

**NATIONAL EMPOWERMENT FUND  
REVISED ANNUAL  
PERFORMANCE PLAN FY26**



**NATIONAL  
EMPOWERMENT  
FUND**

Growing Black Economic Participation

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# 1 EXECUTIVE AUTHORITY STATEMENT



The development of this Annual Performance Plan (APP) marks 30 years of democratically elected government in South Africa, an important milestone which signifies maturity – the formation of the Government of National Unity (GNU) bears testimony. The priorities of this APP are derived from the strategic goals and objectives stated in the Strategic Plan (2024–2029). The NEF’s Key Performance Indicators and targets are linked to those contained in the priorities of **the dtic**, Economic Cluster and Medium-Term Development Plan (MTDP). During the Financial year 2025/26, the NEF’s efforts will channelled towards supporting the following MTDP priorities:

1. Inclusive Economic Growth and Job Creation
2. Reducing Poverty and Addressing the High Cost of Living
3. Establishing a Capable, Ethical, and Developmental State

At **the dtic** level, the NEF’s APP is geared to support inclusive growth and industries that are integral in championing decarbonisation, diversification, and digitization. At the same time, it has been acknowledged that it will not be possible to shift the economy toward the 3Ds without addressing the existing economic constraint. As such, implementation of this APP will also be focused on supporting access to affordable financing to stimulate SMEs development, deconcentrate markets and improve global competitiveness of the South African industries.

To intrench transformation, the NEF has identified the following five outcomes:

- Transformation
- Investment Stimulus
- Structural Reforms
- Induced Demand
- High Growth and Labour Absorbent Sectors
- Development of Capable State

To achieve these outcomes, the NEF will amplify its investment activities in targeted areas particularly rural and township areas as well as targets group of people such as women, youth and people with disability. Despite significant stride made over the years, a lot of work still needs to be done to ensure entrenchment and sustainable participation of aspiring and viable enterprises owned and managed by Black entrepreneurs across all sectors of the economy.

In the coming year, the NEF will intensify its investment efforts beyond the five major metropolitan areas, aiming to drive structural reforms and invigorate economic activities within townships and rural regions. This initiative is crucial, as a significant portion of the Black population continues to endure poverty in these areas due to limited economic opportunities.

I extend my commendation to the NEF's leadership for sustaining the organization's self-sufficiency over the past decade.

With full confidence, I endorse the NEF Annual Performance Plan and pledge my commitment to its successful implementation.



**Mr Parks Tau, MP**

**Minister of Trade, Industry and**

**Competition Date: / / 2025**

## 2 ACCOUNTING OFFICER STATEMENT



This annual performance plan (APP) has been developed by the National Empowerment Fund and represents the first to be developed under the new administration. It sheds light on the targets the NEF aspires to achieve in upcoming financial year as well as the description of outputs, indicators, and methods of measurement. At an operational and implementation level, this APP will be guided by the new Strategic Plan and our mandate as detailed in the National Empowerment Fund Act. It will also take into consideration, **the dtic**'s three key objectives of Industrialisation, Transformation and Capable State, and thus the detailed outputs which contribute to these.

The country's severe socioeconomic problems, such as high unemployment rates, especially among young people, as well as ongoing poverty, inequality, and structural economic barriers that prevent inclusive growth and long-term job creation, have prompted the development of this strategic plan. Decarbonization, diversification, and digitization—the "3Ds"—are identified as strategic priority areas in the Department of Trade, Industry, and Competition's (**the dtic**) industrial policy, and the NEF is steadfastly devoted to coordinating its efforts with these priorities. Recognizing the global movement towards digitally

As the economy moves toward the 3Ds of decarbonization, diversification, and digitization, it is crucial to ensure that Black people are not left behind once more, even though the NEF's major goal is still to alter South Africa's economy. With the goal of lowering the difficulties faced by the majority of South Africans living in poverty, we intend to place SMEs run and owned by Black entrepreneurs at the centre of this shift by providing them with a range of tools and interventions to promote inclusive growth and job creation.

In its formative years, the NEF's investment activities were primarily funded through capital allocations from government. However, for more than a decade, the NEF has not received recapitalisation from the fiscus and has instead relied on reflows from its existing investments, placing considerable pressure on its capital base. To mitigate this, the NEF's Enterprise Development (ED) Funding strategy has played a critical role in mobilising capital, particularly in light of the limitations imposed by its classification as a Schedule 3A entity under the Public Finance Management Act (PFMA), which prohibits access to capital markets for borrowing. Despite these constraints, recent commitments from **the dtic** are expected to strengthen the NEF's ability to deliver on its mandate. Furthermore, the NEF continues to engage with both public and private stakeholders who are aligned with its vision of fostering inclusive economic growth

At the NEF, we hold the view that black economic empowerment is not solely about addressing historical inequities, but rather serves as a practical and forward-looking strategy to unlock the country's full economic potential, promote industrialisation, generate employment, and ensure the meaningful inclusion of the majority Black population in the mainstream economy

South Africa continues to grapple with deeply rooted economic disparities, most evident in townships and rural areas, where the enduring legacy of racially based economic exclusion remains stark. Historically, Black communities were systematically relegated to regions with limited economic infrastructure, far removed from the urban centres and industrial nodes that drive growth. Consequently, many individuals in these areas continue to face challenges such as financial illiteracy, limited business acumen, and constrained access to capital—factors that contribute to persistent unemployment and economic marginalisation. In alignment with its developmental mandate, the National Empowerment Fund remains steadfast in its commitment to advancing inclusive economic participation. In the years ahead, the NEF will intensify efforts to direct resources towards empowering Black South Africans, particularly within townships and rural communities, to foster active citizenship and meaningful involvement in the economy

The focus on driving economic activity boosting industrialisation will also be facilitated through the focus on funding businesses operating in Special Economic Zones and Industrial Parks. We are reaffirming our dedication to supporting women-owned enterprises and broadening our inclusivity agenda to include businesses owned by youth and persons with disabilities—collectively targeting 50% of our total investments. This financial support will be complemented

interventions, including entrepreneurial training, investor education, and social facilitation initiatives.

This APP reflects the unwavering resolve of the NEF in championing the economic participation of Black people in the mainstream economy. In preparing the APP, the internal operating environment was considered with factors such as the organisation's current available resources, both financial and human, as well as the external operating environment which covers the socio-economic and legislative developments. The successful delivery of the strategic outcomes entailed on this APP will depend largely on the availability of financial resources, the employees, leadership of the NEF as well as the support of the Honourable Minister Tau. The NEF is committed to the successful implementation of this APP.

**Name: Mr Mziwabantu Dayimani**

**Signature:**  -----

**Rank: Chief Executive Officer**

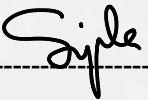
### 3 OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the National Empowerment Fund under the guidance of the Minister of Trade, Industry and Competition
- Consider all the relevant policies, legislation, and other mandates for which the National Empowerment Fund is responsible.
- Accurately reflects the Impact, Outcomes, and Outputs which the National Empowerment Fund will endeavour to achieve in the 2025/26 financial year.

Mr Andile Stemela: Signature: -----


Divisional Executive: Strategy, Planning and Significant Investments

Mr Phumudzo Siphuma: Signature: -----

Chief Financial Officer

Mr Mziwabantu Dayimani: Signature: -----

Chief Executive Officer

Dr Nthabiseng Moleko: Signature: -----

Board Chairperson

Mr Parks Tau, MP: Signature: -----

Minister of Trade, Industry and Competition

## 4 OUR MANDATE

### 4.1 Constitutional Mandate

The existence of the NEF as a creature of statute is validated and certified by Section 9 of the Constitution of the Republic of South Africa, 1996, which asserts that "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".

Deriving from this constitutional injunction, the NEF Act of 1998 empowers the development financier "to establish structures and mechanisms to redress the inequalities brought about by apartheid by facilitating the broader economic ownership by historically disadvantaged persons".

### 4.2 Legislative and Policy Mandate

The NEF reports to Parliament through the Minister of **the dtic**. The work of the NEF is governed by a broad legislative framework, as outlined below:

#	Act	Purpose of Act
1.	<b>National Empowerment Fund Act, No. 105 of 1998</b>	To establish a trust and its objects for the promotion and facilitation of economic ownership of income-generating assets by historically disadvantaged persons; to establish mechanisms to redress historic inequalities and structures to attain the objects of the trust; to provide for the control, management and the dissolution of the trust; and to provide for matters incidental thereto.
2.	<b>Broad-Based Black Economic Empowerment Act, No. 53 of 2003</b>	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.

3.	<b>The Public Finance Management Act (PFMA) Act, No.1 of 1999</b>	To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.
4.	<b>Companies Act No. 71 of 2008</b>	To create flexibility and simplicity in the formation and maintenance of companies; encouraging transparency and high standards of corporate governance as appropriate, given the significant role of enterprises within the social and economic life of the nation.
5.	<b>Financial Intelligence Centre Act 38 of 2001</b>	To establish a Financial Intelligence Centre and a Money Laundering Advisory Council in order to combat money laundering activities and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering purposes and the financing of terrorist and related activities. As a money remitter, the National Empowerment Fund is an Accountable Institution in terms of FICA and the Act contains stringent requirements with which we are obliged to comply.
6.	<b>Employment Equity Act 55 of 1998</b>	The purpose of the Act is to <b>achieve equity</b> in the workplace, by Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
7.	<b>Protection of Personal Information Act of 2013</b>	The purpose of the Act is to promote the right to privacy in the Constitution, while at the same time protecting the flow of information and advancing the right of access to and protection of information. As a DFI and an employer we are expected to balance the need to use personal data for business requirements with the rights of the individuals to privacy in the form of their personal details. The Information Regulator started with enforcement of the POPI Act on 1 July 2021.

## 4.3 Institutional Policies and Strategies

### 4.3.1 Institutional policies

The NEF has 90 policies and procedures, below are a few:

<b>Institutional policies</b>	<b>Purpose</b>
1. Whistle Blowing Policy	The purpose of this policy is to provide a means by which staff are able to raise concerns with appropriate line management, or specific appointed persons where they have reasonable grounds to believe that there is fraud and or corruption within the organisation.
2. Prevention of Fraud & Corruption Policy	The purpose of this Policy is to articulate the NEF's philosophy on prevention of fraud & corruption. The NEF adopts a comprehensive approach to the management of fraud & corruption risk.
3. Disciplinary Policy and Procedure	Ensure that all employees have a clear understanding of and adhere to the conduct expected from them as contained in the Code of Conduct.
4. Leave Policy	To provide a regulatory framework for the efficient management of leave at the NEF.
5. Performance Management Policy	To ensure alignment of individual objectives with the NEF Strategic and Business Plans

	as well as formulating employee objectives and expectations.
6. Travel Policy	To provide management with a means to effectively control subsistence, travel, and related costs.
7. Supply Chain Management Policy	To ensure the efficient, effective and uniform preferential procurement of all services and goods as well as good procurement governance through rigorous procurement processes.
8. Compliance Manual	To ensure compliance with regulatory requirements and internal policies and procedures.
9. Anti- Money Laundering Control Policy	To establish principles and measures to protect National Empowerment Fund from being used to launder money.
10. Politically Exposed Persons Policy	To ensure that the NEF applies additional due diligence measures to ensure that there is no undue influence on NEF decisions and also ensure that the NEF considers the reputational and other risks associated with doing business with PEPs.
11. Pricing Policy	To provide users with the elements that make up the NEF's final risk price and to introduce and formalise the NEF's inherent cost of capital, detailed credit risk premium make-up and development discount to be applied in pricing of investments.
12. Credit Risk Policy	To provide credit principles by which the NEF's affected personnel should abide

	to effectively manage and minimise credit risk in the process of providing credit to the investees of the NEF
13. Conflict Of Interests Policy	To guide employees, EXCO and its subcommittees in identifying, managing and disclosing conflicts of interest when dealing with actual and perceived conflicts of interest between the employees of the NEF and its applicants, investees, and service providers.
14. Investment Policy	To set out the basis on which investments are to be made and ensure that there is consistent evaluation of investment projects.
15. Litigation Policy	To provide a formal and documented process of collecting NEF's capital and revenue through litigation and to further outline the principles and general procedures.
16. Investment Exit	To provide guidelines for the NEF in assessing investment exit events, evaluating investment exit options, selecting the preferred investment exit mechanism, procedures to be followed when the organisation wishes to exit an investment.
17. Business Continuity	The framework to guide the NEF to navigate disastrous situations and maintain continuity in operations.

### **4.3.2 Institutional strategies**

The 7th Administration has outlined three national priorities: inclusive growth and job creation, poverty and cost-of-living reduction, and a capable state. In response, **the dtic** has adopted a strategic framework centred on decarbonisation, diversification, and digitalisation to drive industrial development. Aligned to this, the NEF has crafted six flagship strategies that address systemic barriers and enable transformative economic participation.

The detailed design and implementation approach of each programme is articulated in the Strategic Plan. A brief description of the strategies is expressed below.

#### **Growing Black Industrialists**

This strategy drives economic transformation by scaling black-owned enterprises in strategic sectors such as manufacturing, infrastructure, agro-processing, and mining services. It provides large-scale funding solutions, enabling beneficiaries to secure contracts, expand production capacity, and access new markets. The ultimate goal is to unlock R60 billion in private sector funding through the R32 billion invested while generating 155,000 jobs over seven years.

#### **Aggregator Model**

The Aggregators Programme supports black-owned intermediaries that consolidate supply and demand across fragmented markets, enabling smaller enterprises to participate in value chains. Through procurement finance and strategic partnerships, it facilitates access to contract opportunities in construction, tourism, manufacturing, and fast-moving consumer goods. This programme creates jobs, scales township-based suppliers, and promotes export competitiveness of black-owned brands.

### **Green Economy**

This programme accelerates investment into renewable energy, energy storage, and low-carbon manufacturing to position black-owned businesses at the forefront of South Africa's just transition. It supports ventures in solar, wind, biogas, and green hydrogen while catalysing localisation and industrial participation. A key focus is on unlocking climate finance and blended instruments to scale commercially viable, high-impact projects.

### **Digital Economy**

The Digital Economy Programme fosters black participation in digital infrastructure, platform-based services, and tech-enabled enterprises. It prioritises partnerships with the private sector to co-fund scalable digital solutions, including ICT manufacturing, logistics platforms, and township-based innovation hubs. By investing in digital inclusion, the programme drives job creation, innovation, and rural connectivity.

### **SME and Township**

This programme expands access to finance for black-owned SMEs in sectors such as retail, personal services, tourism, and light manufacturing, with a focus on township and rural economies. It leverages existing funds and partnerships to support business expansion, procurement linkages, and service excellence. By targeting high-growth and community-based businesses, the programme promotes job creation and local economic revitalisation.

### **Natural and Cultural Beneficiation Strategy**

This programme promotes inclusive growth through strategic investments in tourism, heritage infrastructure, and the creative industries. It supports landmark projects such as the God's Window Skywalk and Cape Point Film Studios, positioning South Africa as a global destination for film and cultural tourism. Community ownership and transformation in historically exclusive spaces are central to driving broad-based development and sustainable employment.

## 5 OUR STRATEGIC FOCUS

### 5.1 NEF Governance and Organisational Structure

#### 5.1.1 Board of Trustees



**Mr Mziwabantu Dayimani**  
Executive Trustee and  
Chief Executive Officer



**Ms Rethabile Nkosi**  
Non-executive Trustee and  
BIC Chairperson



**Ms Thinavhuyo Mpye**  
Non-executive Trustee and  
AC Chairperson



**Ms Lucretia Khumalo**  
Non-executive Trustee and  
RPMC Chairperson



**Ms Phille Mbokazi**  
Non-executive Trustee and  
HCRC Chairperson

In accordance with international best practice, and as outlined in the NEF Act, the NEF is governed by to the Board of Trustees that is appointed by **the dtic**. The Board is aided in the discharge of its duties through a range of committees, exercising oversight, setting policy and direction on areas inclusive of audit, risk management, human capital and remuneration, investment, as well as social and ethics matters.

#### 5.1.2 Board Sub-Committees

The Board and its subcommittees hold regular meetings to ensure that these important structures meet their objectives as outlined in the various charters. These guardians of public and institutional trust are the bastion that has ensured that the NEF has continued for successive years to achieve clean external audit opinions.

<p><b>Risk Portfolio Management Committee (RPMC)</b></p> <p>The Committee provides risk governance and independent oversight for the NEF. It assists the Board in fulfilling its risk responsibilities by ensuring the NEF has effective strategies and plans for risk and portfolio management, enhancing its ability to achieve strategic objectives.</p>	<p><b>Audit Committee (AC)</b></p> <p>The committee helps the Board fulfill its duties by overseeing the financial reporting process, the audit process, the internal control system, and compliance with laws and regulations.</p>	<p><b>Social and Ethics Committee (SEC)</b></p> <p>The Committee is a statutory committee established under section 72 and regulation 43 of the Companies Act. It assists the Board in overseeing organizational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships.</p>
<p><b>Human Capital and Remuneration Committee (HCRC)</b></p> <p>The Committee supports the Board by aligning the NEF's business and people strategies. The committee focuses on key people-related matters, both current and future, to ensure alignment.</p>	<p><b>Board Investment Committee (BIC)</b></p> <p>The Committee is responsible for granting credit, with delegated authority to approve transactions up to R50 million per applicant. It also reviews and recommends transactions exceeding this threshold to the Board for approval.</p>	<p><b>Nomination Committee (NOMCO)</b></p> <p>NOMCO supports the Board by overseeing and making recommendations for board committee vacancies for the Board's consideration and approval. NOMCO is responsible for handling the CEO appointment and filling positions within the Board committees.</p>

In providing oversight and leadership the Board and its subcommittees have maintained unstinting independence and foresight in setting strategies and policies for the organisation, and in supporting the efforts to recapitalise the development financier.

Together with the Audit Committee the Board is central in safeguarding the assets of the institution as well as developing and monitoring adequate and effective systems and control processes. The preparation of financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, is yet another key function of the Board.

In conjunction with the Risk & Portfolio Monitoring Committee (RPMC), the Board also manages the risk universe of the NEF closely, ensuring that proper business risk assessment is carried out and that a risk profile of the organisation is upheld. The Board Investment Committee (BIC) assists the Board, in pursuit of the mandate of the NEF, to assess and where appropriate, to approve such transactions as delegated in terms of the DOA.

