SELECT COMMITTEE ON ECONOMIC DEVELOPMENT AND TRADE

the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

NATIONAL EMPOWERMENT FUND
Growing Black Economic Participation

NEF Annual Performance Plan for 2026/27

05 August 2026

Table of Content

the dtic
Department: Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

National Empowerment Fund
Growing Black Economic Participation

Mandate and Strategic Positioning

Mandate

Exclusively mandated to facilitate B-BBEE

Constitution (1996) – section 9 (equality clause) states that the Government must take measures to advance people who were disadvantaged by unfair discrimination

BEE Act (2003) – SA economy excludes the vast majority from participating in the economy and owning advanced skills. The economy is performing below its potential because of low income and inability to be economically active

NEF Act (1998) – the Government of National Unity must distribute wealth, boost SMEs, apply affirmative action and implement genuine BEE

What we do

- The NEF advances B-BBEE through promoting business ventures owned and managed by black people.
- Creates employment opportunities.
- Advocates for BEE and Transformation issues.
- Facilitates market access and the deployment of financial and non-financial instruments to enable meaningful black participation in the economy.

Intentionality

- Effective B-BBEE requires both policy intent and practical implementation.
- The NEF plays a critical role in bridging this gap by shaping markets.
- The NEF enables participation and deepening inclusive economic growth.

What it delivers

- The institution operates as an advocate, enabler and financier.
- Driving structural transformation by expanding ownership, participation and enterprise growth within the economy.
- Leverage private and public sector resources for promoting employment opportunities

NEF Governance Structure

From Policy Frameworks to a Unified Growth Path

South Africa’s growth agenda is articulated through national policy frameworks, shaped by industrial policy which defines priority growth areas, and advanced through the strategic levers of **the dtic**.

Policy Framework	
Direction anchored in the **MTDP**	Directional Role

Industrial Policy, GAIN and IPAP	
Defines sectoral priorities and production-led growth	Structural Role

the dtic Strategic Focus	
Investment stimulus, transformation, demand creation and reform	Delivery Lever Provider

