and Threats

Opportunities	Threats
<ul style="list-style-type: none"> • Raise additional revenue through fees • Eradicate fronting practices • Create and innovate solutions • Making B-BBEE transactions and schemes more transparent • Automate operational processes and data management • More visibility • Ability to influence the discourse and make impact • Upscale youth employment • Communicating the B-BBEE Commission's achievements and impact • Collaboration with other institutions • Publication of Investigation findings • Link the B-BBEE to local content and procurement • Consistent messaging on B-BBEE 	<ul style="list-style-type: none"> • Inconsistent messaging about B-BBEE • Lack of consultation in development or changes to policy, legislation and codes • Negative reports on B-BBEE • Fronting practices • Circumvention of the law through B-BBEE models • Inconsistent application of B-BBEE by government departments and entities • Resistance by stakeholders • Cybercrime • Regulatory uncertainty • Lack of integrity in verification processes • Misconception that government departments do not need to comply with B-BBEE Act, and to undergo verification of their B-BBEE claims • Lack of consequence for government departments that are not complying with B-BBEE Act • Corruption of using invalid B-BBEE Certificates to acquire business • B-BBEE being used as a scape goat for corruption

9.3 Description of the strategic planning process

The B-BBEE Commission conducted an extensive strategic and annual performance planning session to ensure objectivity and focus, and in accordance with the guidelines provided for public entities. This was preceded by the initial assessment of the requirements, the mandate, the context, the policy framework, the necessary drivers, and the delivery model.

Environmental (internal and external) factors that impacted organisational operations to achieve its strategic objectives in the previous and current financial year were considered during the strategic planning session.

The process followed in the development of this strategy was explained, clarified and understood by all

participants over the period to build the strategy. Mission, Vision, Brand Promise and Values were described. The process then progressed to Strategic Goals definition with necessary revisits and revisions. For each goal, Strategic Objectives were defined, along with their Outputs (deliverables). High level Performance Measures for each Output were agreed, and then Actions were described over the upcoming financial years' quarters and forward for the following four years.

This directly informed the organisational structure and budget requirements. Additionally, the additional components for the Annual Performance Plan were built. All participants were given the opportunity to further review the strategic plan and make comments and suggestions. The result is a developed s

Broad-Based Black Economic Empowerment Commission Organisational Structure



Part C: Measuring Our Performance

10. Institutional Performance Information

10.1 Measuring the Impact

Impact Statement	Inclusive, equal and economically transformed South Africa
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10.2 Measuring Outcomes

Outcome	Outcome Indicator	Baseline (2018/19 FY)	Five-year target
Improved Compliance	Number of compliance reports submitted by organisations (Private & Public)	JSE - 147	401
		Organs of State - 21	225
		SETAs - 2	21
	Number of major B-BBEE transactions registered	95 received	All transactions above R25 million
		66 registered	100% of registered transactions
	Number of Investigation reports produced	88 reports (79%)	90% of complaints received.

10.3 Explanation of Planned Performance over the Five Year Plan Period

Economic inclusion and transformation are key to achieving the equality envisaged in the Constitution of South Africa. The B-BBEE Act sets the framework for all corporate citizens, government and South Africans to contribute towards the achievement of economic transformation. South African economy remain less diverse, unequal and with binding constraints that hinder participation of its majority which are black people, which impact negatively on its ability to grow, be more competitive and create jobs for South Africans.

Facilitating the implementation of the B-BBEE Act is envisioned to enhance compliance and to create conducive environment for interactions, engagements and provide guidance and support on the interpretation of the B-BBEE Act. The aim is to support and achieve the delivery of the National Development Plan (NDP) objectives which are:

- **Outcome 4:** To facilitate broad-based black economic empowerment through targeted interventions to achieve more inclusive growth;
- **Outcome 11:** To create fair regulatory environment that enables transformational development in an equitable and socially responsible manner; and
- **Outcome 12:** To promote a professional, ethical, dynamic competitive and customer-focused working environment that ensures effective and efficient service delivery.

Focus is to contribute to the acceleration of the inclusive economic growth that is globally competitive and to increase meaningful participation of previously disadvantaged group of people (women, youth, people living with disability) in the mainstream economy.

10.4 Key Risks

Key Risks have been identified and described below with their mitigating actions. The Risk Committee will control the register and the progress of both Strategic Risks and Operational Risks.