Together with the Social & Ethics Committee (SEC) the Board monitors the social and economic development of beneficiary committees, the promotion of equality, the prevention of unfair discrimination and corruption, oversight of the environment, health and public safety, including the impact of the NEF's activities and of its products or services as well as the NEF's employment relationships, its contribution towards the educational development of its employees, gender parity and employee wellness.

Through the Human Capital & Remuneration Committee (HCRC) the Board reviews and sets human capital policies, procedures, structures and all matters relating to the relationship between the NEF and its staff. It also oversees compliance with the human capital policies, procedures and structures regulating the relationship between the NEF and its staff.

## **5.2 Vision**

Our vision is to be the leading provider of innovative transformation solutions for an economically inclusive South Africa. We seek to be the lead financier of B-BBEE investments in the DFI space.

## **5.3 Mission**

The National Empowerment Fund is a catalyst of Broad-Based Black Economic Empowerment in South Africa.

We enable, develop, promote and implement innovative investment and transformation solutions to advance sustainable black economic participation in the economy.

## 5.4 Values

The values of the NEF are the glue that hold the ethical tapestry of the organisation together. Together these values form the acronym **EMPOWER**, as outlined below:



These values are the emblem of the NEF's service to the nation. They stand as a living testament of the NEF's commitment to integrity. Launched in September 2014, the values are accompanied by a pledge that all at the NEF, from Trustees, Executives, managers and all staff, make, as outlined below:

“ As a member of the NEF family, I hereby solemnly pledge to remain faithful to the values and ethos of the NEF, because as an instrument in the quest for inclusive growth, I recognise that the economic dreams and aspirations of black people depend on my willingness to serve with truth in my heart. In taking the hopes of black economic freedom to greater heights, and growth itself to the skies, I hereby undertake that as a patriot I will perform my call to duty with integrity and honour, with empathy and dedication to excellence, inspired by the vision of a growing and inclusive economy. This is my oath, my vocation, my contract with the nation. ”

## 5.5 Key Constraints Limiting Inclusive Economic Growth

The dtic group identified 20 economic constraints as the main area of focus to unlock inclusive economic growth and job creation. Small, Medium, and Enterprises (SMEs) face significant constraints in competing with big businesses due to a complex interplay of economic and structural factors.

### 5.5.1. Key Economic Constraints to be Addressed by Broader Economic Cluster

- Administration costs (energy & electricity, logistics, parks, fuel, gas) – remain disproportionately burdensome for SMEs, which lack the economies of scale that benefit larger corporations.
- Cost of capital/ availability of finance – limit growth opportunities for smaller players, often sidelining them from broader economic participation.
- Red tape reduction – excessive red tape hinders agility and innovation.
- Up streams inputs – high cost of inputs upstream exacerbates competitive disadvantages.
- Illicit imports – while illicit imports discourage investment in domestic industries.
- Infrastructure collapse (ports, roads, rail) – isolate SMEs from economic hubs and emerging opportunities.
- Market access – restrict growth for SMEs, stalling economic expansion.
- Digital infrastructure (ICT& AI) – limits the ability to innovate, integrate into global digital economies
- Local Government (LED Enablers) Metros – increase costs and delays in executing economic development projects, impacting the effectiveness of support mechanisms.
- Workforce + Supplier readiness - hindering productivity, innovation and limit South Africa's industrial competitiveness
- Focus (SMMEs vs Big Business) – limits innovation, restricts value chain development and opportunities for smaller businesses to compete and grow.
- Concentration of economy - market power among big businesses intensifies inequality in purchasing power and limits inclusion.

- Policy Reform – sluggish policy reform hinders agility and innovation
- Inequality of purchasing power – reducing demand for goods and services, and limiting growth in high-end
- Openness of economy (protectionism) – hinders ability to access international markets, reducing growth potential for local businesses.
- Workforce Readiness & Skills for the Economy – increase cost of production and reduces competitiveness of domestic industries.
- Market Concentration and Economic Inclusion – limits industrial diversification, reducing economic resilience and expansion.
- SEZ and Industrial Parks Impact – have potential to accelerate economic growth and job creation.
- Critical Minerals Value Chain – have potential to accelerate economic growth and provide an industrial base for the green industries.
- Digital economy and digital transformation – lack of investment in SMEs hinders competitiveness.

## **5.6 NEF situational analysis**

### **5.6.1 External Factor Overview**

The NEF operates in a dynamic external environment influenced by political, economic, social, technological, environmental, and legal factors. Politically, the formation of a Government of National Unity following the 2024 elections presents challenges as divergent ideologies within the government may impact policy stability. Economic conditions are improving, with projected growth and declining inflation, but the need for recapitalization remains pressing for the NEF to continue its mandate. Socially, high unemployment rates and growing social dissatisfaction pose risks, but also provide opportunities for the NEF to contribute to job creation and economic inclusion through strategic investments. Technological advancements are enabling more efficient operations, yet the rising threat of cyberattacks demands a robust response to safeguard data. Environmental risks such as extreme weather events and water scarcity are affecting business operations, with the NEF supporting green initiatives and environmentally sustainable projects. Legally, the NEF remains committed to promoting B-BBEE, despite occasional challenges, while ensuring compliance and integrity in its operations.

### **5.6.2 Internal Factor Overview**

The NEF possesses significant internal strengths that position it as a key player in driving economic transformation. With its innovative product offerings, institutional maturity, and a proven track record in BEE funding, the organization is well-equipped to fulfil its mandate. Strong corporate governance and internal control systems, coupled with a high-performance culture and technically skilled staff, provide a solid foundation for operational success. However, the organization faces internal challenges, including insufficient staff capacity, a high impairment rate, and the need to improve information systems. These weaknesses highlight areas for development, but the NEF's commitment to continuous improvement, coupled with its strategic use of resources and lessons learned from past experiences, positions it to overcome these challenges and enhance its overall effectiveness in the future.

### **5.6.3 SWOT Analysis**

A summary of the NEF's strengths, weaknesses, opportunities and threats (SWOT) are listed below:

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Extensive experience in BBBEE and SMEs funding</li> <li>• Accessible to SMEs across all provinces.</li> <li>• Sustainability of funded SMEs</li> <li>• Improving return on investments.</li> <li>• Competitive credit to SMEs.</li> <li>• Technically strong and committed staff.</li> <li>• Strong internal control systems and processes.</li> </ul>	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Rising demand for transformation and SME funding.</li> <li>• Domestic supply gaps in key value chains of the economy</li> <li>• AfCFTA present export opportunities in Africa for Black Industrialists and SMEs</li> <li>• High growth and labour absorbent sectors need financial support.</li> <li>• Transformation fund and other third parties requiring partners</li> </ul>
<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Inadequate financial resources affecting the below amongst others:</li> <li>• Constrained impact due to limited financial resources.</li> <li>• Talent retention as a result of competitive compensation market in financial services.</li> <li>• Legacy information systems and organizational design.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Geopolitical conflicts (USAID, Middle East conflict, Eastern Europe Conflicts and Chinese Foreign policy)</li> <li>• Oppositions toward Transformation Fund which could delay its implementation</li> <li>• Weak domestic and global demand – Impact on invested portfolio and green field investments</li> <li>• Poor quality of applications.</li> <li>• Constrained financial position</li> <li>• Deteriorating Infrastructure (negative impact on invested portfolio)</li> <li>• Lingering high unemployment</li> </ul>

### 5.6.4 PESTEL Analysis

A brief summary of the NEF's Political, Economic, Social, Technological, Environmental and Legal (PESTEL) risks are listed below:

STRATEGIC ISSUES	PROPOSED NEF'S RESPONSE
<b>Political Factors</b>	
<ul style="list-style-type: none"> <li>Negative perception towards black economic empowerment policies.</li> <li>Government institutions perceived as corrupt.</li> </ul>	<ul style="list-style-type: none"> <li>The NEF will continue to implement the mandate with a high level of transparency and comply consistently with good corporate governance guidelines, maintaining its immaculate track record.</li> <li>The NEF will continue upholding the high-level good governance and good control environment which have led to the 20 years of clean external audit opinion.</li> </ul>
<b>Economic Factors</b>	
<ul style="list-style-type: none"> <li>Global and domestic growth is projected to grow by 3.2% in 2024 and 2025.</li> <li>Declining inflation and projected interest rate cuts over the next year are expected to stimulate domestic household demand. Improvement in structural issues relating to electricity supply and logistics is expected to support growth.</li> </ul>	<ul style="list-style-type: none"> <li>The NEF will priorities investment in priority sectors as identified by <b>the dtic</b>. These sectors have growth potential and ability to crowd-in private capital to stimulate overall economic activities.</li> <li>The NEF will monitor closely investees' performance and identify those greatly affected by weak consumer demand and the high cost of operating their businesses to explore measures to support these investees. The NEF has established the Alternative Energy Fund to ensure business continuity during loadshedding.</li> </ul>

<ul style="list-style-type: none"> <li>• The NEF to manage the transformation fund</li> </ul>	<ul style="list-style-type: none"> <li>• With Minister Parks Tau’s proposal to establish the R100 billion Transformation Fund under the management of the NEF, the substantial capital injection will significantly enhance the NEF’s capacity to scale its impact — enabling it to expand funding support for Black-owned enterprises, drive inclusive economic participation, and accelerate meaningful transformation across key sectors of the South African economy.</li> </ul>
<p><b>Social Factors</b></p>	
<ul style="list-style-type: none"> <li>• Rising population growth is estimated at 63 million.</li> <li>• The unemployment rate is high at 33.5%, especially amongst youth.</li> <li>• Limited access to basic goods and services resulting in social instability and violent strikes.</li> </ul>	<ul style="list-style-type: none"> <li>• The rise in population growth increases the market and continues to support investees that will service the growing demand for various goods and services.</li> <li>• The NEF will prioritise investments in businesses that create more jobs per rand investment to support the government’s call for mass job creation. Internally, the NEF will continue to create jobs through the internship program.</li> <li>• The current social dissatisfaction, especially due to inadequate service delivery and loadshedding, may lead to damage to properties and those of NEF investees. The NEF will continue providing access to finance to boost the manufacturing of goods locally and provision of services such as alternative energy source in the form of solar panels and accompanying batteries.</li> </ul>

<ul style="list-style-type: none"> <li>Alternative media options offer access to information through social media.</li> </ul>	<ul style="list-style-type: none"> <li>The NEF will continue to utilize online platforms to communicate and engage South Africans especially regarding the available funding opportunities.</li> </ul>
<p><b>Technological Factors</b></p>	
<ul style="list-style-type: none"> <li>Technological advancement made it possible for meetings to be held online.</li> <li>Information systems technology enables the automation of work throughout the organization.</li> <li>Rise in cyber security threats which may result in loss of data and finances.</li> </ul>	<ul style="list-style-type: none"> <li>The NEF will continue exploring these technological tools to improve efficiency in rendering our service. For example, the employees continue to work through a hybrid structure remotely.</li> <li>The NEF is currently embarking on a journey to move to a paperless working environment and intends to automate most of the tasks that needs to be done manually. This is vital in improving efficiency.</li> <li>The NEF will continue to invest in systems that secure data throughout the organization.</li> </ul>
<p><b>Environmental Factors</b></p>	
<ul style="list-style-type: none"> <li>Frequent extreme weather conditions resulting in damage to crops and animals.</li> <li>Increases in environmentally friendly practices.</li> </ul>	<ul style="list-style-type: none"> <li>The NEF will continue supporting investees affected by extreme weather conditions. The NEF is fully engaged in the global warming discourse and has endeavoured to support applicants operating in the green economy to reduce carbon print of the country.</li> <li>The NEF promotes the adherence and preservation of the environment by strictly supporting business activities that are</li> </ul>

<ul style="list-style-type: none"> <li>• Rise in water scarcity likely to disrupt operation of some businesses.</li> </ul>	<p>environmentally friendly. The environmental risk assessment forms part of due diligence before an application is supported.</p> <ul style="list-style-type: none"> <li>• The NEF encourages investees to use water sparingly and seeks to explore measures that ensure uninterrupted business operation. Applications with potential high-water usage are required to be supported by water use licenses as a condition for disbursement.</li> </ul>
<p><b>Legal Factors</b></p>	
<ul style="list-style-type: none"> <li>• The NEF is mandated to empower black people in the spirit of BBBEE policy which is often challenged.</li> <li>• Practices of fronting – businesses that appear to be legally owned by black people.</li> </ul>	<ul style="list-style-type: none"> <li>• The NEF will continue to support businesses owned and managed by black people as per the NEF Act which legally allows the focus on black people.</li> <li>• The NEF will continue to look beyond ownership and consider the level of involvement of owners in the operation of business.</li> </ul>

## 6 MEASURING OUR PERFORMANCE

The organisation has structured 6 programmes to better align with the objectives of **the dtic**. Through these programmes, the organisation will disburse R1.5 billion in the FY26 financial year, and a total R56.6 billion before the end of FY28.

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	R1.05bn	R692m	R838m	R1 010m	R1.5b	R20b	R35b

### 6.1 Programme 1: Growing Black Industrialists

#### 6.1.1 Purpose of the programme

The Growing Black Industrialists programme is a strategic initiative designed to foster substantial economic participation among Black entrepreneurs in key industrial sectors. The programme seeks to provide early-stage equity and capital investment, enabling the development of transformative projects that can unlock significant growth and economic opportunities.

#### 6.1.2 Programme outputs

The Growing Black Industrialist programme encompasses many outputs, including investment to Black Industrialists, aggregated additional output, value of investments, and number of new jobs to be created amongst others. These outputs are intended to support the achievement of the outcome titled "Investment Stimulus and Transformation". They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth

**6.1.3 Performance indicators and performance targets per programme:**

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R487.5m	R6.5bn	R11.38bn

**6.1.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R487.5m	R146.25m	R292.5m	R390m	R487.5m

### **6.1.5 Planned performance over the medium-term period**

This Growing Black Industrialist programme was designed to be the main driver of output such as value of investment which is integral in delivering the intended outcome for investment stimulus and eventually the desired impact of inclusive economy, with sustainable jobs which are vital to reducing poverty and inequality. This programme has been allocated R32 billion out of R100 billion, representing 32%. It is strategically crafted to drive the organisation towards meeting the following organisational outcome:

- 50% of all investments made to go towards Black Industrialists.
- 50% of all investments made to go towards businesses operating in one of the 6 High Growth and Labour Absorbent Sectors (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).

33% (R487.5 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the Black Industrialists program.

## **6.2 Programme 2: Aggregator Model**

### **6.2.1 Purpose of the programme**

The Aggregator Program is a strategic initiative designed to transform South Africa's agricultural sector by empowering small-scale farmers, improving market access, and enhancing the overall agricultural value chain. The program aims to address key challenges faced by farmers, such as high transport costs, limited market access, poor storage facilities, and exploitation by intermediaries. Through aggregation, the program will enable farmers to pool resources, achieve economies of scale, and secure better market terms.

### **6.2.2 Programme outputs**

The Aggregator Model programme also addresses including number of SMEs number of new jobs to be created amongst others. These outputs are intended to support the achievement of the outcome titled "Investment Stimulus, Structural Reforms and High Growth and Labour Absorbent Sectors". They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth.

**6.2.3 Performance indicators and performance targets per programme:**

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R300m	R4bn	R7bn

**6.2.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R300m	R90m	R180m	R240m	R300m

### **6.2.5 Planned performance over the medium-term period**

The Aggregator programme was designed to bolster the organisation in meeting its high growth and labour absorbent sector:

- 60% of all investments made to go towards businesses operating in one of the 6 High Growth and Labour Absorbent Sectors (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).

20% (R300 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the Aggregator program.

## **6.3 Programme 3: Green Economy**

### **6.3.1 Purpose of the programme**

The Green Economy is a critical growth sector that provides significant opportunities for South Africa to foster sustainable development while driving industrial transformation. With a strong resource base and industrial capabilities, South Africa is well-positioned to capitalize on green technologies, including battery storage, electric vehicles (EVs), and hydrogen energy. The Green Economy Program aims to unlock economic potential in these sectors, supporting new and existing businesses, creating employment, and enhancing value chain integration.

### **6.3.2 Programme outputs**

The Green Economy programme include outputs such as number value invested in the High Growth and Labour Absorbent Sectors, number of funded SMEs and value invested amongst others. These outputs are intended to support the achievement of the outcome titled “Investment Stimulus, Structural Reforms and High Growth and Labour Absorbent Sectors”. They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth.

**6.3.3 Performance indicators and performance targets per programme:**

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R375m	R5bn	R8.75bn

**6.3.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R375m	R112.5m	R225m	R300m	R375m

### **6.3.5 Planned performance over the medium-term period**

The Green Economy was designed to push the organisation towards its mission towards decarbonisation through meeting its high growth and labour absorbent sector outcome:

- 60% of all investments made to go towards businesses operating in one of the 6 High Growth and Labour Absorbent Sectors (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).

25% (R375 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the Green Economy program.

## **6.4 .Programme 4: Digital Economy**

### **6.4.1 Purpose of the programme**

The Digital Platform Economy programme is intended to drive the transition and diversification of the domestic economy while ensuring that transformation is an embedded in the growth of the digital economy. While the country's economy has traditionally been underpinned by sectors such as mining, finance, and energy, the advent of new information, data, and communication technologies is redefining economic activities across all sectors. The COVID-19 pandemic further accelerated the adoption of digital solutions, altering how businesses interact, transact, and reach consumers. The digital economy is poised to continue reshaping the nation's economic landscape and creating new opportunities for growth, employment, and social inclusion. As such, the NEF will utilise this programme to ensure participation of black SMEs.

### **6.4.2 Programme outputs**

The Green Economy programme include outputs such as number value invested in the High Growth and Labour Absorbent Sectors, number of funded SMEs and value invested amongst others. These outputs are intended to support the achievement of the outcome titled "Investment Stimulus, Transformation, Structural Reforms and High Growth and Labour Absorbent Sectors". They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth.

**6.4.3 Performance indicators and performance targets per programme:**

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R75m	R1bn	R1.75bn

**6.4.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R75m	R22.5m	R45m	R60m	R75m

#### **6.4.5 Planned performance over the medium-term period**

The Digital Economy was designed to push the organisation towards its mission towards diversification and expanding into new growth areas through meeting its high growth and labour absorbent sector outcome:

- 60% of all investments made to go towards businesses operating in one of the 6 High Growth and Labour Absorbent Sectors (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).