Growth and Inclusion	
Economic Outcomes	Implementation Focus

Translating Policy into Outcomes: NEF’s Role in Growth and Inclusion

South Africa – growth agenda

↓

Industrial policy defines growth areas

↓

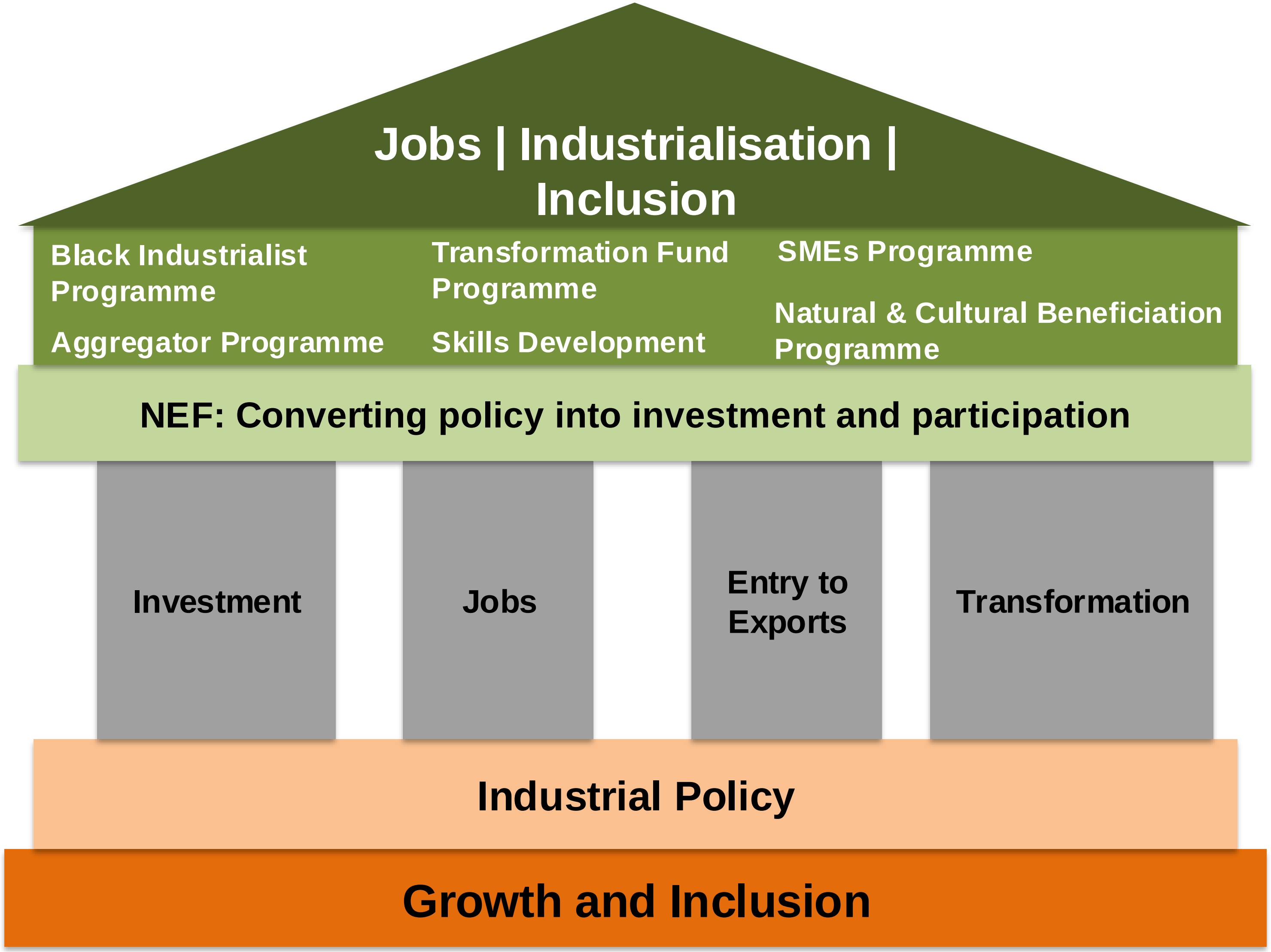
the dtic provides the strategic levers

↓

The NEF’s role is to convert this into opportunities

↓

Outcomes: jobs, economic opportunities, transformation and inclusion



How NEF Converts Funding into Economic Outcomes

Input
- Capital
- Skills
- Blended Finance

Mechanism
- Programme funding
- Placement model
- TF

Output
- SMEs funded
- Jobs created
- Large-scale investments

Outcome
- Diversification
- Inclusion
- Structural reform

The APP reflects a shift from funding activity to delivering measurable economic outcomes – with explicit linkage between capital deployed, jobs created, and structural transformation

Sectors Anchoring Industrial Expansion

Priority Sector Clusters

Industrial and Manufacturing Sectors	• Manufacturing (broad based) • Agroprocessing • Mineral Beneficiation
Infrastructure and Network Industries	• Energy • Transport and Logistics • Water
Services and Digital services	• Business Process Outsourcing • Digital Services • Financial Services
Agriculture and Food Systems	• Primary Agriculture • Agroprocessing Value Chains
Tourism and Cultural Economy	• Tourism • Creative Industries
Green and Emerging Sectors	• Renewable Energy • Circular Economy • Green Manufacturing

NEF Programmes	Focus Sectors (and sub-sectors)
Black Industrialist	Priority manufacturing sub-sectors including: pulp and paper; furniture; chemicals; pharmaceuticals; plastics; clean technology; energy-related manufacturing; clothing; textiles; leather and footwear; as well as mineral beneficiation; industrial infrastructure; manufacturing-related logistics; and other productive sectors identified for localisation and export growth
Aggregator	Agriculture/ agro-processing; digital services; and BPO platforms
SME	Services (incl. business processing outsourcing; and wholesale and retail trade);
Natural and Cultural Beneficiation	Tourism; and Infrastructure

Invest in Black Industrialist programmes, and High Growth and Labour Absorbent Sectors. **Ca 90% of the investments made in the prior year fall withing the prioritised sectors**. The balance of the portfolio drives entrepreneurship in small business which includes transportation, personal and social services, hospitality, community healthcare, construction, property development, repair services, and selected business support activities. This contributes to local economic development, job creation, and improved access to amenities.

Programme Delivery in Action

Growing Black Industrialists: Deepening Productive Capacity

Strategic Role
Enables black participation in high-value industrial sectors and strengthens domestic production capacity.

What it unlocks
Supports diversification and industrial deepening by building competitive, scaled enterprises in manufacturing and value-added sectors.