Outcome	Key Risk	Risk Mitigation
1. Developing capability and capacity of the Commission to deliver on its mandate	Lack of infrastructure to support the B-BBEE Commission	(a) Monitor the implementation of the ICT strategy plan (b) Timely procurement of ICT infrastructure
2. Developing capability and capacity of the Commission to deliver on its mandate	Inadequate human resources to deliver on the mandate	(a) Recruitment and secondment of multi-skilled and experienced human resources (b) Alternative Office space (c) Graduate training programme – build capacity organically (d) Capacity building programme, training and development of resources
3. Developing capability and capacity of the Commission to deliver on its mandate	Inadequate and inaccessible financial resources to effectively execute the B-BBEE Commission's mandate	(a) Apply for additional budget from the dtic
4. Implementing corrective enforcement to achieve compliance	Non-compliance with corrective action and recommendations to stakeholders	(a) Enforcement
5. Implementing corrective enforcement to achieve compliance	Litigation against B-BBEE Commission	(a) Proper investigations plan (b) Adequate legal support
6. Safeguarding the outcomes of an inclusive economy	Regulatory Uncertainty	(a) Issue practice guides on B-BBEE (b) Service Legal Agreement (SLA) with the dti on policy matters

Not applicable

Part D: Financial Plan

Economic Classification	2020/21Rm	2021/22Rm	2022/23Rm	2023/24Rm	2024/2025Rm
Compensation of Employees	89 000	93 000	98 000	104 000	110 000
Goods and Services	49 000	52 000	55 000	58 000	61 000
Total operational expenditure	138 000	145 000	153 000	162 000	171 000
Payment for capital assets	6 000	6 000	6 000	5 000	5 000
Total expenditure	144 000	151 000	159 000	167 000	176 000

Part E: Technical Indicator Description (TID)

Outcome	Improved Compliance
Indicator Title	1.1 Number of compliance reports submitted by organisations (Private & Public)
Short definition	Compliance reports are submitted to the B-BBEE Commission in line with section 13G where organs of state, public entities listed on JSE and SETAs are required to report to the B-BBEE Commission on their compliance with B-BBEE. The B-BBEE Commission will acknowledge receipt and assess the compliance reports and provide feedback with regards to state of compliance as per the B-BBEE Act.
Purpose/importance	The purpose is to ensure transparency with B-BBEE compliance
Source/ collection of data	Submitted compliance report from JSE listed companies, organs of state, state-owned entities, SETA's
Method of calculation	Simple count
Data limitations	Only submitted compliance report will be assessed and analysed
Assumptions	Functional Case Management System (CMS)
Type of indicator	Outputs
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	90 days taken to assess compliance report
Desired performance	Monthly update
Indicator Responsibility	Executive Manager: Compliance and Executive Manager: Organizational Strategy & Performance

Outcome	Improved Compliance
Indicator Title	1.2 Number of Registered Transactions
Short definition	The B-BBEE Commission is charged with registering all B-BBEE transactions (above threshold i.e. R25 million) which should be published electronically and assuring that B-BBEE transactions comply with the B-BBEE Act and Companies Acts.
Purpose/importance	The purpose is to ensure transparency of all B-BBEE transactions above threshold and to ensure all B-BBEE transactions are legal in respect of the law. It is important that the B-BBEE Commission drive compliance and best practice.
Source/ collection of data	All B-BBEE transactions registered with the B-BBEE Commission will be placed on the B-BBEE Transaction Register and will be audited internally. Non-compliance will be dealt with in terms of specific procedures.
Method of calculation	Simple count
Assumptions	Functional Case Management System (CMS)
Data limitations	Only those B-BBEE transactions above the gazette threshold, that are registered, can be assessed.
Type of indicator	Outputs
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	Assess transactions within 90 days upon registration
Desired performance	A monthly update must be published
Indicator Responsibility	Executive Manager: Compliance and Executive Manager: Organizational Strategy & Performance

Outcome	Improved Compliance
Indicator Title	1.3 Number of Investigation reports produced
Short definition	Investigation is conducted in terms of section 13F (1)(d) and section 13J (1) of the B-BBEE Act read with regulation 15 of the B-BBEE Regulations, culminating in the issuing of findings in terms of regulation 15 (4) (g) 15 of the B-BBEE Regulations.
Purpose/importance	The efficiency of the B-BBEE Commission to deal with queries in a timely fashion is of paramount importance.
Source/ collection of data	Database
Method of calculation	Days between Date of registration to Date of closure of each report should be less than 365 as a percentage of all Investigative reports
Data limitations	Accurate dates must be captured and stored
Type of indicator	Activities
Calculation type	Non-cumulative
Reporting cycle	Annual
Baseline Indicator	On average 80% of reports produced with findings on investigations conducted within 12 months upon receipt of compliant
Desired performance	100%
Indicator Responsibility	Executive Manager: Investigations & Enforcement



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