5% (R75 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the Digital Economy program.

### **6.5 Programme 5: SMEs**

#### **6.5.1 Purpose of the programme**

The SME Program is a key initiative aimed at accelerating the transformation of South Africa's economy by supporting small and medium-sized enterprises (SMEs) across various sectors. The program's primary goal is to unlock growth opportunities, promote inclusive economic participation, and create sustainable employment. Through targeted investments and strategic partnerships, the SME Program seeks to empower black-owned businesses, enhance their competitiveness, and facilitate their entry into local and international markets.

#### **6.5.2 Programme outputs**

The SMEs programme include outputs such as number value invested in the number of funded SMEs, value invested and number of new jobs to be created amongst others. These outputs are intended to support the achievement of the outcome titled "Transformation, Induced Demand, Investment Stimulus, Structural Reforms and High Growth and Labour Absorbent Sectors". They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth.

**6.5.3 Targeted Activities:** Initiatives will include providing export finance, market linkages, and logistical support to enable black-owned brands to compete on a global scale Performance indicators and performance targets per programme:

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R112.5m	R1.5bn	R2.63bn

**6.5.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R112.5m	R33.75m	R67.5m	R90m	R112.5m

### **6.5.5 Planned performance over the medium-term period**

The SME program was specifically designed to assist the organisation in expanding its reach and maximising economic inclusion through the following outputs:

- 60% of all investments made to go towards businesses operating in one of the 6 High Growth and Labour Absorbent Sectors (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).

8% (R112.5 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the SME program.

## **6.6 Programme 6: Natural & Cultural Beneficiation**

### **6.6.1 Purpose of the programme**

This programme aims to leverage South Africa's rich natural and cultural heritage to boost economic growth and create job opportunities, particularly in tourism and the creative industries. The initiatives under this programme focus on enhancing tourism infrastructure, developing cultural infrastructure, and forming strategic partnerships with global entertainment platforms. Through targeted investments, the programme seeks to improve tourist experiences, grow international visitor expenditure, and support the creative economy.

### **6.6.2 Programme outputs**

The Natural and Cultural Beauty programme include value invested and number of new jobs to be created amongst others. These outputs are intended to support the achievement of the outcome titled "Transformation, Induced Demand, Investment Stimulus, Structural Reforms and High Growth and Labour Absorbent Sectors". They are also intended to support the development and empowerment of previously disadvantaged groups such as women, youth and people with disability. The NEF has a dedicated proportion of its investment allocated to empower women and youth.

**6.6.3 Targeted Activities:** Initiatives will include providing export finance, market linkages, and logistical support to enable black-owned brands to compete on a global scale Performance indicators and performance targets per programme:

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	Value of investments made	Value of investments made	-	-	-	-	R150m	R2bn	R3.5bn

**6.6.4 Quarterly milestones:**

Outcome	Output	Output indicator	Baseline 2024/25 Performance	2025/26 Annual Target	Cumulative Quarterly Milestones			
					1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Investment Stimulus	Value of investments made	Value of investments made	-	R150m	R45m	R90m	R120m	R150m

### **6.6.5 Planned performance over the medium-term period**

The Natural & Cultural Beneficiation program was constructed to push to tourism and creativity through the following outcomes:

- Funding a minimum of 150 SMEs in the short run and 10 000 SMEs before the end of the FY29 financial year

10% (R150 million) of the total R1.5 billion the organisation plans to disburse in the FY26 financial will be allocated towards the SME program.

## 7 PERFORMANCE PLAN MATRICES

### 7.1 Consolidated Performance Plan Matrix 2025/26 – 28:

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Investment Stimulus</b>	1. Aggregated Additional Output	1. Aggregated Additional Output	-	-		R6.1b	R4.5b	R48.7b	R72.9b
	2. Value of investments made	2. Value of investments made	R1.1bn	R692m	R838m	R1.01b	R1.5b	R20b	R35b
	3. Number of maintained and new jobs to be created	3. Number of new job to be created	11 429	4 598	6 526	13 656	10500	140000	245000

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Transformation</b>	4. Number of SMEs funded	4. Number of SMEs funded	203	174	98	197	150	2000	3500
	5. Percentage of investments made to Black Industrialists	5. Percentage of investments made to Black Industrialists	-	-	-	58.4%	60%	60%	60%
	6. Percentage of investments to businesses owned by women	6. Percentage of investments to businesses owned by women	-	-	-	37%	35%	35%	35%

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
	7. Percentage of investments to businesses owned by youth and people living with disability	7. Percentage of investments to businesses owned by youth and people living with disability	-	-	-	17%	15%	15%	15%
Structural Reform	8. Percentage of investments made to investees operating made to investees	8. Percentage of investments made to investees operating made to investees	-	-	-	48.2%	10%	10%	10%

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
	operating in SEZs and IPs	operating in SEZs and IPs							
<b>Induced Demand</b>	9. Revenues from exported products and services	9. Value of revenues from exported products and services from investees supported by the NEF	-	-	-	R125.5m	R125m	R1.7b	R2.9b
<b>High Growth and Labour Absorbent Sectors</b>	10. Percentage of investments made to investees operating in High Growth	10. Percentage of investments made to investees operating in	-	-	-	40.8%	60%	60%	60%

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
	and Labour Absorbent Sectors	High Growth and Labour Absorbent Sectors							
<b>Development of a Capable State</b>	11. Percentage of portfolio impaired	11. Percentage of portfolio impaired	29%	25%	**33%	27%	40%	40%	40%
	12. Collection ratio	12. Collection ratio	83.71%	83.9%	80%	81%	75%	75%	75%
	13. Percentage of investees paid within 45	13. Percentage of investees paid within 45 working days	-	-	-	83%	70%	70%	70%

Outcomes	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			FY22	FY23	FY24	FY25	FY26	FY27	FY28
	working days of commitment	of commitment							
	14. Percentage of suppliers paid within 30 days of receiving a valid invoice	14. Percentage of suppliers paid within 30 days of receiving a valid invoice	-	-	-	97%	80%	80%	80%

## 7.2 Quarterly Performance Plan Matrix 2025/26

Outcome	Output Indicator	Target 2025/26	Cumulative Quarterly Milestones	Outcome	Output Indicator	Target 2024/25
			1st	2nd	3rd	4 <sup>th</sup>
Investment Stimulus	Aggregated Additional Output (R'm)	R4.5b	R1.3b	R2.7b	R3.6b	R4.5b
	Value of investments made (R'm)	R1.5b	R450m	R900m	R1.2b	R1.5b
	Number of maintained and new jobs to be created	10500	3150	6300	8400	10500
Transformation	Number of SMME's funded	150	45	90	120	150
	Percentage of investments made to Black Industrialists	60%	60%	60%	60%	60%
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	15%	15%	15%	15%	15%

Outcome	Output Indicator	Target 2025/26	Cumulative Quarterly Milestones	Outcome	Output Indicator	Target 2024/25
			1st	2nd	3rd	4 <sup>th</sup>
Structural Reform	Percentage of investments made to investees operating in SEZs and IPs	10%	10%	10%	10%	10%
Induced demand	Revenues from exported products and services (R'm)	R125m	R37.5m	R75m	R100m	R125m
High Growth and Labour Absorbent Sectors	Value of investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%
Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%
	Collection ratio	75%	75%	75%	75%	75%
	Percentage of Suppliers Paid Within 30 Days of Approval	80%	80%	80%	80%	80%

Outcome	Output Indicator	Target 2025/26	Cumulative Quarterly Milestones	Outcome	Output Indicator	Target 2024/25
			1st	2nd	3rd	4 <sup>th</sup>
	Percentage of Investees Paid Within 45 Business Days from Commitment	70%	70%	70%	70%	70

## 8 FINANCIAL PLAN

The financial projections were developed based on planned investments of R100 billion mainly for the transformation fund, which will be allocated between FY2025 and FY2029. The plan involves establishing a Special Purpose Vehicle (SPV) with a governing structure that includes representatives from both the public and private sectors to ensure accountability for the inflows and disbursed to and from the fund. The National Empowerment Fund (NEF) will serve as the implementing agency for the transformation fund. The projected investment of R100 billion is contingent upon inflows into the fund.

### 3-YEARS NEF INVESTMENT PLAN

	2026FY	2027FY	2028FY	
	Millions	Millions	Millions	TOTAL
<b>Value of Investments</b>	<b>1 500</b>	<b>20 000</b>	<b>35 000</b>	<b>56 500</b>

	1 940	20 000	35 000	56 940
<b>Funding sources</b>				
On-balance sheet	600	700	800	<b>2 100</b>
Fiscal injection	-	2 000	2 000	<b>4 000</b>
Third party funds & other grants	1 340	1 140	1 140	<b>3 620</b>
<b>Inflows into the transformation fund</b>		<b>- 16 160</b>	<b>31 060</b>	<b>47 220</b>

To launch the transformation fund, a direct capital injection from the government is essential to attract additional fundraising from both public and private sectors. It is proposed that this allocation be sourced from the reserves of the central bank, amounting to R10 billion over a five-year period, which translates to R2 billion per annum. This funding will help catalyze the fund's long-term sustainability and impact.

The identified funding gap of **R47.2 billion** is expected to be addressed through the inflows into the transformation fund.

The following inputs and assumptions were applied in the financial projections:

- Good and services: the CPI inflation forecast of 5.3% in FY2025, and an average CPI forecast of 5.3% over the forecast period, as per the National Treasury's MTEF guidelines;
- Portfolio impairment provisions of 40% for FY2026 to FY2028.
- Interest earned on investments is linked to the prevailing prime rate;
- Interest earned on surplus cash estimated on average 7.95% over the period
- A total investment of R56 billion between FY2026 and FY2028
- Collection rate of 75%; and
- Capital raising fee of 1.5% on disbursements.

The NEF's strategic objectives are detailed in section 6 of this Plan, and detailed Financial Projections are provided in Appendix A.

## 8.1 Projections of revenue, expenditure, and borrowings

**Revenue composition;** The revenue for the NEF is derived from the interest on investments, interest on cash surplus, dividend income from listed and unlisted equity investments, raising / origination fees and enterprise and supplier development contributions received and the management fees. Historic trends and the macroeconomic outlook were applied in the revenue projections.

**Good and services:** The incremental budgeting cost principles and the National Treasury guidelines were applied in preparing the expenditure forecast. Other consideration is the performance targets and the strategic direction of the organisation.

As a result of the NEF's operating model, which is the financial investment into the SMEs, the significant expenditure remains the employees' cost, making up over 65% of the total operational costs. However, the cost efficiencies(cost-to-income) and the jaws ratios are applied to ensure that the expenditure remains within the parameters.

Other expenditure categories including; professional fees (legal fees, external audit fees and the specialist consulting); organisation sustaining costs (lease, utilities), administrations costs and the projects, which is incurred to provide the non-financial support to the investees in line with the NEF's mandate.

### Impairment

The new GRAP 104 accounting standards will take effect on April 1, 2025. This updated GRAP 104 aligns closely with IFRS 9. The most significant difference between the previous and current standards can be summarized as follows: the former GRAP 104 primarily focused on losses that had already been incurred (i.e., arrears), while the new GRAP 104 adopts a

forward-looking approach. This means that even if a default has not yet occurred, the NEF must estimate the likelihood of future defaults and the associated losses.

We anticipate a sharp increase in expected credit losses during the transition period. However, the NEF's management will continue to implement measures to enhance the quality of the loan portfolio and strengthen the collection system.

## **8.2 Asset and liability management**

The NEF, as a Schedule 3A entity under the PFMA, is required to operate without budgeting for a deficit. Investment activities are funded from cash balances, ensuring that all liabilities are consistently offset by available cash.

Accessing additional funding can significantly boost impactful initiatives. A carefully structured borrowing strategy can facilitate growth and expansion. The NEF will be reaching out to the National treasury to request limited borrowing powers to leverage the credit lines.

Excess cash is managed through a cash management process, where short-term cash is invested in call accounts at three approved banks to meet immediate cash requirements. Additionally, surplus cash is deposited with the South African Reserve Bank in accordance with PFMA regulations.

To enhance the management of excess cash, the NEF is considering the implementation of an in-house treasury function. This initiative aims to better manage surplus liquidity, resulting in additional risk-adjusted returns on excess cash.

## **8.3 Cash flow projections**

Please refer to Appendix A.

## **8.4 Capital expenditure and infrastructure plans**

Annual capital expenditure allocation is mostly related to replenishment of existing capital expenditure items such as computers, furniture, office equipment and acquisition of the property for Head Office instead of renting. After reviewing the lease and rental options along with other qualitative factors, the NEF has decided to invest in a head office building. This decision will allow the investment to be capitalized as an asset in its accounting records,

ultimately saving on future rental costs. Additionally, the NEF plans to enhance its IT environment and platforms over the medium term.

The total allocation for capital expenditure over the forecast period is R73.5 million, covering the Medium-Term Expenditure Framework (MTEF).

The NEF does not directly fund infrastructure for itself or the country as part of its mandate though there may be an element of infrastructure funding provided through projects funded by the Strategic Projects Fund that is a specific requirement of that project and in line with national targeted strategic sectors.

## **8.5 Dividend policies**

The NEF does not have a dividend policy with respect to any surplus reported. Surpluses are retained following a section 53(3) application to the National Treasury each year in order to meet further capitalisation needs of the NEF since in the absence of recapitalisation.

# 9 RISK MANAGEMENT PLAN

## 9.1 Risk Management Framework

The NEF's Risk Management Framework is based on Committee of Sponsoring Organisations of the Treadway Commission (COSO), Institute of Risk Management Standards of South Africa (IRMSA) Code of Practice and PFMA & Treasury regulations. The ERM (Enterprise-Wide Risk Management) methodology of the NEF consists of the following interrelated components: internal environment, objective setting, risk identification, risk assessment, risk control and response, risk monitoring and reporting, and risk performance measurement. These components are derived from best practice with respect to ERM governance.

The Framework is continuously benchmarked against best practice such as the international standard on Risk Management (ISO 31000) and KING IV; and where required, relevant changes are made to the Framework. The Risk Assessment process results in the output of the risk universe, allowing key risks to be identified. The Risk Assessment exercise is completed on an annual basis and divisional risk registers are updated on a quarterly basis to identify any emerging risks and track progress.

## 9.2 Risk Strategy (Risk Register)

The realisation of the strategic objectives presented by the NEF may be affected by the following key risks:

- a. **Business/Market Risk:** The risk that changes in external market conditions have a negative impact on the viability of funded transactions.

The investment portfolio of the NEF consists of businesses in the commercial environment that are susceptible to normal business risks in a volatile economic environment, fluctuations in commodity prices and foreign exchange rates amongst other variables. The current volatile local economic environment has led to significantly lower GDP growth rates. In addition, household personal finances are under financial strain due to an increase in living costs. This is negatively impacting on business conditions and has placed strain on some of the clients in the portfolio.

The NEF portfolio is arguably more susceptible to these variations given the nature of the businesses being supported i.e. early-stage business, inexperienced entrepreneurs, geared balance sheets and hence not as able to absorb the impact of these fluctuations as well as more established businesses. In evaluating transactions, market conditions are considered, due diligence investigations, modelling and structuring of transactions by the deal teams. In

addition, a regular micro- and macro-economy sensitivity is undertaken by our Post-Investment Unit and NEF-appointed mentors are used to promptly advise NEF investees on appropriate course of action.

b. Credit Risk: Unsustainable levels of impairments

The NEF is mandated to intervene in the economy through the provision of funding to black-owned enterprises, which due to past economic imbalances, may be of a higher credit risk. This risk is exacerbated by the current tough economic climate that may impact on funded businesses and their cashflows leading to the inability to honour loan repayments and possible defaults on loans to the NEF.

Internally, the risk that the assessment processes of the NEF may not be able to inform appropriate investment decisions does exist, as does the risk of not collecting on amounts due and not being able to timeously identify distressed investments, which may be able to be rescued. The risk of funding the wrong “jockeys” impacting on the performance of investments and the portfolio also exists. Inadequate controls mitigating this risk may negatively impact on the performance and quality of the portfolio.

The controls introduced to attempt to mitigate this risk include:

- Appointment of skilled fund management teams.
- Due diligence investigation processes that include background checks.
- Adequately constituted and efficient approval structures.
- Portfolio management, monitoring and reporting processes.
- Use of pricing models according to a pricing policy which compels consideration of credit risk.
- An independent credit risk assessment process by the Credit risk unit.
- Credit collection process managed by collaboration between the Post-Investment Unit, Legal Unit and the Finance Division.
- Adequate turnaround workout and restructuring process.

The Credit Risk policy has been updated and approved by the Board to enhance the Credit vetting process at the NEF.

c. Recapitalisation Risk

The risk that the NEF will not be able to raise sufficient capital to fund the NEF's short- to medium-term investment and operating activities. Without an injection of new capital, the NEF estimates that it will run out of capital to finance new transactions within the next six months. The lack of adequate capital will also negatively impact on the NEF's ability to follow through on participation interest or equity options for transactions within the NEF's Strategic Projects Fund. This will have a negative impact on the achievement of the NEF's mandate and the ability to transform the economy.

Various engagements are in progress with the shareholder and other DFI's to secure adequate funding for the NEF in the medium to long term to ensure that the NEF can continue making in impact. The NEF is also undertaking fundraising initiatives for the Strategic Projects Fund transactions.

d. Concentration risk in MTN

The shareholding in MTN comprises a significant component of the NEF's Balance sheet. The decline in share price of MTN has a significant impact on the NEF's asset base as it has reduced the value of this investment. Management is evaluating possible options to manage the volatility of this strategic asset.

e. The inability to attract and retain key skills

The risk that the NEF does not have adequate capacity and skills to deliver on its mandate. There is a risk of loss of key personnel due to the uncertainty regarding the delay in implementation of the recapitalisation process. The Human Resources department working with the Board HSRC committee is looking at interventions that can be implemented to retain staff.

Management and the Board are, however, currently limited on implementing viable retention strategies due to lack of certainty regarding future funding. Various non-monetary options are currently being explored as retention strategies.