How it works
Provides expansion, acquisition and growth capital to black-owned industrial firms operating in priority sectors aligned with industrial policy.

What it delivers
Increased industrial output; Participation in strategic value chains; Job creation in production sectors; and Export potential.

FY27 Focus
Scaling investment into high-impact sectors and strengthening pipeline of bankable industrial projects.

Mandini Group is a black-owned industrial enterprise operating in the tyre recycling and materials recovery sector, strengthening local manufacturing capability and advancing circular industrialisation. Through NEF support, the business is expanding specialised processing across its subsidiaries, deepening participation in the mining and industrial value chains while improving efficiency and scale. This investment demonstrates how the Black Industrialist Programme enables competitive, job-creating enterprises in strategic sectors, contributing to industrial diversification, environmental sustainability, and long-term economic participation.

NAME	MANDINI GROUP
Value	R48.5 million
Province	Gauteng
Nature of support	Expansion
BEE Dividend	Majority Black owned; 141 jobs

Aggregation: Scaling Participation and Market Access

Strategic Role
Enables small and medium enterprises to participate in formal markets through coordinated platforms.

What it unlocks
Drives induced demand by connecting producers to markets, improving price discovery and enabling scale.

How it works
Aggregates production, logistics, processing and market access across value chains (including digital services and BPO platforms).

What it delivers
Expanded market access; Increased revenues; Reduced post-production losses; and Job creation at scale.

FY27 Focus
Expanding aggregation into agriculture, logistics and digital services (including BPO) to drive labour absorption.

MIFPM is an integrated agri-logistics and trading platform that aggregates, grades, stores and distributes fresh produce, strengthening agricultural value chains and enabling scale. Through NEF support, the platform expands market access for black smallholder and commercial farmers, improves price transparency and reduces post-harvest losses, unlocking participation in formal retail and export markets. This investment demonstrates how the Aggregation Programme drives inclusive growth by linking producers to markets, enabling coordinated scale, and supporting large-scale job creation (1 800 jobs) within structured value chains**.** The estimated total project value is in excess of R1 billion.

NAME	MPUMALANGA INTERNATIONAL FRESH PRODUCE MARKET (MIFPM)
Value	R50 million
Province	Mpumalanga
Nature of support	Financial, property development & market access
BEE Dividend	Majority Black owned; and 1 800 jobs, serve as a market for SMEs in agriculture value chains

Aggregation: Unlocking Market Access

Strategic Role
An integrated agribusiness and agro-processing platform that aggregates emerging farmers and establishes South Africa's first black women-owned dry bean processing and packhouse facility, advancing sector transformation.

What it unlocks
Greater market access for black farmers through expanded processing, improved grading and packaging, and reduced post-harvest losses, while strengthening food security and import substitution.

How it works
An aggregation model provides farmers with mechanisation, agronomic support, financing and secure offtake, while NEF-funded central facilities handle cleaning, grading, packaging and storage for higher-value markets.

What it delivers
An estimated 791 jobs across permanent, construction, trainee and aggregated roles, expanding opportunities for women, youth and emerging farmers as a catalyst for agricultural transformation.

FY27 Focus
Develop and commission the dry bean processing and packhouse facility, expand farmer aggregation and mechanisation, grow agro-processing capacity, and strengthen market access through established offtake partnerships.

SE Holdings operates an aggregation model, providing end-to-end support to over 600 emerging farmers across South Africa. This includes farming technical support such as soil testing, environmental impact assessments (EIA), water use rights, seeds and fertilizer, financing, mechanisation equipment (planters and harvesters), agronomic support, and the securing of offtake agreements with large corporates. Through partnerships, SE Holdings assists farmers in marketing and selling agricultural produce nationwide. SE Holdings provides full traceability for all food supplied, playing a critical role in supporting food security in South Africa, while pursuing further expansion to strengthen this contribution. In addition, the company provides agronomic training and capacity-building workshops to its network farmers, as well as pre- and post-harvest monitoring to maintain GLOBAL G.A.P compliance standards.

NAME	SERVICIOS EMPRESARIALES HOLDINGS
Value	R50 million
Province	Gauteng
Nature of support	Expansion, alternative energy and working capital
BEE Dividend	100% black women-owned enterprise aggregating over **600 emerging farmers** across agricultural value chains.

Skills Development: Enabling Labour Absorption

Strategic Role
Bridges the gap between training and employment by linking skills development to enterprise demand.