Below is a summary of the key risks and mitigants that the NEF faces and has put in place:

Outcome	Key Risk	Risk Mitigation
Growing black economic participation in the South African Economy and job creation	<ul style="list-style-type: none"> <li>Recapitalisation Risk.</li> </ul>	<ul style="list-style-type: none"> <li>Engagements with shareholders regarding NEF Capitalisation</li> <li>Engagements with other DFI's (IDC, DBSA)</li> <li>Co-funding larger transactions</li> <li>3<sup>rd</sup> party funding sought for SPF transactions</li> </ul>
Financial sustainability	<ul style="list-style-type: none"> <li>Concertation risk MTN</li> </ul>	<ul style="list-style-type: none"> <li>Engage with the Board regarding options in dealing with the MTN asset</li> </ul>
Human Capital	<ul style="list-style-type: none"> <li>Attract and retain key skills</li> </ul>	<ul style="list-style-type: none"> <li>Various non-monetary retention strategies are being implemented by management and NEF board</li> </ul>
Financial Sustainability	<ul style="list-style-type: none"> <li>Business/market risk: external conditions have a negative impact on funded transactions</li> </ul>	<ul style="list-style-type: none"> <li>Thorough due diligence (DD) investigations on transactions</li> <li>Transaction structuring and modelling which takes into account DD investigation findings</li> </ul>
Financial sustainability	<ul style="list-style-type: none"> <li>Credit risk: unsustainable levels of impairments</li> </ul>	<ul style="list-style-type: none"> <li>Short-term and long-term impairment reduction intervention measures put in place</li> <li>Thorough due diligence (DD) investigations on transactions</li> <li>Appropriate governance in place in respect of credit granting/approval, monitoring</li> </ul>

### 9.3 Fraud Prevention Plan

The Fraud Prevention Plan is the responsibility of all staff and management at the NEF. This plan is a dynamic document and is updated regularly to reflect changes in the business operations and circumstances of the NEF. The Plan has been reviewed by management, updated and approved by the Audit Committee during 2023.

The NEF has developed and implemented a Fraud Prevention Strategy and Fraud Prevention Plan to guide behaviour and to combat any fraudulent activities. Key aspects of the Fraud Prevention Strategy and Plan are listed below.

#### *Anti-Fraud Policy Statement*

As a first step towards implementing an anti-fraud strategy, the NEF adopts and publishes an Anti-Fraud Policy statement along the following lines:

The NEF recognises the possibility of fraud and corruption occurring in its operations. As such it is the policy and mission of the NEF to strive for the protection of its employees and its other stakeholders (such as applicants, investees, suppliers etc.) through the implementation of an effective and efficient Fraud Prevention Strategy.

We believe that there is only one effective way of fighting fraud and other corrupt practices and that is by instilling the reality amongst employees and other stakeholders – such as clients (investees), suppliers of goods and services, public – that fraud and corruption do not pay and will be detected and dealt with severely.

Therefore, the NEF's view on fraud and corruption is one of zero tolerance, and as such the NEF is committed to:

- Aggressively detecting incidents of fraud and corruption;
- The investigation of all allegations of misconduct by employees, clients and suppliers; said to be occasioned by fraud and corruption; and
- The prosecution of all offenders criminally and, where necessary, the institution of civil and disciplinary action against them.

#### Anti-Fraud Charter

In implementing the Fraud Prevention Policy, the NEF has adopted the following principles:

- We have a zero-tolerance attitude to fraud
- We understand and manage our risks
- We are proactive in defending our assets

- We react swiftly when a crime is uncovered

## Fraud Risk Management Strategy

The key objectives of the NEF's Fraud Risk Management Strategy are:

- To establish the necessary preventative, control and monitoring mechanisms/ systems to minimise the defrauding of the NEF's funds, resources, assets and services by any persons/organisations.
- To ensure that adequate measures are in place to protect the NEF from internal as well as external fraud (i.e. supplier, potential applicants, clients, syndicates targeting NEF i.e. false applications etc.).
- To ensure that adequate measures are in place to report fraud (whistleblowing policy and hotline).
- To ensure that all reported matters are investigated.
- To account to the Board, via the Audit Committee on all fraudulent activity within the NEF.
- To take the necessary action against all parties involved in fraudulent activities against the NEF and to punish and deter any fraudulent actions from continuing or recurring.

The focus of such a strategy is the formalisation and implementation within the NEF of a culture of zero tolerance for fraud and corruption, a high level of fraud awareness, and a management and control environment that makes it as difficult as reasonably possible to misappropriate assets or to succumb to corruption.

From the perspective of the NEF, good governance as it pertains to fraud prevention includes:

Continuing the present focus on governance

- A robust control environment
- A strong and independent Internal Audit function
- A relevant and well-communicated Code of Conduct
- A whistleblowing policy and mechanism (fraud hotline) to report suspected fraud or corruption

From a fraud prevention point of view, it is important that:

- When management considers the strategy and direction that the organisation is taking, they take into account the environmental factors relating to fraud and that they insist that a suitably comprehensive fraud prevention strategy be put in place to address such risks. This is done via the organisational risk assessment process.
- Each manager brings his or her specialised industry knowledge or technical background to bear when considering how fraud risks are to be avoided.
- Regular monitoring of performance against pre-set objectives should take place.
- Individual operational units are held accountable for their actions.
- Constant pressure for improvement is exercised as this has a powerful impact on reducing fraudulent activity. This is done via the implementation of internal and external auditor's recommendation, which is tracked.
- The management team's awareness of the possibility of fraud is monitored, as this is also an active manner in which managers can encourage defensive strategies.
- Regular monitoring of the internal control environment takes place to ensure that it remains of sufficiently high standard.

## **9.4 Relevant Court Rulings**

There are no recent court rulings that would have an impact on the NEF's ability to implement its strategy.

## 10 TECHNICAL INDICATOR DESCRIPTION

### *Performance Indicator 1: Number of Funded SMEs*

<b>1. Indicator title</b>	Number of funded SMEs
<b>2. Definition</b>	Total number of SMEs funded (Count every company disbursed to once in a financial year)
<b>3. Source/collection of data</b>	Funds and Secretariat
<b>4. Method of calculation / Assessment</b>	Simple sum of SMEs funded
<b>5. Means of Verification</b>	Disbursement schedule
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	150 SMEs funded for the year
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 2: Percentage of Investments to Black Industrialists (BI)**

<b>1. Indicator title</b>	Percentage of Investments to BI
<b>2. Definition</b>	Total or part cash that the NEF has advanced to Black investees in productive industries (excluding funding of businesses in retail and property management), investees must have a minimum of 50%+1 Black ownership
<b>3. Source/collection of data</b>	Finance Department
<b>4. Method of calculation / Assessment</b>	Value of investments made to BI investees divided by the total invested amount multiplied by 100
<b>5. Means of Verification</b>	Disbursement schedule and investment report (SIC codes to support)
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	60% of total investments
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 3: Percentage of investments made to businesses owned by women**

<b>1. Indicator title</b>	Percentage of investments made to businesses owned by women
<b>2. Definition</b>	Total proportionate rand amount disbursed to businesses owned by women to total invested amount
<b>3. Source/collection of data</b>	Legal Services and Finance Units
<b>4. Method of calculation / Assessment</b>	(Sum of the percentage of women multiplied by the total invested amount for each company) x 100/total invested amount
<b>5. Means of Verification</b>	Share certificates and IDs
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	Target: 35% of total investments made per annum
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Non-cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	35% of total investments made
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 4: Percentage of investments made to businesses owned by youth and people living with disability**

<b>1. Indicator title</b>	Percentage of investments made to businesses owned by youth and people living with disability
<b>2. Definition</b>	Total proportionate rand amount disbursed to businesses owned by youth and people living with disability to total investment amount
<b>3. Source/collection of data</b>	Legal Services and Finance Units
<b>4. Method of calculation / Assessment</b>	The proportion of shareholders that are either youth or people living with disability divided by total investment amount multiplied by 100  (Sum of the percentage of youth or disability multiplied by the disbursed amount for each company) x 100/ total amount invested
<b>5. Means of Verification</b>	Share certificates, IDs and a medical report from a recognised medical practitioner.
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	Target: 15% of total investments made per annum
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Non-cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	15% of total investments made
<b>12. Indicator Responsibility</b>	Unit Executive Directors

**Performance Indicator 5: Aggregated Additional Output**

<b>1. Indicator title</b>	Aggregated Additional Output
<b>2. Definition</b>	Aggregate value of additional output created by all investees on the NEF's portfolio
<b>3. Source/collection of data</b>	Post Investment Unit
<b>4. Method of calculation / Assessment</b>	Simple sum of additional output for all clients on the portfolio based off their management accounts from March to February.
<b>5. Means of Verification</b>	Management accounts
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	R4.5b
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 6: Value invested**

<b>1. Indicator title</b>	Value invested
<b>2. Definition</b>	Indicates the total or part cash which the NEF has advanced to investees (this includes enterprise development grants)
<b>3. Source/collection of data</b>	Finance Department
<b>4. Method of calculation / Assessment</b>	Sum of investments made to investees
<b>5. Means of Verification</b>	Disbursement schedule, Bank statements
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	Funds invested to the value of R1.5bn
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 7: Number of maintained and new jobs to be created**

<b>1. Indicator title</b>	Number of maintained and new jobs to be created
<b>2. Definition</b>	Number of maintained and new jobs to be created
<b>3. Source/collection of data</b>	Funds
<b>4. Method of calculation / Assessment</b>	Simple count
<b>5. Means of Verification</b>	CRM system and investment reports
<b>6. Assumptions</b>	Reliable data
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	10 500 maintained and new job opportunities to be created.
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 8: Percentage of investments made to investees operating in SEZs and IPs**

<b>1. Indicator title</b>	Percentage of investments made to investees operating in SEZs and IPs
<b>2. Definition</b>	The Percentage of investments made to investees operating in SEZs and IPs
<b>3. Source/collection of data</b>	Finance
<b>4. Method of calculation / Assessment</b>	Value of investments made to companies in SEZs and IPs divided by the total invested amount multiplied by 100
<b>5. Means of Verification</b>	Disbursement schedule (Supported by list of SEZs and IPs)
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	Non-metro
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	10% of total investments
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 9: Revenues from exported products and services**

<b>1. Indicator title</b>	Revenues from exported products and services
<b>2. Definition</b>	The rand value of revenues from exported goods and services by SMEs supported by the NEF in the portfolio
<b>3. Source/collection of data</b>	Post Investment Unit
<b>4. Method of calculation / Assessment</b>	Simple sum of exporting revenues from exporting clients
<b>5. Means of Verification</b>	Signed declaration of value of clients' exports, invoice, air waybill; or packing checklist.
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	R125 million of total investments made to investments
<b>12. Indicator Responsibility</b>	Unit Executive Directors



**Performance Indicator 10: High Growth and Labour Absorbent Sectors**

<b>1. Indicator title</b>	Investment made in High Growth and Labour Absorbent Sectors
<b>2. Definition</b>	Investments made toward SMEs in High Growth and Labour Absorbent Sectors (Agriculture, Manufacturing, Green Economy, Digital Economy, Mining, Tourism and Retail)
<b>3. Source/collection of data</b>	Funds
<b>4. Method of calculation / Assessment</b>	Sum of investments made made to companies operating in High Growth and Labour Absorbent Sectors divided by total invested amount multiplied by 100
<b>5. Means of Verification</b>	Disbursement schedule (SIC codes to support)
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	9 Provinces
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	60% of total investments
<b>12. Indicator Responsibility</b>	Unit Executive Director



**Performance Indicator 11: Percentage of Portfolio Impaired**

<b>1. Indicator title</b>	Percentage of the portfolio impaired
<b>2. Definition</b>	The total percentage of the value invested in investees which may not be recovered in the future.
<b>3. Source/collection of data</b>	Finance Department
<b>4. Method of calculation / Assessment</b>	GRAP 104 Principle
<b>5. Means of Verification</b>	Impairment Model
<b>6. Assumptions</b>	Per GRAP 104
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Non-cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	40% impairment
<b>12. Indicator Responsibility</b>	Unit Executive Directors and Post-Investment

**Performance Indicator 12: Collections ratio**

<b>1. Indicator title</b>	Collections against total amount invoiced
<b>2. Definition</b>	The percentage of monies collected from investees based on the total amount invoiced
<b>3. Source/collection of data</b>	Finance Department
<b>4. Method of calculation / Assessment</b>	Total receipts (includes settlements, manual instalments) / total instalments raised
<b>5. Means of Verification</b>	Reports from finance system (Great Plain and Credit Ease)
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Non-cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	75% Collections
<b>12. Indicator Responsibility</b>	Unit Executive Directors and Post-Investment



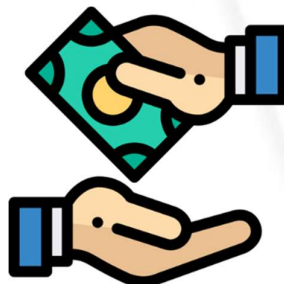
**Performance Indicator 13: Percentage of Suppliers Paid Within 30 days of receiving a valid invoice**

<b>1. Indicator title</b>	Percentage of Suppliers Paid Within 30 days of receiving a valid invoice
<b>2. Definition</b>	The percentage of suppliers paid out within 30 days of receiving a valid invoice
<b>3. Source/collection of data</b>	Procurement and/or IST
<b>4. Method of calculation / Assessment</b>	Difference between receipt date of valid invoice the payment date
<b>5. Means of Verification</b>	Procurement and/or invoice system reports
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	80%
<b>12. Indicator Responsibility</b>	Unit Executive Directors and Post-Investment



**Performance Indicator 14: Percentage of Investees Paid Within 45 Working Days of Commitment**

<b>1. Indicator title</b>	Percentage of investees paid within 45 working days of commitment
<b>2. Definition</b>	Percentage of investees paid within 45 working days of commitment
<b>3. Source/collection of data</b>	S&P and Finance
<b>4. Method of calculation / Assessment</b>	Difference between date legal agreements have been signed and the initial disbursement date
<b>5. Means of Verification</b>	Commitment and disbursement schedules
<b>6. Assumptions</b>	N/A
<b>7. Disaggregation of Beneficiaries (Where applicable)</b>	N/A
<b>8. Spatial Transformation (Where applicable)</b>	N/A
<b>9. Calculation Type</b>	Cumulative
<b>10. Reporting Cycle</b>	Quarterly and annually
<b>11. Desired Performance</b>	70%
<b>12. Indicator Responsibility</b>	Unit Executive Directors and Post-Investment



# ANNEXURE A: FINANCIAL PROJECTIONS

## Income and Expenditure

	Forecast	Forecast	Forecast
-	<u>Mar-26</u>	<u>Mar-27</u>	<u>Mar-28</u>
	R	R	R
<b><u>INCOME:</u></b>			
-			
<b>Dividends</b>	30 000 000	30 000 000	30 000 000
<b>Interest Received Banks</b>	127 433 994	91 709 463	128 248 020
<b>Interest from Investments</b>	270 629 276	300 761 834	857 313 615
<b>Capital raising fee</b>	9 000 000	12 000 000	21 000 000
<b>Revenue from non-exchange</b>	250 000 000	295 000 000	344 500 000
<b>Other income</b>	5 100 000	3 000 000	3 000 000
<b>Total revenue</b>	<b>692 163 270</b>	<b>732 471 297</b>	<b>1 384 061 634</b>
<b><u>EXPENDITURE</u></b>			
<b>Goods &amp; Services</b>	92 482 000	97 106 100	101 961 405
<b>Compensation to employees</b>	289 000 000	303 450 000	318 622 500
<b>Depreciation</b>	4 288 312	4 717 143	5 188 858
<b>Projects/ non-financial support</b>	10 000 000	10 530 000	11 088 090
<b>Impairment Provision &amp; Write offs</b>	240 000 000	264 000 000	343 200 000
<b>Investment write-offs</b>			
<b>Interest Expense</b>	-	-	-
<b>Total Expenditure</b>	<b>635 770 312</b>	<b>679 803 243</b>	<b>780 060 853</b>
<b>Fair value adjustments</b>	<b>(16 921 320)</b>	<b>(19 346 521)</b>	<b>(2 306 719)</b>
<b><u>SURPLUS/(DEFICIT)</u></b>	<b>39 471 638</b>	<b>33 321 532</b>	<b>601 694 063</b>

# ANNEXURE B: STATEMENT OF FINANCIAL POSITION

	Forecast <u>Mar-26</u> R	Forecast <u>Mar-27</u> R	Forecast <u>Mar-28</u> R
<b>ASSETS</b>			
<b>Non Current Assets</b>	<b>4 193 056 082</b>	<b>18 214 761 233</b>	<b>36 398 700 155</b>
Property, Plant and Equipment	64 038 717	61 321 574	59 132 716
Investments in Associates	387 998 872	4 087 998 872	7 095 198 872
Investments Held at Fair Value	1 527 806 788	1 527 806 788	1 527 806 788
Investment in subsidiary	19 876 554	19 876 603	19 876 603
Loans and Leases	2 193 335 151	12 517 757 396	27 696 685 176
<b>Current Assets</b>	<b>1 462 429 781</b>	<b>2 100 113 156</b>	<b>5 434 458 140</b>
Trade and other receivables	15 522 664	15 522 664	15 522 664
Dividends receivables	30 000 000	30 000 000	30 000 000 <span style="color: green;">▲</span>
Investments Held for Trading	25 775 210	25 775 210	35 775 210
Cash and Bank	1 391 131 907	2 028 815 282	5 353 160 266
<b>TOTAL ASSETS</b>	<b>5 655 485 864</b>	<b>20 314 874 389</b>	<b>41 833 158 295</b>
<b>Trust Capital and Reserves</b>	<b>5 150 577 747 <span style="color: green;">▲</span></b>	<b>5 183 899 279 <span style="color: green;">▲</span></b>	<b>5 785 593 342 <span style="color: green;">▲</span></b>
Trust Capital	2 468 431 472	2 468 431 472	2 468 431 472
Retained Income	<b>2 682 146 275</b>	<b>2 715 467 807</b>	<b>3 317 161 870</b>
- Balance at Beginning of the Year	2 642 674 637	2 682 146 275	2 715 467 807
- Retained Income/(Deficit) for the Year	39 471 638	33 321 532	601 694 063
<b>Non-Current Liabilities</b>	<b>9 249 151</b>	<b>9 249 151</b>	<b>9 249 151</b>
Liabilities directly associated with non-current assets classified as held for sale	9 249 151 <span style="color: green;">▲</span>	9 249 151 <span style="color: green;">▲</span>	9 249 151
<b>Current Liabilities</b>	<b>495 658 966</b>	<b>15 121 725 960</b>	<b>36 038 315 802</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>412 843 683</b>	<b>15 034 521 468</b>	<b>35 946 489 471</b>
Accounts Payable	82 815 283 <span style="color: green;">▲</span>	87 204 492 <span style="color: green;">▲</span>	91 826 331 <span style="color: green;">▲</span>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 655 485 862 <span style="color: green;">▲</span></b>	<b>20 314 874 389</b>	<b>41 833 158 295</b>

## ANNEXURE C: CASH FLOW STATEMENT

	Forecast	Forecast	Forecast
	2026	2027	2028
	March	March	March
	R	R	R
<b>Cash flows from operating activities</b>	<b>391 678 136</b>	<b>639 683 375</b>	<b>3 327 344 984</b>
Dividend received	30 000 000	30 000 000	30 000 000
Interest received	127 433 994	91 709 463	128 248 020
Cash from Third Party funds	1 398 390 000	20 001 140 000	35 001 140 000
Other income	5 100 000	3 000 000	3 000 000
Investment disbursements	(1 500 000 000)	(20 000 000 000)	(35 000 000 000)
Repayments on originated loans and leases	722 236 142	924 920 012	3 596 628 959
Opex	(391 482 000)	(411 086 100)	(431 671 995)
	-	-	-
<b>Cash flows from investing activities</b>	<b>(55 000 000)</b>	<b>(2 000 000)</b>	<b>(3 000 000)</b>
Additions to property, plant and equipment	(45 000 000)		
Additional Laptops	(10 000 000)	(2 000 000)	(3 000 000)
<b>Increase /(Decrease) in cash and cash equivalents</b>	<b>336 678 136</b>	<b>637 683 375</b>	<b>3 324 344 984</b>
<b>Cash at beginning of the year</b>	<b>1 054 453 771</b>	<b>1 391 131 907</b>	<b>2 028 815 282</b>
<b>Total Cash at end of year</b>	<b>1 391 131 907</b>	<b>2 028 815 282</b>	<b>5 353 160 266</b>

## ANNEXURE D: PERSONNEL INFORMATION

Category	Salary Level	Salary Bands	Occupation	Components of Remuneration	Preliminary outcomes			Revised Estimate					Projections over the MTEF								
					2023/24			2024/25					2025/26		2026/27		2027/28				
					Number of posts filled on funded establishment	Expenditure on posts filled on funded establishment (R thousand)	Unit Cost	Number of posts on approved establishment	Number of funded posts (establishment)	Number of posts filled on funded establishment	Expenditure on posts filled on funded establishment (R thousand)	Unit Cost	Number of posts filled on funded establishment	Expenditure on posts filled on funded establishment (R thousand)	Unit Cost	Number of posts filled on funded establishment	Expenditure on posts filled on funded establishment (R thousand)	Unit Cost	Number of posts filled on funded establishment	Expenditure on posts filled on funded establishment (R thousand)	Unit Cost
R Thousand																					
				<b>Performance bonus</b>	-	51 444	-	-	-	-	72 489	-	-	78 252	-	-	82 165	-	-	86 273	-
Permanent	≤130 503 130	Semi-skilled	Cleaner	Guaranteed package	1	140	140	1	1	1	147	147	1	153	153	1	159	159	1	169	169
Permanent	504 - 154 626 130	Semi-skilled	Cleaner	Guaranteed package	1	140	140	1	1	1	147	147	1	153	153	1	159	159	1	169	169
Permanent	504 - 154 626 130	Semi-skilled	Cleaner	Guaranteed package	1	140	140	1	1	1	147	147	1	153	153	1	159	159	1	169	169
Permanent	504 - 154 626 130	Semi-skilled	Cleaner	Guaranteed package	1	140	140	1	1	1	147	147	1	153	153	1	159	159	1	169	169
Permanent	504 - 154 626 130	Semi-skilled	Cleaner	Guaranteed package	1	140	140	1	1	1	147	147	1	153	153	1	159	159	1	169	169
Permanent Permanent	504 - 154 626 130	Semi-skilled Semi-skilled	Cleaner Supervisor: Cleaner	Guaranteed package Guaranteed package	1	151	151	1	1	1	158	158	1	164	164	1	171	171	1	182	182





Permanent	300 912 254 929 - 300 912 254 929 -	Semi-skilled	Kitchen Assistant	Guaranteed package	1	271	271	1	1	1	284	284	1	296	296	1	309	309	1	327	327
Permanent	300 912 254 929 -	Skilled	HR Administrator	Guaranteed package	1	272	272	1	1	1	285	285	1	297	297	1	310	310	1	328	328
Permanent	300 912 254 929 -	Skilled	Administrator	Guaranteed package	1	279	279	1	1	1	292	292	1	305	305	1	317	317	1	336	336
Permanent	300 912 254 929 -	Semi-skilled	Executive Driver	Guaranteed package	1	285	285	1	1	1	299	299	1	312	312	1	325	325	1	344	344
Permanent	300 912 254 929 -	Professional	Financial Analyst	Guaranteed package	1	290	290	1	1	1	304	304	1	317	317	1	330	330	1	350	350
Permanent	300 912 300 913 - 362 994	Professional	Social Support Specialist	Guaranteed package	1	292	292	1	1	1	306	306	1	318	318	1	332	332	1	352	352
Permanent	300 913 - 362 994	Skilled	Administrator	Guaranteed package	1	296	296	1	1	1	310	310	1	323	323	1	336	336	1	357	357
Permanent	300 913 - 362 994	Skilled	Applications Administrator	Guaranteed package	1	315	315	1	1	1	330	330	1	344	344	1	358	358	1	380	380
Permanent	300 913 - 362 994	Skilled	Administrator	Guaranteed package	1	318	318	1	1	1	333	333	1	347	347	1	362	362	1	384	384
Permanent	300 913 - 362 994	Professional	Financial Analyst	Guaranteed package	1	318	318	1	1	1	334	334	1	348	348	1	362	362	1	384	384
Permanent	300 913 - 362 994	Professional	Financial Analyst	Guaranteed package	1	319	319	1	1	1	334	334	1	348	348	1	363	363	1	384	384
Permanent	300 913 -	Skilled	Accounts Payable Clerk	Guaranteed package	1	319	319	1	1	1	334	334	1	348	348	1	363	363	1	384	384

Permanent	362 994 300 913 - 362 994 300	Skilled	Credit Risk Administrator	Guaranteed package	1	319	319	1	1	1	334	334	1	348	348	1	363	363	1	385	385
Permanent	362 994 300 913 - 362 994 300	Semi-skilled	Supervisor: Kitchen Assistant	Guaranteed package	1	324	324	1	1	1	340	340	1	354	354	1	369	369	1	391	391
Permanent	362 994 300 913 - 362 994 300	Skilled	Bookkeeper	Guaranteed package	1	345	345	1	1	1	361	361	1	376	376	1	392	392	1	416	416
Permanent	362 994 300 913 - 362 994 300	Professional	Financial Analyst	Guaranteed package	1	349	349	1	1	1	366	366	1	381	381	1	397	397	1	421	421
Permanent	362 994 300 913 - 362 994 300	Professional	Data Analyst	Guaranteed package	1	350	350	1	1	1	367	367	1	382	382	1	398	398	1	422	422
Permanent	362 994 300 913 - 362 994 300	Skilled	Loans Administrator	Guaranteed package	1	351	351	1	1	1	368	368	1	383	383	1	399	399	1	423	423
Permanent	362 994 300 913 - 362 994 300	Skilled	Personal Assistant/Administrator	Guaranteed package	1	352	352	1	1	1	368	368	1	384	384	1	400	400	1	424	424
Permanent	362 994 300 913 - 362 994 300	Skilled	Administrator	Guaranteed package	1	361	361	1	1	1	379	379	1	394	394	1	411	411	1	436	436
Permanent	362 994 300 913 - 362 994 300	Skilled	Administrator	Guaranteed package	1	369	369	1	1	1	387	387	1	403	403	1	420	420	1	445	445
Permanent	362 994 300 913 - 362 994 300	Professional	Investment Analyst	Guaranteed package	1	382	382	1	1	1	400	400	1	417	417	1	434	434	1	460	460
Permanent	362 994 300 913 - 362 994 300	Skilled	Administrator	Guaranteed package	1	385	385	1	1	1	403	403	1	420	420	1	438	438	1	464	464
Permanent	362 994 300 913 - 362 994 300	Skilled	Administrator Desktop & Application Support	Guaranteed package	1	407	407	1	1	1	426	426	1	444	444	1	463	463	1	491	491



Permanent	532 602 443 404 - 532 602 532 603 - 849 702	Professional	Investment Associate	Guaranteed package	1	535	535	1	1	1	561	561	1	585	585	1	609	609	1	646	646
Permanent	532 603 - 849 702	Professional	Investment Associate	Guaranteed package	1	546	546	1	1	1	572	572	1	596	596	1	621	621	1	659	659
Permanent	532 603 - 849 702	Professional	Investment Analyst	Guaranteed package	1	576	576	1	1	1	604	604	1	629	629	1	656	656	1	695	695
Permanent	532 603 - 849 702	Professional	Investment Analyst	Guaranteed package	1	588	588	1	1	1	616	616	1	642	642	1	669	669	1	709	709
Permanent	532 603 - 849 702	Skilled	Executive Personal Assistant	Guaranteed package	1	590	590	1	1	1	618	618	1	644	644	1	671	671	1	712	712
Permanent	532 603 - 849 702	Skilled	Executive Assistant	Guaranteed package	1	595	595	1	1	1	623	623	1	649	649	1	677	677	1	717	717
Permanent	532 603 - 849 702	Professional	Legal Advisor	Guaranteed package	1	600	600	1	1	1	629	629	1	655	655	1	683	683	1	724	724
Permanent	532 603 - 849 702	Skilled	Executive Personal Assistant to the CFO	Guaranteed package	1	601	601	1	1	1	630	630	1	657	657	1	684	684	1	725	725
Permanent	532 603 - 849 702	Skilled	Executive Personal Assistant	Guaranteed package	1	607	607	1	1	1	636	636	1	663	663	1	690	690	1	732	732
Permanent	532 603 - 849 702	Professional	Post Investment Associate	Guaranteed package	1	611	611	1	1	1	640	640	1	667	667	1	695	695	1	736	736
Permanent	532 603 - 849 702	Professional	Portfolio Accountant	Guaranteed package	1	621	621	1	1	1	651	651	1	678	678	1	707	707	1	749	749
Permanent	532 603 -	Skilled	Marketing Officer	Guaranteed package	1	629	629	1	1	1	660	660	1	687	687	1	716	716	1	759	759

Permanent	849 702 532 603 - 849 702 532	Professional	Investment Associate	Guaranteed package	1	630	630	1	1	1	660	660	1	688	688	1	717	717	1	760	760
Permanent	849 702 532 603 - 849 702 532	Professional	Legal Advisor	Guaranteed package	1	636	636	1	1	1	667	667	1	695	695	1	724	724	1	767	767
Permanent	849 702 532 603 - 849 702 532	Skilled	Stakeholder Relations and Events Officer	Guaranteed package	1	647	647	1	1	1	678	678	1	706	706	1	736	736	1	780	780
Permanent	849 702 532 603 - 849 702 532	Skilled	Committee Secretary	Guaranteed package	1	649	649	1	1	1	680	680	1	708	708	1	738	738	1	783	783
Permanent	849 702 532 603 - 849 702 532	Skilled	Employee Benefits Officer	Guaranteed package	1	657	657	1	1	1	689	689	1	718	718	1	748	748	1	793	793
Permanent	849 702 532 603 - 849 702 532	Professional	Investment Associate	Guaranteed package	1	675	675	1	1	1	708	708	1	737	737	1	768	768	1	815	815
Permanent	849 702 532 603 - 849 702 532	Professional	Investment Associate	Guaranteed package	1	677	677	1	1	1	710	710	1	740	740	1	771	771	1	817	817
Permanent	849 702 532 603 - 849 702 532	Professional	Investment Associate	Guaranteed package	1	687	687	1	1	1	720	720	1	750	750	1	782	782	1	829	829
Permanent	849 702 532 603 - 849 702 532	Skilled	Senior Project & Portfolio Administrator	Guaranteed package	1	688	688	1	1	1	721	721	1	751	751	1	783	783	1	830	830
Permanent	849 702 532 603 - 849 702 532	Skilled	Business Development Specialist	Guaranteed package	1	694	694	1	1	1	727	727	1	758	758	1	790	790	1	837	837
Permanent	849 702 532 603 - 849 702 532	Professional	Data Analyst	Guaranteed package	1	704	704	1	1	1	737	737	1	768	768	1	801	801	1	849	849
Permanent	849 702 532 603 -	Professional	Investment Analyst	Guaranteed package	1	710	710	1	1	1	744	744	1	776	776	1	808	808	1	857	857

Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Post Investment Associate	Guaranteed package	1	718	718	1	1	1	752	752	1	784	784	1	817	817	1	866	866
Permanent	849 702 532 603 - 849 702 532 603 -	Skilled	Assistant Head Secretariat	Guaranteed package	1	734	734	1	1	1	769	769	1	802	802	1	835	835	1	885	885
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Assistant Head: Supply Chain Management	Guaranteed package	1	736	736	1	1	1	772	772	1	804	804	1	838	838	1	888	888
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Legal Advisor	Guaranteed package	1	740	740	1	1	1	775	775	1	808	808	1	841	841	1	892	892
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Regional Investment Associate	Guaranteed package	1	748	748	1	1	1	784	784	1	817	817	1	852	852	1	903	903
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Investment Associate	Guaranteed package	1	758	758	1	1	1	794	794	1	828	828	1	863	863	1	914	914
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Investment Analyst	Guaranteed package	1	765	765	1	1	1	802	802	1	836	836	1	871	871	1	923	923
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Investment Analyst	Guaranteed package	1	773	773	1	1	1	810	810	1	845	845	1	880	880	1	933	933
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Management Accountant	Guaranteed package	1	780	780	1	1	1	818	818	1	852	852	1	888	888	1	941	941
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Investment Associate	Guaranteed package	1	818	818	1	1	1	857	857	1	893	893	1	931	931	1	987	987
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Investment Associate	Guaranteed package	1	821	821	1	1	1	861	861	1	897	897	1	934	934	1	990	990
Permanent	849 702 532 603 - 849 702 532 603 -	Professional	Post Investment Associate	Guaranteed package	1	823	823	1	1	1	863	863	1	899	899	1	937	937	1	993	993

Perm nent	849 702 532 603 - 849 702 532	Middle Manage ment	Investment Associate	Guarantee d package	1	832	832	1	1	1	872	872	1	909	909	1	947	947	1	1 004	1 004
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Regional Investment Associate	Guarantee d package	1	846	846	1	1	1	887	887	1	924	924	1	963	963	1	1 021	1 021
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Investment Associate	Guarantee d package	1	847	847	1	1	1	887	887	1	925	925	1	963	963	1	1 021	1 021
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Social Facilitation Support	Guarantee d package	1	852	852	1	1	1	893	893	1	930	930	1	969	969	1	1 027	1 027
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Investment Associate	Guarantee d package	1	865	865	1	1	1	906	906	1	945	945	1	984	984	1	1 043	1 043
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Business Specialist Application	Guarantee d package	1	870	870	1	1	1	912	912	1	950	950	1	990	990	1	1 049	1 049
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Business Analyst	Guarantee d package	1	871	871	1	1	1	913	913	1	951	951	1	991	991	1	1 051	1 051
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Investment Associate	Guarantee d package	1	878	878	1	1	1	920	920	1	959	959	1	999	999	1	1 059	1 059
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Senior Investment Associate	Guarantee d package	1	879	879	1	1	1	921	921	1	960	960	1	1 000	1 000	1	1 060	1 060
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Internal Audit Supervisor	Guarantee d package	1	884	884	1	1	1	927	927	1	966	966	1	1 006	1 006	1	1 067	1 067
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Facilities Manager	Guarantee d package	1	903	903	1	1	1	946	946	1	986	986	1	1 027	1 027	1	1 089	1 089
Perm nent	849 702 532 603 - 849 702 532	Professi onal	Socio-Economic Specialist	Guarantee d package	1	904	904	1	1	1	947	947	1	987	987	1	1 028	1 028	1	1 090	1 090

Permanent	000 908 849 703 - 1	Professional	Investment Associate	Guaranteed package	1	906	906	1	1	1	949	949	1	989	989	1	1031	1031	1	1093	1093
Permanent	000 908 849 703 - 1	Professional	Senior Internal Audit Supervisor	Guaranteed package	1	919	919	1	1	1	964	964	1	1004	1004	1	1046	1046	1	1109	1109
Permanent	000 908 849 703 - 1	Professional	Post Investment Associate	Guaranteed package	1	922	922	1	1	1	967	967	1	1007	1007	1	1050	1050	1	1113	1113
Permanent	000 908 849 703 - 1	Skilled	Senior HR Business Partner	Guaranteed package	1	933	933	1	1	1	978	978	1	1019	1019	1	1062	1062	1	1126	1126
Permanent	000 908 849 703 - 1	Professional	Investment Associate	Guaranteed package	1	940	940	1	1	1	985	985	1	1027	1027	1	1070	1070	1	1134	1134
Permanent	000 908 849 703 - 1	Professional	Investment Associate	Guaranteed package	1	943	943	1	1	1	989	989	1	1030	1030	1	1074	1074	1	1138	1138
Permanent	000 908 849 703 - 1	Professional	Post Investment Associate	Guaranteed package	1	954	954	1	1	1	1000	1000	1	1042	1042	1	1086	1086	1	1151	1151
Permanent	000 908 849 703 - 1	Middle Management	Investment Associate	Guaranteed package	1	988	988	1	1	1	1035	1035	1	1079	1079	1	1124	1124	1	1192	1192
Permanent	000 908 849 703 - 1	Professional	Investment Associate	Guaranteed package	1	990	990	1	1	1	1038	1038	1	1081	1081	1	1127	1127	1	1194	1194
Permanent	000 908 849 703 - 1	Professional	Post Investment Associate	Guaranteed package	1	993	993	1	1	1	1041	1041	1	1085	1085	1	1130	1130	1	1198	1198
Permanent	000 908 849 703 - 1	Professional	Post Investment Associate - Transport Specialist	Guaranteed package	1	996	996	1	1	1	1043	1043	1	1087	1087	1	1133	1133	1	1201	1201
Permanent	000 908 849 703 - 1	Professional	Post Investment Associate	Guaranteed package	1	1016	1016	1	1	1	1065	1065	1	1110	1110	1	1156	1156	1	1226	1226