What it unlocks
Improves labour absorption by aligning skills with funded enterprises and sector needs.

How it works
Supports placement-linked training, enterprise-based skills development and youth employment pathways through partnerships.

What it delivers
Youth employment; Improved productivity; Workforce readiness; and Support to funded enterprises.

FY27 Focus
Scaling placement-linked programmes aligned to funded projects and aggregation platforms.

The Skills Development Programme has created 932 jobs and mobilised R31.8 million through strategic partnerships with BANKSETA, W&R SETA and CATHSSETA. The NEF also placed 5 professionals and 10 trainees at the B-BBEE Commission. These partnerships have been instrumental in scaling programme reach and aligning skills delivery to sector demand. Delivery spans targeted initiatives across BPO, manufacturing, agro-processing, tourism and digital sectors, with a focus on youth, persons with disabilities and SMME-linked placements.

Example: The **Altitude Group** (BPO) initiative is an example of those that reflects a wider skills development effort that integrates training directly with employment opportunities across the digital services and customer support sectors. A total of 50 jobs have been supported.

Enabled through a public–private partnership and supported by contributions from SETAs, the programme equips unemployed & unskilled participants with market-relevant communication and customer service capabilities that respond to the growing demand in service-based industries.

This approach illustrates how the Skills Development Programme fosters labour absorption by aligning training with enterprise needs, driving immediate job creation, and strengthening participation in service-oriented value chains.

Transformation: Aggregating, Scaling and Crowding-In Capital

Strategic Role
Serves as a catalytic financing mechanism to unlock large-scale investment and reduce structural funding constraints.

What it unlocks
Addresses cost of capital and risk barriers, enabling participation in larger, more capital-intensive opportunities.

How it works
Mobilises blended finance, concessional capital and third-party funding to support high-impact transactions.

What it delivers
Increased investment scale; Crowding-in of private capital; Enhanced financial sustainability; and Expanded pipeline capacity.

FY27 Focus
Operationalising the fund and deploying capital into priority sectors aligned with industrial policy.

Drakensberg Food Processors is establishing a clarified apple juice processing facility in the Maluti-A-Phofung SEZ, mobilising blended capital through ESD funding and grants. The project will anchor rural industrialisation in the Free State by creating a reliable market for black smallholder farmers while enabling participation in formal value chains through secured offtake agreements.

With the total project funding of R136 million, this transaction illustrates how the Transformation Fund & public investment (NEF & **the dtic**) can crowd in private & foreign direct investment such as Heineken, unlock investment in SEZ-based industrial projects, drive inclusive growth, and job creation through coordinated, value-adding production. The project secured funding of approximately R51 million from Heineken.

NAME	DRAKENSBURG FOOD PROCESSORS
Value	R50 million
Province	Free State
Nature of support	Establishment of a processing plant
BEE Dividend	Majority Black owned; 91 new jobs of which 41 are permanent; and based in FS

Natural and Cultural Beneficiation: Unlocking Local Value

Strategic Role
Supports value addition in natural and cultural assets by enabling infrastructure installation and targeted sector interventions within tourism and the creative economy.

What it unlocks
Promotes diversification and localisation through tourism infrastructure, cultural industries and film production, enabling participation in high-value, experience-based sectors.

How it works
Regional economic activity; Job creation in rural and township areas; Local value addition; Tourism and creative industry growth.

What it delivers
Regional economic activity; Job creation in rural and township areas; Local value addition; and Tourism growth.

FY27 Focus
Prioritising infrastructure development in tourism and cultural sectors, alongside targeted support for film production aligned with dtic-backed funding pipelines.

Imvomvo Country Lodge in rural Mount Ayliff is a youth-owned tourism enterprise that expands regional hospitality capacity, strengthening local tourism infrastructure and service standards. Through NEF support, the project enhances the ability to attract both domestic and international visitors while stimulating local economic activity through procurement and value chain participation. This investment demonstrates how the Natural and Cultural Beneficiation Programme unlocks tourism as a driver of inclusive growth by enabling ownership, supporting local enterprise ecosystems, and generating sustainable employment.