Permanent	000 908 1 000 909 - 1 182 534 1 000	Middle Management	Manager in the Office of the CEO	Guaranteed package	1	1 023	1 023	1	1	1	1 072	1 072	1	1 118	1 118	1	1 164	1 164	1	1 234	1 234
Permanent	000 909 - 1 182 534 1 000	Professional	Regional Investment Associate	Guaranteed package	1	1 023	1 023	1	1	1	1 073	1 073	1	1 118	1 118	1	1 165	1 165	1	1 234	1 234
Permanent	000 909 - 1 182 534 1 000	Professional	Financial Controller	Guaranteed package	1	1 044	1 044	1	1	1	1 094	1 094	1	1 140	1 140	1	1 188	1 188	1	1 260	1 260
Permanent	000 909 - 1 182 534 1 000	Professional	Regional Manager: Eastern Cape	Guaranteed package	1	1 050	1 050	1	1	1	1 101	1 101	1	1 147	1 147	1	1 195	1 195	1	1 267	1 267
Permanent	000 909 - 1 182 534 1 000	Professional	Investment Associate	Guaranteed package	1	1 050	1 050	1	1	1	1 101	1 101	1	1 147	1 147	1	1 195	1 195	1	1 267	1 267
Permanent	000 909 - 1 182 534 1 000	Professional	Financial Controller	Guaranteed package	1	1 079	1 079	1	1	1	1 131	1 131	1	1 178	1 178	1	1 228	1 228	1	1 302	1 302
Permanent	000 909 - 1 182 534 1 000	Professional	Senior Network Engineer	Guaranteed package	1	1 091	1 091	1	1	1	1 143	1 143	1	1 191	1 191	1	1 241	1 241	1	1 316	1 316
Permanent	000 909 - 1 182 534 1 000	Professional	Senior Legal Advisor	Guaranteed package	1	1 094	1 094	1	1	1	1 146	1 146	1	1 195	1 195	1	1 245	1 245	1	1 319	1 319
Permanent	000 909 - 1 182 534 1 000	Professional	Compliance Officer	Guaranteed package	1	1 105	1 105	1	1	1	1 158	1 158	1	1 207	1 207	1	1 257	1 257	1	1 333	1 333
Permanent	000 909 - 1 182 534 1 000	Professional	Senior Investment Associate	Guaranteed package	1	1 151	1 151	1	1	1	1 206	1 206	1	1 257	1 257	1	1 309	1 309	1	1 388	1 388
Permanent	1 182 535 - 1 436 022	Professional	Assistant Finance Manager	Guaranteed package	1	1 178	1 178	1	1	1	1 234	1 234	1	1 286	1 286	1	1 340	1 340	1	1 420	1 420
Permanent	1 182 535 - 1	Professional	Senior Investment Associate	Guaranteed package	1	1 217	1 217	1	1	1	1 275	1 275	1	1 328	1 328	1	1 384	1 384	1	1 467	1 467

Permanent	436 022 1 182 535 - 1	Middle Management	Regional Manager	Guaranteed package	1	1 274	1 274	1	1	1	1 335	1 335	1	1 391	1 391	1	1 450	1 450	1	1 537	1 537
Permanent	436 022 1 182 535 - 1	Middle Management	Head of Supply Chain Management	Guaranteed package	1	1 276	1 276	1	1	1	1 337	1 337	1	1 393	1 393	1	1 452	1 452	1	1 539	1 539
Permanent	436 022 1 182 535 - 1	Professional	Senior Investment Associate	Guaranteed package	1	1 277	1 277	1	1	1	1 338	1 338	1	1 394	1 394	1	1 453	1 453	1	1 540	1 540
Permanent	436 022 1 182 535 - 1	Middle Management	HR Manager	Guaranteed package	1	1 285	1 285	1	1	1	1 347	1 347	1	1 403	1 403	1	1 462	1 462	1	1 550	1 550
Permanent	436 022 1 182 535 - 1	Professional	Northern Cape Regional Manager	Guaranteed package	1	1 287	1 287	1	1	1	1 349	1 349	1	1 405	1 405	1	1 464	1 464	1	1 552	1 552
Permanent	436 022 1 182 535 - 1	Middle Management	Senior Post Investment Associate	Guaranteed package	1	1 289	1 289	1	1	1	1 351	1 351	1	1 408	1 408	1	1 467	1 467	1	1 555	1 555
Permanent	436 022 1 182 535 - 1	Middle Management	Pre Investment Manager	Guaranteed package	1	1 309	1 309	1	1	1	1 372	1 372	1	1 430	1 430	1	1 490	1 490	1	1 579	1 579
Permanent	436 022 1 182 535 - 1	Middle Management	Senior Credit Risk Analyst	Guaranteed package	1	1 315	1 315	1	1	1	1 378	1 378	1	1 436	1 436	1	1 496	1 496	1	1 586	1 586
Permanent	436 022 1 182 535 - 1	Middle Management	Investment Principal	Performance bonus	1	1 332	1 332	1	1	1	1 395	1 395	1	1 454	1 454	1	1 515	1 515	1	1 606	1 606
Permanent	436 022 1 182 535 - 1	Middle Management	Group Company Secretary	Guaranteed package	1	1 406	1 406	1	1	1	1 473	1 473	1	1 535	1 535	1	1 600	1 600	1	1 695	1 695
Permanent	436 022 1 182 535 - 1	Middle Management	Free State Regional Manager	Performance bonus	1	1 414	1 414	1	1	1	1 482	1 482	1	1 544	1 544	1	1 609	1 609	1	1 706	1 706
Permanent	436 022 1 182 535 - 1	Professional	Investment Principal	Guaranteed package	1	1 421	1 421	1	1	1	1 489	1 489	1	1 551	1 551	1	1 616	1 616	1	1 713	1 713



Permanent	1 741 770 1 436 023 - 1 741 770 1 436	Senior Management	Strategic Projects Fund Manager	Guaranteed package	1	1 704	1 704	1	1	1	1 786	1 786	1	1 861	1 861	1	1 939	1 939	1	2 055	2 055
Permanent	1 741 770 1 436 023 - 1 741 770 1 436	Senior Management	Chief Information Officer	Guaranteed package	1	1 731	1 731	1	1	1	1 815	1 815	1	1 891	1 891	1	1 970	1 970	1	2 088	2 088
Permanent	1 741 771 - 2 259 984 1 741 771 - 2 259 984	Middle Management	Turnaround Workout and Restructure Manager	Guaranteed package	1	1 789	1 789	1	1	1	1 875	1 875	1	1 954	1 954	1	2 036	2 036	1	2 158	2 158
Permanent	1 741 771 - 2 259 984 1 741 771 - 2 259 984	Middle Management	Socio Economic Development and Asset Management Manager	Guaranteed package	1	1 802	1 802	1	1	1	1 889	1 889	1	1 968	1 968	1	2 051	2 051	1	2 174	2 174
Permanent	1 741 259 984 771 - 2 259 984	Middle Management	Regional Manager: KZN	Guaranteed package	1	1 817	1 817	1	1	1	1 905	1 905	1	1 985	1 985	1	2 068	2 068	1	2 192	2 192
Permanent	1 741 771 - 2 259 984 1 741 771 - 2 259 984	Senior Management	Post Investment Manager	Guaranteed package	1	1 829	1 829	1	1	1	1 917	1 917	1	1 997	1 997	1	2 081	2 081	1	2 206	2 206
Permanent	1 741 771 - 2 259 984 1 741 771 - 2 259 984	Middle Management	Chief Risk Officer	Guaranteed package	1	1 901	1 901	1	1	1	1 992	1 992	1	2 076	2 076	1	2 163	2 163	1	2 293	2 293
Permanent	1 741 259 984 771 - 2 259 984	Senior Management	Marketing and Communications Manager	Guaranteed package	1	1 946	1 946	1	1	1	2 040	2 040	1	2 126	2 126	1	2 215	2 215	1	2 348	2 348
Permanent	1 741 771 - 2 259 984 2 259 984 - 2	Middle Management	Umnotho Fund Manager	Guaranteed package	1	2 012	2 012	1	1	1	2 109	2 109	1	2 197	2 197	1	2 290	2 290	1	2 427	2 427
Permanent	545 854 2 545 855 - 2	Senior Management	Chief Financial Officer	Guaranteed package	1	2 568	2 568	1	1	1	2 691	2 691	1	2 805	2 805	1	2 922	2 922	1	3 098	3 098
Permanent	871 266	Senior Management	Divisional Executive for Venture Capital & Corporate Finance	Guaranteed package	1	2 658	2 658	1	1	1	2 786	2 786	1	2 903	2 903	1	3 025	3 025	1	3 207	3 207
Permanent	2 545 855 - 2	Executive	Divisional Executive: SME's and Rural Development	Guaranteed package	1	2 732	2 732	1	1	1	2 864	2 864	1	2 984	2 984	1	3 109	3 109	1	3 296	3 296

Permanent	871 266 2 871 267 - 3 243 836	Management Executive Management Executive	General Counsel	Guaranteed package	1	3 133	3 133	1	1	1	3 283	3 283	1	3 421	3 421	1	3 565	3 565	1	3 778	3 778
Permanent	≥4 691 400	Board Member	Chief Executive Officer	Guaranteed package	1	5 072	5 072	1	1	1	5 316	5 316	1	5 539	5 539	1	5 772	5 772	1	6 118	6 118
Temporary/ Contract	1 182 535 - 1 436 022	Professionals	Contracts	Guaranteed package	33	23 196	703	33	33	33	42 213	1 279	70	51 307	733	70	55 148	788	70	56 244	803
<b>TOTAL</b>					<b>207</b>	<b>220 646</b>	<b>1 066</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>267 716</b>	<b>1 293</b>	<b>244</b>	<b>289 000</b>	<b>1 184</b>	<b>244</b>	<b>303 450</b>	<b>1 244</b>	<b>244</b>	<b>318 623</b>	<b>1 306</b>

## ANNEXURE E: YEAR TO DATE PERFORMANCE

Outcomes	KPIs	2024/25 Revised Targets	YTD Actual	Corrective Measures
Investment Stimulus	1. Aggregate Additional Output	R4.44bn	R6.1bn	<ul style="list-style-type: none"> <li>The NEF is on course to reach this target as 65% of the target has been achieved in the first half of the year.</li> </ul>
	2. Value invested	R1.5bn	R1010m	<ul style="list-style-type: none"> <li>Leverage existing portfolio by growing entrepreneurs to industrialists</li> <li>The NEF is considering investment to the tune of R1.8 billion during the current financial year.</li> </ul>
	3. Number of maintained and new jobs to be created	10 500	13 656	<ul style="list-style-type: none"> <li>The investment opportunities under consideration as indicated above are expected to support jobs. The NEF has a pipeline of 46 308 jobs to be supported in the current financial year.</li> </ul>

Transformation	4. Number of fund SMEs	150	196	<ul style="list-style-type: none"> <li>• R606.3 million in the Aggregator, BI, and natural and cultural beneficiation programmes will unlock new SMEs.</li> <li>• Enhance outreach programs to identify SMEs in underserved regions and sectors.</li> </ul>
	5. Percentage of investments made to Black Industrialists	50%	58%	<ul style="list-style-type: none"> <li>• The NEF will leverage on existing portfolio to increase investments toward BIs. Such as Gemilatex and Thring Kunene among others.</li> <li>• The NEF has committed to contributing R228.3 million towards the KPI.</li> </ul>

	6. Percentage of investments made to businesses owned by women	35%	37%	<ul style="list-style-type: none"> <li>Establish partnerships with women focused business agencies to identify potential investees for funding.</li> </ul>
	7. Percentage of investments made to businesses owned by youth and people living with disability	15%	17%	<ul style="list-style-type: none"> <li>Establish partnerships with women- and youth-focused business agencies to identify potential investees for funding.</li> <li>Increase marketing campaigns targeted at youth and people with disability.</li> </ul>
High Growth and Labour Absorbent Sectors	8. Percentage of value invested made in High Growth and Labour Absorbent Sectors	50%	32.3%	<ul style="list-style-type: none"> <li>The NEF has created strategies and programmes to reallocate resources to High Growth and Labour Absorbent Sectors. Over R1.8 billion investment opportunities in these sectors are under consideration</li> </ul>

Structural Reform	9. Percentage of value invested made to SMEs operating in SEZs and IPs	25%	25%	<ul style="list-style-type: none"> <li>The SMEs including the aggregator, and beneficiation programmes will be key. The pipeline is approximately R844 million focused in these areas.</li> </ul>
Induced demand	10. Revenues from exported products and services	R75m	R125.5m	<ul style="list-style-type: none"> <li>Partnerships with export agencies and trade bodies to help SMEs access international markets.</li> <li>Identify NEF investees with excess capacity and export potentials.</li> </ul>
Development of a Capable State	11. Percentage of the portfolio impaired	30%	27%	<ul style="list-style-type: none"> <li>The NEF continues to focus on strengthening post investment monitoring activities especially in businesses that reported high impairments.</li> </ul>

	12. Collections against total amount invoiced	80%	81%	<ul style="list-style-type: none"> <li>The positive variance is attributed to the success of an implementation focused on improving the portfolios collection.</li> </ul>
	13. Percentage of Investees Paid Within 45 Working Days of Commitment	70%	68%	<ul style="list-style-type: none"> <li>Streamline internal approval processes and disbursement procedures to reduce delays in payments.</li> </ul>
	14. Percentage of Suppliers Paid Within 30 days of receiving a valid invoice	80%	95%	<ul style="list-style-type: none"> <li>Streamline internal approval processes and disbursement procedures to reduce delays in payments.</li> </ul>

## ANNEXURE F: SCENARIOS

### F.1. Scenario 1: 6% of R100 billion 5-year investments target

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Transformation	Number of SMME's funded	68	85	106	133	166	<b>558</b>
	Percentage of investments made to Black Industrialists	50%	60%	60%	60%	60%	<b>50%</b>
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	N/A	15%	15%	15%	15%	15%
	Number of people trained	304	380	475	594	742	<b>2495</b>
Investment Stimulus	Aggregated Additional Output	R2.2b	R3.2b	R4.1b	R5.4b	R7.1b	<b>R22b</b>
	Value of Investments	R675m	R843.8m	R1.1b	R1.3b	R1.6b	<b>R5.5b</b>
	Number of job opportunities to be created	4725	5906	7383	9229	11536	<b>38779</b>
Structural Reform	Investments made to investments operating in SEZs and IPs	10%	10%	10%	10%	10%	<b>25%</b>
Induced demand	Revenues from exported products and services	R33.8m	R42.2m	R52.7m	R65.9m	R82.4m	<b>R277m</b>
High Growth and Labour Absorbent Sectors	Investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%	50%
Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%	<b>30%</b>
	Collection ratio	75%	75%	75%	75%	75%	<b>80%</b>

## F.2. Scenario 2: 30% of R100 billion 5-year investments target

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Transformation	Number of SMME's funded	80	300	600	900	1120	<b>3000</b>
	Percentage of investments made to Black Industrialists	60%	60%	60%	60%	60%	<b>50%</b>
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	N/A	15%	15%	15%	15%	15%
	Number of people trained	360	1350	2700	4050	5040	<b>13500</b>
Investment Stimulus	Aggregated Additional Output	R2.5b	R9.5b	R19.7b	R31.5b	R42.2b	<b>R105.4b</b>
	Value of Investments	R800m	R3b	R6b	R9b	R11.2b	<b>R30b</b>
	Number of job opportunities to be created	5600	21000	42000	63000	78400	<b>210000</b>
Structural Reform	Investments made to investments operating in SEZs and IPs	10%	10%	10%	10%	10%	<b>25%</b>
Induced demand	Revenues from exported products and services	R40m	R150m	R300m	R450m	R560m	<b>R1.5b</b>
High Growth and Labour Absorbent Sectors	Investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%	50%

Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%	<b>30%</b>
	Collection ratio	75%	75%	75%	75%	75%	<b>80%</b>

### F.3. Scenario 3: 60% of R100 billion 5-576year investments target

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Transformation	Number of SMME's funded	90	660	1200	1800	2250	<b>6000</b>
	Percentage of investments made to Black Industrialists	60%	60%	60%	60%	60%	<b>50%</b>
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	N/A	15%	15%	15%	15%	15%
	Number of people trained	405	2970	5400	8100	10125	<b>27000</b>
Investment Stimulus	Aggregated Additional Output	R2.8b	R20b	R38.7b	R62.2b	R84.1b	<b>R207.8b</b>
	Value of Investments	R900m	R6.6b	R12b	R18b	R22.5b	<b>R60b</b>
	Number of job opportunities to be created	6300	46200	84000	126000	157500	<b>420000</b>
Structural Reform	Investments made to investments operating in SEZs and IPs	10%	10%	10%	10%	10%	<b>25%</b>
Induced demand	Revenues from exported products and services	R45m	R330m	R600m576	R900m	R1.1b	<b>R3b</b>
High Growth and Labour Absorbent Sectors	Investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%	50%

Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%	<b>30%</b>
	Collection ratio	75%	75%	75%	75%	75%	<b>80%</b>

#### F.4. Scenario 4: 80% of R100 billion 5-year investments target

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Transformation	Number of SMME's funded	120	880	1600	2400	3000	<b>8000</b>
	Percentage of investments made to Black Industrialists	50%	50%	50%	50%	50%	<b>50%</b>
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	N/A	15%	15%	15%	15%	15%
	Number of people trained	540	3960	7200	10800	13500	<b>36000</b>
Investment Stimulus	Aggregated Additional Output	R3.6b	R26.4b	R51.4b	R82.7b	R111.9b	<b>R276.1b</b>
	Value of Investments	R1.2b	R8.8b	R16b	R24b	R30b	<b>R80b</b>
	Number of job opportunities to be created	8400	61600	112000	168000	210000	<b>560000</b>
Structural Reform	Investments made to investments operating in SEZs and IPs	10%	10%	10%	10%	10%	<b>25%</b>
Induced demand	Revenues from exported products and services	R60m	R440m	R800m	R1.2b	R1.5b	<b>R4b</b>
High Growth and Labour Absorbent Sectors	Investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%	50%

Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%	<b>30%</b>
	Collection ratio	75%	75%	75%	75%	75%	<b>80%</b>

## F.5. Scenario 5: 100% of R100 billion 5-year investments target

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Transformation	Number of SMME's funded	150	1100	2000	3000	3750	<b>10000</b>
	Percentage of investments made to Black Industrialists	60%	60%	60%	60%	60%	<b>50%</b>
	Percentage of investments made to businesses owned by women	35%	35%	35%	35%	35%	35%
	Percentage of investments made to businesses owned by youth and people living with disability	N/A	15%	15%	15%	15%	15%
	Number of people trained	675	4950	9000	13500	16875	<b>45000</b>
Investment Stimulus	Aggregated Additional Output	R4.5b	R32.9b	R64.1b	R103.2b	R139.7b	<b>R344.4b</b>
	Value of Investments	R1.5b	R11b	R20b	R30b	R37.5b	<b>R100b</b>
	Number of job opportunities to be created	10500	77000	140000	210000	262500	<b>700000</b>
Structural Reform	Investments made to investments operating in SEZs and IPs	10%	10%	10%	10%	10%	<b>25%</b>
Induced demand	Revenues from exported products and services	R75m	R125m	R1.7b	R2.9b	R3.5b	R8.3b
High Growth and Labour Absorbent Sectors	Investments made to High Growth and Labour Absorbent Sectors	60%	60%	60%	60%	60%	50%
Development of a Capable State	Percentage of portfolio impaired	40%	40%	40%	40%	40%	<b>30%</b>
	Collection ratio	75%	75%	75%	75%	75%	<b>80%</b>

## F.6. 5-year value of investments by scenario

Value of investment					
Scenario	0%	30%	60%	80%	100%
2024/25	R 1 000 000 000,00	R 800 000 000,00	R 900 000 000,00	R 1 200 000 000,00	R 1 500 000 000,00
2025/26	R 1 100 000 000,00	R 3 000 000 000,00	R 6 600 000 000,00	R 8 800 000 000,00	R 11 000 000 000,00
2026/27	R 1 210 000 000,00	R 6 000 000 000,00	R 12 000 000 000,00	R 16 000 000 000,00	R 20 000 000 000,00
2027/28	R 1 331 000 000,00	R 9 000 000 000,00	R 18 000 000 000,00	R 24 000 000 000,00	R 30 000 000 000,00
2028/29	R 1 464 100 000,00	R 11 200 000 000,00	R 22 500 000 000,00	R 30 000 000 000,00	R 37 500 000 000,00
<b>Total</b>	<b>R 6 105 100 000,00</b>	<b>R 30 000 000 000,00</b>	<b>R 60 000 000 000,00</b>	<b>R 80 000 000 000,00</b>	<b>R 100 000 000 000,00</b>

## ANNEXURE G: ASSUMPTIONS

KPI	Assumptions
Aggregated Additional Output	<ul style="list-style-type: none"> <li>Directly linked to the Value of Investments, thus the Transformation Fund</li> </ul>
Value of Investments	<ul style="list-style-type: none"> <li>Availability of the Transformation Fund</li> <li>Availability of the Investment Professionals in the market.</li> </ul>
Number of maintained and new jobs to be created	<ul style="list-style-type: none"> <li>Average cost per job is R142 000 000</li> </ul>
Number of SMEs	<ul style="list-style-type: none"> <li>Availability of capital</li> <li>Average transaction size of R10 million</li> </ul>
Percentage of funded agri-businesses relative to total number of SMEs	<ul style="list-style-type: none"> <li>Availability of capital</li> </ul>
Value of Disbursement to Black Industrialists	<ul style="list-style-type: none"> <li>Availability of capital</li> </ul>
Percentage of investments made to businesses owned by women, youth and people living with disability	<ul style="list-style-type: none"> <li>Availability of capital</li> </ul>
Number of people trained	<ul style="list-style-type: none"> <li>Conclusion of partnerships and MOUs with other government institutions (SITAs, DoL).</li> <li>Willingness to participate by NEF Investees and trainees.</li> <li>Availability of capital.</li> </ul>
Percentage of investments made to investees operating in SEZs and IP	<ul style="list-style-type: none"> <li>Availability of capital.</li> </ul>
Revenues from exported products and services	<ul style="list-style-type: none"> <li>Availability of capital</li> <li>Export license</li> <li>Custom registration</li> </ul>
Percentage of investments made to investees operating in High Growth and Labour Absorbent Sectors	<ul style="list-style-type: none"> <li>Availability of capital.</li> <li>Adequate training and capacity building interventions to support emerging and aspiring entrepreneurs.</li> </ul>
Percentage of the portfolio impaired	<ul style="list-style-type: none"> <li>Extent of risk assumed</li> </ul>
Collection ratio	<ul style="list-style-type: none"> <li>Favourable interest rate environment</li> </ul>
Percentage of investees paid within 45 working days of commitment	<ul style="list-style-type: none"> <li>Third party processes as part of the collection of the conditions precedent are not more than 45 days</li> </ul>
Percentage of suppliers paid within 30 days of receiving a valid invoice	<ul style="list-style-type: none"> <li>Availability finance systems</li> </ul>

# ANNEXURE H: BROADER ALIGNMENT TO OVERCOMING KEY CONSTRAINTS

## 10.1 Strategic Markets for domestic producers

Interventions	Outcomes and Indicators	NEF alignment
<p><b>Unlocking Strategic Markets for domestic products:</b></p> <ol style="list-style-type: none"> <li><b>Optimising Public Procurement as a policy tool to support local industrial development:</b> Finalise Regulations to support the Public Procurement Act. Publish the list of products for local production and content</li> <li><b>Addressing Barriers to Entry for SMMES in the public procurement system:</b> enhance market access opportunities for small enterprises; co-operatives and designated groups line with the National Small Enterprise Act (Act No. 102 of 1996) and by Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).</li> <li><b>Implement the B-BBEE Act and Codes of Good Practice to</b></li> </ol>	<p><b>Outcome:</b> Strengthen the domestic economy and increase local and global market competitiveness</p> <ul style="list-style-type: none"> <li>Alignment with the Public Procurement Act and its Regulations as a policy for support local industrial development</li> <li>Local Procurement Spend</li> <li>Compliance to the B-BBEE Act and Codes of Good Practice</li> <li>Strengthen remedies for non-compliance on B-BBEE Act, Codes of Good Practice and Local Content requirements.</li> <li>Advance market access opportunities in the private sector.</li> </ul> <p><b>Indicators:</b></p>	<ul style="list-style-type: none"> <li>Total funds committed for SMEs 2026 (R1.5bn) – NEF direct.</li> </ul> <p><b>KPI 2: Value of investments made (R100b in 5 years)</b></p> <ul style="list-style-type: none"> <li>Payment of suppliers on time (within 30 days)</li> </ul> <p><b>KPI 14: Percentage of suppliers paid within 30 days of receiving a valid invoice - 80%</b></p> <ul style="list-style-type: none"> <li>Disbursement of funds within 45 days of approval for 70% of approvals.</li> </ul> <p><b>KPI 13: Percentage of investees paid within 45 working days of commitment - 70%</b></p>

<p><b>open up opportunities in the value and supply chains of the South African economy:</b> Optimise the Enterprise and Supplier Development (ESD) element in the Codes of Good Practice,</p> <p>4. <b>Expand the categories of preference in the allocation of contracts in Public Procurement:</b> The least cost prices should not be only indicator; but equity, empowerment, economic and technological development should be But</p> <p>5. <b>Reform Public Procurement Policies and Processes:</b> streamline public procurement to increase efficiencies in the supply chain systems.</p> <p>6. <b>Use trade measures to support and protect local manufacturers:</b> Reduce imports which displace local producers and incentivise production capability and capacity</p> <p>7. <b>Support for emerging suppliers</b></p>	<ul style="list-style-type: none"> <li>• % of policy and regulatory misalignment between domestic procurement practices and the Public Procurement Act and its Regulations addressed</li> <li>• % of total public procurement spent on local producers</li> <li>• % of businesses compliant with the amended BBBEE Act,</li> <li>• Number of remedies imposed for non-compliance with the B-BBEE Act, Codes of Good Practice and Local Content requirements/ % of remedies imposed.</li> <li>• Number of market commitments secured for local producers</li> <li>• % increase in market share for local products through number of agreements concluded</li> <li>• % increase in local production through</li> </ul>	
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<p><b>in the private, in particular the retail sector:</b> Increasing local product visibility on shelves to boost market access and expand export opportunities.</p>	<p>localisation measures</p> <p><b>Champion: Transformation and Competition supported by Sectors</b></p> <p><b>Entities: BBEE, Competition Commission, ITAC, NEF, IDC, NRCS</b></p>	
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**10.2 Market Concentration and Economic Inclusion**

Interventions	Outcomes and Indicators	NEF Alignment
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<p>Focus on reducing market concentration by ensuring that economic opportunities are accessible to a broader range of businesses, particularly focusing on the empowerment of historically disadvantaged groups.</p> <p>Through:</p> <ul style="list-style-type: none"> <li>•effective implementation and enforcement of BBBEE, targeted sector codes,</li> <li>•policies encouraging SMME growth and employee ownership,</li> <li>•promote inclusive economic participation, reduce monopolistic tendencies, and stimulate a more equitable distribution of economic power.</li> </ul>	<p><b>Outcome:</b></p> <ul style="list-style-type: none"> <li>•Reduced market concentration by ensuring that economic opportunities are accessible to a broader range of businesses, particularly focusing on the empowerment of historically disadvantaged groups <ul style="list-style-type: none"> <li>- Implementation of BBBEE (Section 10) focussed on issuing licenses, concessions and <b>sector codes</b></li> <li>- Enforcement and Improved Compliance of BBBEE Section 1</li> <li>- Reduce Sectors with High Market Concentration</li> <li>- Percentage increase in share of SMMEs in the economy to 45%</li> <li>- Implementation of Employee Ownership Share Scheme (ESOPS)</li> </ul> </li> </ul> <p><b>Indicators</b></p>	<ul style="list-style-type: none"> <li>• As part of addressing inclusion, funding businesses not located in concentrated hubs such as the SEZs and IPs</li> </ul> <p><b>KPI 8: Percentage of investments made to investees operating in SEZs and IPs – 25%</b></p> <ul style="list-style-type: none"> <li>• Intensify investments in identified key sectors that are labour absorbing (Manufacturing; Agriculture; Services – including wholesale and retail trade, other global business services; Tourism; Steel; Infrastructure; and Energy).</li> </ul> <p><b>KPI 10: Percentage of investments made to investees operating in High Growth and Labour Absorbent Sectors – 50%</b></p>
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	<ul style="list-style-type: none"> <li>•% increase in businesses audited for BBEE compliance, with a focus on Section 10 enforcement</li> <li>•% increase of the economy's output (GDP) contributed by SMMEs,</li> <li>•% increase, from 45%, in share of companies implementing employee ownership schemes to allow for broader participation in business ownership</li> <li>•% Increase participation in highly concentrated sectors with specific focus on encouraging the entry of Black-owned businesses (i.e. financial services, Gambling, etc)</li> </ul> <p>Champion: Transformation and Competition Competition Commission, Gambling, DFI, NCC</p>	<ul style="list-style-type: none"> <li>• Setting aside funding to support job preservation for Black Businesses (Distress relief funding), working capital/ missing middle for businesses— R150 million per annum. This fund is part of the total investments to be made.</li> </ul> <p><b>KPI 2: Value of investments made (R100b in 5 years)</b></p> <ul style="list-style-type: none"> <li>• Develop aggregation schemes with big business (e.g. agriculture value chains). This forms part of the aggregator strategy which is tracked through the delivery of the value invested, the number of SMEs funded and importantly,</li> </ul>
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		<p>percentage of those funds into High Growth and Labour Sectors.</p> <p><b>KPI 2:</b> Value of investments made (R100b in 5 years)</p> <p><b>KPI 4:</b> Number of SMEs funded</p> <p><b>KPI 10:</b> Percentage of investments made to investees operating in High Growth and Labour Absorbent Sectors – 50%</p>
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### 10.3 Unlocking Access to Capital / Finance Outside the State

Interventions	Outcomes and Indicators	NEF alignment
Unlocking rand value of financial capital outside the state	<p><b>Outcome:</b></p> <ul style="list-style-type: none"> <li>•Strengthen equity and balance sheet of DFI's by an annual value of R15 Billion</li> <li>•Rand value increase in grant funding through enhanced collaboration and investment from the private sector.</li> </ul> <p><b>Indicator:</b></p> <ol style="list-style-type: none"> <li>1. Unlock the ability of DFIs to access fiscal</li> </ol>	<ul style="list-style-type: none"> <li>• Make submissions to <b>the dtic</b> and NT to secure approvals for DFIs to issue credit guarantees.</li> <li>• Make submissions to <b>the dtic</b> and NT to secure approvals for DFIs to have a regime permitting them to hold majority stake in entities without contravening the PFMA.</li> </ul>

	<p>reserves with National Treasury to enable the reconfiguring of the capital structure of DFI balance sheets, R15 billion pa over 5 years</p> <ol style="list-style-type: none"> <li>2. Tax exemption status for DFI's (0%)</li> <li>3. R3 billion of private sector funding secured focussed on unlocking financial capital outside the state</li> </ol> <p><b>Champion: Incentives</b> <b>Entities: DFI's</b></p>	<ul style="list-style-type: none"> <li>• Support interventions to enable tax exemption status for DFI's.</li> <li>• Lead the process to set up the Transformation Fund.</li> <li>• <b>The outcomes of these efforts will lead to the Investment Made R100 billion over 5 years from concessionary third-party funds.</b></li> </ul> <p><b>KPI2: Value of Investments Made – R100 billion over 5 years.</b></p>
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## 10.4 Digital economy and digital transformation

Interventions	Outcomes and Indicators	NEF Alignment
<ul style="list-style-type: none"> <li>• Digital public infrastructure</li> <li>• ICT Eco systems</li> <li>• Satellite</li> <li>• Broadband Infraco</li> </ul> <p>Municipalities and Metros to Implement Digital Infrastructure Systems to Improve Billing Systems and Reduce Losses</p>	<p><b>Champion: Research supported by Sectors</b> <b>Entities: ALL (Competition Commission, IDC and NEF)</b></p>	<ul style="list-style-type: none"> <li>• Support SMEs linked to Competition Commission Online Platform Intermediation Market Study – e-hailing, Sweep South, online delivery (trucking delivery) – support at least 4 000 jobs through such initiatives.</li> <li>• Support at least one digital platform business per annum.</li> <li>• Supports spaza shops that utilize digital platforms to enhance their procurement</li> </ul>

		<p>processes, thereby promoting local innovation</p> <p><b>KPI 4: Number of SMEs funded</b></p> <p><b>KPI 10: Percentage of investments made to investees operating in High Growth and Labour Absorbent Sectors – 50%</b></p>
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## 10.5 Industrial Parks Impact

Interventions	Outcomes and Indicators	NEF Alignment
<p>Develop sustainable industrial infrastructure, through which private public partnerships promote competitive industrial parks, spaces and clusters – especially in townships and rural communities, with the aim of promoting growth in local economies and investments</p> <ul style="list-style-type: none"> <li>• Deeper interventions in specific areas that drive key economic drivers (e.g. Rosslyn, Wadeville, Durban South Basin, etc. identified as some of the key export</li> </ul>	<p><b>Outcomes:</b> Developed industrial parks / spaces as high growth catalysts for local manufacturing, services, MSMEs incubation and investments (particularly in townships and rural communities)</p> <ul style="list-style-type: none"> <li>• Competitive &amp; compliant industrial parks for development of local industries</li> <li>• Increased number of MSMEs participating in value chains</li> </ul>	<ul style="list-style-type: none"> <li>• Revitalise Phuthaditjaba Clothing and Textiles Hub. Need access to the CTFL incentive scheme.</li> <li>• Collaborate with GP Government to support furniture manufacturing Hubs in GP – focus on school furniture and</li> </ul>

<p>drivers &amp; manufacturing areas)</p> <ul style="list-style-type: none"> <li>• Focus on well-located, underperforming industrial spaces with high economic and social return potential</li> <li>• Map available financing sources to support infrastructure requirements (electricity, water, transport, communication, etc.) across all industrial hubs</li> <li>• Apply effective land governance, parks management and reliable service delivery and maintenance of infrastructure</li> </ul>	<p>prioritised sectors</p> <ul style="list-style-type: none"> <li>• Feasible case studies of private and public ownership models developed for IPs</li> <li>• Alignment between TVETs and incubation centres achieved for uptake of youth artisans and women focused interventions – located in industrial parks</li> </ul> <p><b>Indicators</b></p> <ul style="list-style-type: none"> <li>• 20 highly competitive and diversified industrial parks revitalised and models against international benchmark</li> <li>• Developed MSEMs participating in PRASA &amp; ESKOM Contract Participation Goals for manufacturing, enterprise development, supplier development and skills development</li> </ul>	<p>supplying furniture to Government.</p> <p>Dtic to support with furniture fund.</p> <ul style="list-style-type: none"> <li>• Support 3 GBS Centres (Call Centres) during the MTDP.</li> <li>• Support businesses located in industrial hubs in townships and rural areas as part of the Spaza Shop/Township Fund</li> </ul> <p><b>KPI 8: Percentage of investments made to investees operating in SEZs and Ips</b></p> <p><b>KPI 4: Number of SMEs funded</b></p>
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	<ul style="list-style-type: none"> <li>• 25 small industrial hubs for townships and rural economies development for beneficiation of opportunities in agro-processing, light engineering manufacturing, ICT and services sector</li> <li>• Increased number of TVETs and Artisans Centres in collaboration to strengthen skilled workforce and MSMEs development</li> </ul> <p><b>Champion: ISID</b>  <b>supported by the PMO</b>  <b>Entities: ALL</b></p>	
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## 10.6 Workforce Readiness & Skills for the Economy