NAME	IMVOMVO COUNTRY LODGE
Value	R12.08 million
Province	Eastern Cape
Nature of support	Finance and expansion
BEE Dividend	Majority Black, 70% youth & 55% women

The NEF applies a blended funding model to support film production, combining senior loan funding with non-recourse grant support to enable the execution of commercially viable projects. Funding is structured to cash-flow productions by bridging milestone-based disbursements from key industry stakeholders, including the dtic, NFVF, provincial film commissions, and private platforms. This ensures timely project delivery while aligning funding to secured revenue flows. To manage risk, projects are required to demonstrate bankability and commercial viability, supported by completion guarantees and clearly defined production milestones. In addition, socio-economic impact criteria are embedded, including job creation, women participation and geographic spread.

Growing Black Industrialists: Deepening Productive Capacity

Strategic Role
Enables black participation in high-value industrial sectors and strengthens domestic production capacity.

What it unlocks
Supports diversification and industrial deepening by building competitive, scaled enterprises in manufacturing and value-added sectors.

How it works
Provides expansion, acquisition and growth capital to black-owned industrial firms operating in priority sectors aligned with industrial policy.

What it delivers
Increased industrial output; Participation in strategic value chains; Job creation in production sectors; and Export potential.

FY27 Focus
Scaling investment into high-impact sectors and strengthening pipeline of bankable industrial projects.

Summer Trading 87 (Pty) Ltd (T/A Setsong Tea) is a 80% majority black women and 35% youth-owned agri-business that cultivates, processes, and commercializes indigenous South African herbal teas, particularly those found in the rural landscapes of Limpopo, Sekhukhune.

Through NEF support, Setsong Tea managed to expand the current facility, enabling the company to meet growing demand and fulfil commitments with national retailers as well as finalisation of HACCP certification, which is a critical requirement for accessing broader retail channels and international markets.

This investment demonstrates how the Growing Black Industrialist Programme supports participation of black women and youth in township and rural areas in the re-industrialisation and inclusive growth agendas of the country while creating and sustaining much needed jobs.

NAME	SETSONG TEA
Value	R5 million
Province	Limpopo
Nature of support	Finance and expansion
BEE Dividend	Wholly black-owned & women shareholding; 251 new jobs & 96 maintained jobs

SMEs: Broadening Participation in the Economy

Strategic Role
Expands access to finance and support for SMEs to participate in productive sectors.

What it unlocks
Drives inclusive growth by enabling enterprise entry into formal value chain, sustainability and expansion.

How it works
Provides funding and support to SMEs across sectors, with emphasis on improving readiness, resilience and market access.

What it delivers
Increased enterprise participation; Local economic activity; Job creation at community level; and Pipeline for future industrialists.

FY27 Focus
Improving quality of pipeline and linking SMEs to markets and industrial value chains through aggregation

Strata Mining Services (Pty) Ltd is a 76% black and 34% women owned business, providing a yellow equipment rental solutions particularly targeting the mining value and construction chains in the Kathu, Northern Cape.

Through NEF support, the company completed the acquisition and construction of a new office and warehouse facility which is essential in placing Stata Mining Service as prefered provider of a tailored and efficient solutions to meet the varying needs of its clients.
.
This investment demonstrates how the SME Programme supports aspiring black entrepreneurs access capital to participate in the mining beneficiation value chain which is a high-growth hub for the Northern Province's massive mining. The investment supports the export, strengthened participation in local and SEZ-linked value chains in alignment with national industrialisation and transformation priorities.

NAME	STRATA MINING SERVICES (PTY) LTD
Value	R21.8 million
Province	Northern Cape
Nature of support	Finance and expansion
BEE Dividend	76% black and 34% women owned; 162 jobs supported.

From Policy to Measurable Outcomes

From Policy Intent to Measurable Delivery

Caution	NEF Positioning
Scale of impact	Leveraging blended finance to extend beyond balance sheet
Execution History	Shift to programme-based delivery + measurable KPIs
Job creation	Direct linkage: funding → jobs → placements
Private sector reliance	State as catalyst, not passive funder
Measurable outcomes	KPI framework aligned to jobs, investment, transformation