Interventions	Outcomes and Indicators	NEF Alignment
Building a more dynamic, skilled, and competitive workforce by enhancing the employability of individuals and supporting economic growth. By implementing key strategies such as ring-fencing funds for internships, compulsory	<p><b>Outcomes: Increasing Skills and Work Experience for the Economy</b></p> <ul style="list-style-type: none"> <li>• Enforcing Section 10 of the Employment Services Act for mandatory</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment of interns at NEF and funded businesses, 2025 – 20 interns. Financial year 2026, 100 interns.</li> <li>• Recruitment of 10 interns for the BEE</li> </ul>

<p>vacancy notifications, aligning with labour legislation, and directing bursary funds towards labour market development, the goal is to create a more skilled, adaptable workforce that meets industry needs.</p> <ul style="list-style-type: none"> <li>•<b>Internship Opportunities and Work Experience:</b> Ring-fencing SETA funds for internships, Internships, apprentices,</li> <li>•<b>Improved Vacancy Notification and Job Matching:</b> Compulsory notification of vacancies for entry-level positions will ensure that job seekers, particularly in low-income brackets, have access to opportunities.</li> <li>•<b>Legislative Support for Vacancy Reporting and Ministerial Regulations:</b> Ensuring compliance with <b>Section 10 of the Employment Services Act</b> will lead to a more transparent and effective labour market.</li> </ul>	<p>vacancy reporting</p> <ul style="list-style-type: none"> <li>•Allocating % of bursary funds to labour market development to enhance skills and employability</li> <li>•Ring-Fencing funding programs i.e. internship, and apprentices to increase practical work experience.</li> <li>•Enforcing employer payment of UIF contributions</li> </ul> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>1. % Increase in public education/ training from 30% to 50%</li> <li>2. % Increase in workforce placement from 7% to 30%</li> <li>3. % of total bursary fund allocations directed toward labour market programs, internships, or work experience initiatives</li> </ol>	<p>Commission. NEF to cover the stipends for BEE Commission interns.</p> <ul style="list-style-type: none"> <li>• Raise R256 million from National Skills Fund. Target to create 2000 internships/work opportunities over 5 years.</li> <li>• Allocate a bursary scheme to support labour market development and increase employability (partnerships with TVET Colleges, Setas and UIF). R5 million per annum in bursaries/workplace internship support.</li> </ul> <p><b>KPI 3:</b> Number of maintained and new jobs to be created</p>
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<p><b>•Bursary Funds for labour Market Development:</b> Directing 10% of bursary funds towards labour market development initiatives will bridge the gap between education and employment.</p> <p><b>•Categories of allocations:</b></p>	<p>4. % of employers reporting vacancies in compliance with Section 10 of the Employment Services Act</p> <p>5. 10% Increase in UIF contributions</p> <p><b>Champion: ISID supported by all DTIC Branches</b></p> <p><b>Entities: ALL</b></p>	
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**10.7 Strategic Markets: Deepening market opportunities for domestic producers**

Interventions	Outcomes and Indicators	NEF Alignment
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<p><b>Unlocking Strategic Markets for domestic products</b></p> <ul style="list-style-type: none"> <li>•<b>Optimising Public Procurement as a policy tool to support local industrial development:</b> Finalise Regulations to support the Public Procurement Act. Publish the list of products for local production and content</li> <li>•<b>Addressing Barriers to Entry for SMMES in the public procurement system:</b> enhance market access opportunities for small enterprises; co-operatives and designated groups line with the National Small Enterprise Act (Act No. 102 of 1996) and by Broad-Based Black Economic Empowerment</li> </ul>	<p><b>Outcome:</b></p> <ul style="list-style-type: none"> <li>•Strengthen the domestic economy and increase local and global market competitiveness: <ul style="list-style-type: none"> <li>- Alignment with PFMA, public procurement Act and regulations</li> <li>- Increased local procurement spend</li> <li>- BBB-EE Compliance , penalties and enforcement</li> <li>- Advanced market commitments for local products</li> </ul> </li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>•% of policy and regulatory misalignments between domestic procurement practices and the PFMA addressed</li> <li>•% of total public procurement spent on local suppliers and retailers</li> <li>•% of businesses compliant with the amended BBEE Act, factoring in the enforcement of penalties for non-compliance.</li> <li>•% increase in market share for local products through agreements concluded</li> </ul>	<ul style="list-style-type: none"> <li>• Payment of suppliers on time (within 30 days)</li> </ul> <p><b>KPI 14: Percentage of suppliers paid within 30 days of receiving a valid invoice</b></p> <ul style="list-style-type: none"> <li>• Procurement from BBEE compliant suppliers (70%)</li> <li>• Disbursement of funds within 45 days of approval for 70% of approvals.</li> </ul> <p><b>KPI 13: Percentage of investees paid within 45 working days of commitment</b></p> <ul style="list-style-type: none"> <li>• Provide funding to SMEs to deliver on the procurement opportunities accessed.</li> <li>•</li> </ul> <p><b>KPI 2: Value of investments made</b></p>
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<p>Act, 2003 (Act No. 53 of 2003).</p> <ul style="list-style-type: none"> <li>•<b>Implement the B-BBEE Act and Codes of Good Practice to open up opportunities in the value and supply chains of the South African economy:</b> Optimise the Enterprise and Supplier Development (ESD) element in the Codes of Good Practice,</li> <li>•<b>Expand the categories of preference in the allocation of contracts in Public Procurement:</b> The least cost prices should not be only indicator; but equity, empowerment, economic and technological development should be But</li> <li>•<b>Reform Public Procurement Policies and Processes:</b> streamline public procurement to</li> </ul>	<ul style="list-style-type: none"> <li>•% increase in import replacements through localisation</li> </ul> <p><b>Champion: Transformation and Competition</b></p> <p><b>Entities: BBEE, Competition Commission, ITAC, NEF, IDC, NRCS</b></p>	<p><b>KPI 13: Percentage of investees paid within 45 working days of commitment</b></p> <p><b>KPI 14: Percentage of suppliers paid within 30 days of receiving a valid invoice</b></p>
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<p>increase efficiencies in the supply chain systems.</p> <ul style="list-style-type: none"> <li>• <b>Use trade measures to support and protect local manufacturers:</b> Reduce imports which displace local producers and incentivise production capability and capacity</li> <li>• <b>Support for emerging suppliers in the private, in particular the retail sector:</b> Increasing local product visibility on shelves to boost market access and expand export opportunities.</li> </ul>		
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**10.8 Interventions: Transport and Logistics Administrative Costs**

Interventions	Outcomes and Indicators	NEF Alignment
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<p><b>Localisation:</b> Increase Rail Funding and Supply</p> <ol style="list-style-type: none"> <li>1. Reliable and Affordable Rail Services: Enhanced rail services that are dependable and cost-effective, ensuring improved transport for goods and passengers.</li> <li>2. Increased Rail Capacity: Significant expansion of rail infrastructure and rolling stock to meet growing demand for rail transport.</li> <li>3. Improved Rail Infrastructure: Upgraded and expanded rail infrastructure to support increased capacity and efficiency in the transport network.</li> <li>4. Reduction of the cost price for rail transport, to be more competitive and efficient mode of transportation.</li> </ol>	<p><b>Outcome:</b></p> <ul style="list-style-type: none"> <li>• Localisation increase rail funding and supply</li> </ul> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>• Measure the volume and rand value of orders from SOEs Directed to Private Sector</li> <li>• Achieve 30% on local content compliance rate on local content requirements in rail procurement and supply.</li> <li>• Achieve 60% rail procurement from BBBEE-Compliant Suppliers over the Medium-Term Development Plan (MTDP)</li> </ul> <p><b>Champion: Sectors Dr Tebogo</b></p>	<ul style="list-style-type: none"> <li>• Funding for Black Owned suppliers of rail components (e.g. manufacturing of rail sleepers).</li> </ul> <p><b>KPI 10: Percentage of investments made to investees operating in High Growth and Labour Sectors</b></p> <p><b>KPI 4: Number of SMEs funded</b></p>
	<p><b>Outcome:</b></p> <ul style="list-style-type: none"> <li>• Cost price reduction for rail transport to be more competitive and efficient mode of transportation</li> </ul> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>• Achieve a 60%-80% reduction in rail transport costs relative to road transport, supported by targeted subsidies, private sector investment, and</li> </ul>	

	<p>efficiency improvements.</p> <p><b>Baseline:</b> Current rail transport costs are <b>140% higher</b> than road transport costs.</p> <p><b>Champion: Sectors Dr Tebogo</b></p> <p><b>Entities: BBEE, IDC</b></p>	
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### 10.9 Strategic Market Access : Exports for Global Markets

Interventions	Outcomes and Indicators	NEF alignment
<p>Promote market access in strategic domestic &amp; global markets by enhancing export credit, developing productive capacities in industrial policy sectors, strengthening value chains, and fostering trade agreements to resolve barriers and increase exports.</p> <ol style="list-style-type: none"> <li>1. Export credit</li> <li>2. Productive capacity: Industrial policy sectors</li> <li>3. Value chain: export and development</li> <li>4. Promotion of products: trade agreements</li> </ol>	<p><b>Outcomes:</b></p> <ol style="list-style-type: none"> <li>1. Increase access to export credit facilities to support businesses in expanding their market reach globally.</li> <li>2. Strengthen industrial policy sectors to boost production capabilities and enhance the competitiveness of South African industries in international markets.</li> <li>3. Develop and integrate value chains that support</li> </ol>	<ul style="list-style-type: none"> <li>• Identify and fund exports orientated SMEs to leverage on trade agreements.</li> </ul> <p><b>KPI 4: Number of SMEs funded</b></p> <ul style="list-style-type: none"> <li>• Increase exports value generated from intra-regional and global trade through funds committed: Target for FY 2025: (R125</li> </ul>

<p>5. Trade agreements across government</p> <p>6. EXIMBank Launched</p> <p>7. Resolving trade barriers</p>	<p>the export of goods, ensuring local industries benefit from global trade opportunities. Leverage trade agreements to enhance market access, promoting South African products internationally and increasing exports.</p> <p>4. Establish and implement trade agreements across various government sectors to create a cohesive approach to international market access.</p> <p>5. <b>Facilitate the establishment of the Exports Bank (EXIMBank) to provide funding and reduce risks for South African enterprises engaging in international trade</b></p> <p>6. Identify and resolve trade barriers that hinder market access, ensuring smoother</p>	<p>mi), MTDP 5 years: (R5b)</p> <p><b>KPI 9: Revenues from exported products and services</b></p>
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	<p>international trade flows for South African businesses.</p> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>1. R3 Trillion Export Market Access to Global Markets (All 22 Priority Markets): Achieve R3 trillion in export market access across all 22 target global markets, expanding South Africa's presence in strategic regions.</li> <li>2. % Increase in capacity of South Africa's Enterprises to Export by improving their competitiveness and market access.</li> <li>3. % Increase the visibility of South African goods and services in targeted export markets, with a focus on securing new trade agreements and partnerships to support growth.</li> </ol> <p><b>Champion: Exports</b></p>	
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	<b>Entities: ITAC, ECIC, IDC, NEF</b>	
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### 10.10 Illicit Trade

Interventions	Outcomes and Indicators	
<ul style="list-style-type: none"> <li>• <b>Prevention of grey imports</b> (i.e Clothing and textiles on a rise, Lead Batteries, Furniture)</li> <li>• Automotive industry: state exactly terms of trading</li> <li>• Health inspectors in collaboration with Department of Health</li> <li>• Reduce illicit goods entering the country. Illicit goods are identified as: <ul style="list-style-type: none"> <li>• Under invoicing (Classified under incorrect tariffs / Prohibited goods illegally imported (e.g. second-</li> </ul> </li> </ul>	<p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>• Decrease in the value of illegal imports and illicit trade in the key sectors</li> <li>• PPP enforcement</li> <li>• Designation and labelling requirements (track and trace)</li> <li>• ITACs ability to enforce (inspectors to be deployed from Pretoria to the ports of entry)</li> <li>• Change from case by case focus i.e WTO provisions</li> </ul>	<ul style="list-style-type: none"> <li>• NEF to implement the Spaza shop fund.</li> </ul> <p><b>KPI 4: Number of SMEs funded</b></p>

<p>hand apparel and cars)</p> <ul style="list-style-type: none"> <li>•Prevent the risk of trans-shipment of goods that do not comply with rules of origin requirements and should not benefit from preferential trade agreements</li> <li>•Alert/Trigger system for increased influx of imports from countries that do not produce certain products fast-track import of sugar from a non-sugar producing country</li> </ul> <p><b>Possible solutions</b></p> <ul style="list-style-type: none"> <li>•Improve the scanning capacity at entry points</li> <li>•Stronger enforcement at ports of entry (SARS)</li> <li>•Coordinated work programme through the BMA</li> <li>•Data management solution and surveillance systems</li> <li>•Import surveillance</li> <li>•Import control regulation (ITAC)</li> <li>•Advocate for the review of the <b><i>de minimis rule.</i></b></li> <li>•Greater enforcement of Accredited Economic Operator (AEO) to fast-track port clearance times</li> </ul> <p>Regulation</p>	<ul style="list-style-type: none"> <li>•Enforcement capabilities of regulators</li> </ul> <p><b>INDICATOR</b></p> <ul style="list-style-type: none"> <li>•Increase spaza shop fund to R1billion</li> <li>•Increase “inspection workers” with municipalities</li> <li>•Strengthen inter agency task force for boarder management and controls</li> <li>•Interdepartmental task team including SARS, and DTIC focusing on illicit goods (trace origination of product)</li> <li>•Training of law enforcement on investigation and prosecution of illicit good importers</li> <li>•Development of a digital system for tracking and e-commerce</li> </ul>	
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<ul style="list-style-type: none"> <li>•NRCS, SABS</li> <li>•Transport regulations</li> <li>•Bilateral cooperation in areas where illicit trade has been identified SACU agreements (currently SA Namibia talks)</li> <li>•Incentivise legal traders: AEO Run by SARS</li> </ul>	<p>regulations support</p> <ul style="list-style-type: none"> <li>•Penalties: in place for illicit traders ( % of penalties to law enforcement)</li> <li>•Space entities to develop system of tracing</li> </ul> <p><b>SARS INDICATOR</b></p> <ul style="list-style-type: none"> <li>•SARS compliance unit- PPP to help with inspector capacity</li> <li>•Revive the PPP for capacity of scanners</li> </ul> <p><b>•SARS</b></p> <ul style="list-style-type: none"> <li>•Risk based (Master plans)</li> <li>•Customs: increased capacity</li> </ul> <p><b>Champion: Trade to lead, supported by Sectors</b></p> <p><b>Entities: All regulators</b></p>	
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**10.11 Red Tape Reduction**

<b>Interventions</b>	<b>Outcomes and Indicators</b>	<b>NEF Alignment</b>
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<p><b>Process and policy instruments</b> optimisation, harmonisation, digitisation, and integration to improve service delivery and operational efficiency.</p> <ul style="list-style-type: none"> <li>•Enrolled Management System</li> <li>•Digitalisation</li> <li>•Process Improvement</li> <li>•Operational Efficiency</li> <li>•Legislative Efficiency (Assisting Service Delivery)</li> </ul>	<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>•A fully integrated and digitised management system enrolled to track and monitor operations efficiency.</li> <li>•Transition to a fully digital framework for business operations, enhancing accessibility, transparency, and ease of use.</li> <li>•Continuous improvement of business processes to increase productivity and reduce inefficiencies across operations.</li> <li>•Streamlined operations to reduce costs, improve time management, and enhance the overall effectiveness of service delivery.</li> <li>•Simplified legislative and regulatory processes to expedite service delivery and facilitate smoother operations across government institutions.</li> </ul>	
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	<p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>•% of processes and policy instruments optimised, integrated and harmonised,</li> <li>•Reduce turnaround times by 3 months i.e. Clearing regulations and permits issues within 3 months</li> <li>•% reduction in demurrage fees over the next year by improving operational efficiency and clearing bottlenecks.</li> <li>•% Increase of transactions processed digitally, improving speed and reducing manual errors.</li> <li>•Fast Track regulatory frameworks to enable renewable infrastructure investments by industrial users.</li> </ul> <p><b>Champion: Regulations</b> <b>Entities: All</b></p>	<ul style="list-style-type: none"> <li>• Disburse 70% of all investments within 45 days of their commitments</li> </ul> <p><b>KPI 13: Percentage of investees paid within 45 working days of commitment</b></p> <ul style="list-style-type: none"> <li>• Pay 80% of all suppliers withing 30 days of a valid invoice.</li> </ul> <p><b>KPI 14: Percentage of suppliers paid within 30 days of receiving a valid invoice</b></p>
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**10.12 Omnibus Regulation**

Interventions	Outcomes and Indicators	NEF Alignment
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<p><b>Omnibus Bill and Regulations</b></p> <ul style="list-style-type: none"> <li>•Conclusion of Infrastructure Act and other relevant legislation</li> <li>•Establishment of a Committee and Structure</li> <li>•Working closely with Investment Fast Tracking Committee to remove bottlenecks to investments (tbc)</li> <li>•List of approvals of processes/ projects/ requirements to be exempted for fast track to unlock major investments</li> <li>•List of permissions required by industry on key projects</li> <li>•Identify the list of regulations across the departments applicable for red tape</li> </ul> <p><b>Solving for:</b></p> <ol style="list-style-type: none"> <li>1. De-industrialisation</li> <li>2. Economic Crimes</li> <li>3. Infrastructure issues</li> <li>4. Local content</li> <li>5. Concentration</li> <li>6. Skills</li> </ol> <ul style="list-style-type: none"> <li>•Red tape reduction</li> </ul>	<p><b>•Outcomes:</b></p> <ul style="list-style-type: none"> <li>•Creating an enabling environment for companies through fastracking of legislation, other instruments, reducing red tape and unlocking bottlenecks</li> <li>•Investment secured in the economy and contributing to inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>• Make submissions to <b>the dtic</b> and NT to secure approvals for DFIs to issue credit guarantees.</li> <li>• Make submissions to <b>the dtic</b> and NT to secure approvals for DFIs to have a regime permitting them to hold majority stake in entities without contravening the PFMA.</li> <li>• Support interventions to enable tax exemption status for DFI's.</li> <li>• Lead the process to set up the Transformation Fund.</li> </ul> <p>The outcomes of these efforts will lead to the Investment Made of R100 billion over 5 years from concessionary third-party funds. There are, however, no specific indicators related to this.</p>
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