Targets for 2026/27

Outcomes	Output Indicator	Audited/Actual Performance			Projected Performance	MTEF Period		
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Investment Stimulus	1. Total Disbursements across all programmes	R692m	R838m	R1.01b	R1.1b	R1.5b	R1.75b	R2b
	1.1.1. Value disbursed to Black industrialists	N/A	N/A	N/A	N/A	R600m	R700m	R800m
	1.1.2. Number of funded Black Industrialists	N/A	N/A	N/A	N/A	80	88	97
	1.2.1. Value disbursed to Aggregators	N/A	N/A	N/A	N/A	R450m	R525m	R600m
	1.2.2. Number of Aggregators funded	N/A	N/A	N/A	N/A	18	21	27
	1.3.1. Value disbursed to SMEs	N/A	N/A	N/A	N/A	R300m	R350m	R400m
	1.3.2. Number of funded SMEs (excl. # of entities funded through other programmes)	N/A	N/A	N/A	85	173	202	230
	1.4. Value disbursed to Tourism Establishment	N/A	N/A	N/A	N/A	R125m	R146m	R171m
	1.5.1. Value disbursed to Films (contingent on **the dtic** grant allocation for the films)	N/A	N/A	N/A	N/A	R25m	R29m	R29m
	1.5.2. Number of Films funded	N/A	N/A	N/A	0	5	6	7
	2.1. Number of jobs to be created	N/A	N/A	N/A	N/A	4 200	4 900	5 600
	2.2. Number of jobs saved	N/A	N/A	N/A	N/A	6 300	7 350	8 400
	2.3. Number of youth job placements	N/A	N/A	N/A	N/A	2 500	2 750	3 000
	2.4 Value of funds raised for skills development	N/A	N/A	N/A	N/A	R75m	R100m	R125m
Transformation	3.1. Percentage of disbursements to businesses owned by youth	N/A	N/A	17%	13%	13%	13%	13%
	3.2. Percentage of disbursements to businesses owned by persons with disability	N/A	N/A	0%	3%	2%	2%	2%
	3.3. Percentage of disbursements to businesses owned by women	N/A	N/A	37%	35.7%	40%	40%	40%
	3.4. Attain a BBBEE level of at least	N/A	N/A	N/A	3	2	1	1

Targets for 2026/27 Cont'd

Outcomes	Output Indicator	Audited/Actual Performance			YTD Performance	MTEF Period		
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Transformation (NEF only)	4. Value of third-party funds raised	N/A	N/A	N/A	N/A	R900m	R1b	R1.2b
	5. Full operationalisation of the TF	N/A	N/A	N/A	N/A	Q2	N/A	N/A
Induced Demand	6.1. Value of aggregated revenue	N/A	N/A	N/A	N/A	R6.1b	R7.8b	R8.9b
	6.2. Value of revenue from exporting clients	N/A	N/A	R125.5m	R156m	R160m	R180m	R200m
Structural Reform	7.1. Percentage of investments made to investees operating in SEZs incl. IDZs	N/A	N/A	N/A	N/A	5%	5%	5%
	7.2. Percentage of investments made to investees operating in IP	N/A	N/A	N/A	N/A	15%	15%	15%
Internal Process Efficiency	8. Percentage of portfolio impaired	25%	33%	30%	40%	40%	35%	30%
	9. Collection ratio	83.9%	80%	81%	82%	75%	75%	80%
	10.1. Maximum number of days taken to pay investees from Commitment	N/A	N/A	N/A	45	40	35	30
	10.2. Percentage of investees paid within specified days of Commitment	N/A	N/A	83%	80%	80%	80%	80%
	11. Percentage of suppliers paid within 30 days of an approved and valid invoices	N/A	N/A	97%	98%	100%	100%	100%
	12. Percentage of funding applications processed through standardised digital workflows	N/A	N/A	N/A	N/A	40%	75%	100%
Capable State (Governance)	13. Percentage of sub-board committee vacancies publicly advertised	N/A	N/A	N/A	N/A	100%	100%	100%

Provincial Alignment and Impact

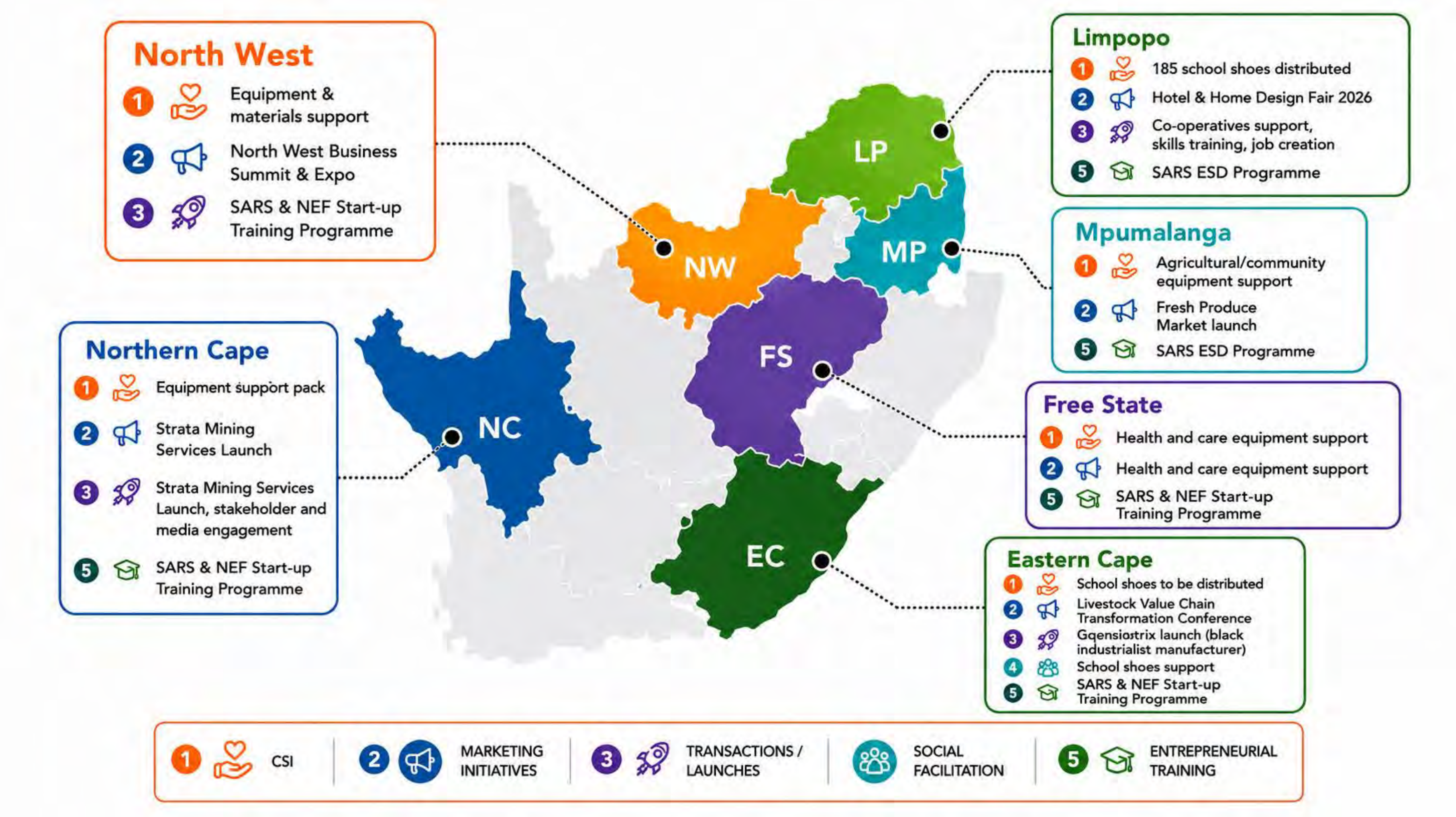
Provincial Targets and Impacts for 2026/27

Provinces	Targets/Budget 2025/26	Outcome/Impact			
		Jobs	SMEs Funded	Women	Youth
Western Cape	R300m	2100	55	40%	13%
Eastern Cape	R100m	700	18	40%	13%
Northern Cape	R100m	700	18	40%	13%
Free State	R100m	700	18	40%	13%
KwaZulu-Natal	R300m	2100	55	40%	13%
North West	R100m	700	18	40%	13%
Gauteng	R300m	2100	55	40%	13%
Mpumalanga	R100m	700	18	40%	13%
Limpopo	R100m	700	18	40%	13%

How budget & APP targets impact provinces

- **Priority provinces –** Eastern Cape, Northern Cape, Free State, North West, Mpumalanga and Limpopo each receive R100m, targeting 700 jobs and 18 SMEs each. The allocation is mostly higher the GDP contribution of these provinces:
  - to stimulate economic activities in rural and townships
  - attract private new capital
  - Improve access to affordable funding
  - Improve access to markets
- **APP equity commitments –** every province must direct 40% of support to women and 13% to youth.
- **Budget alignment –** the R1.5 billion total ties each province's targets directly to its budget tier and measurable outcomes.

Initiatives in Low Economic Activity Provincial 2026/27

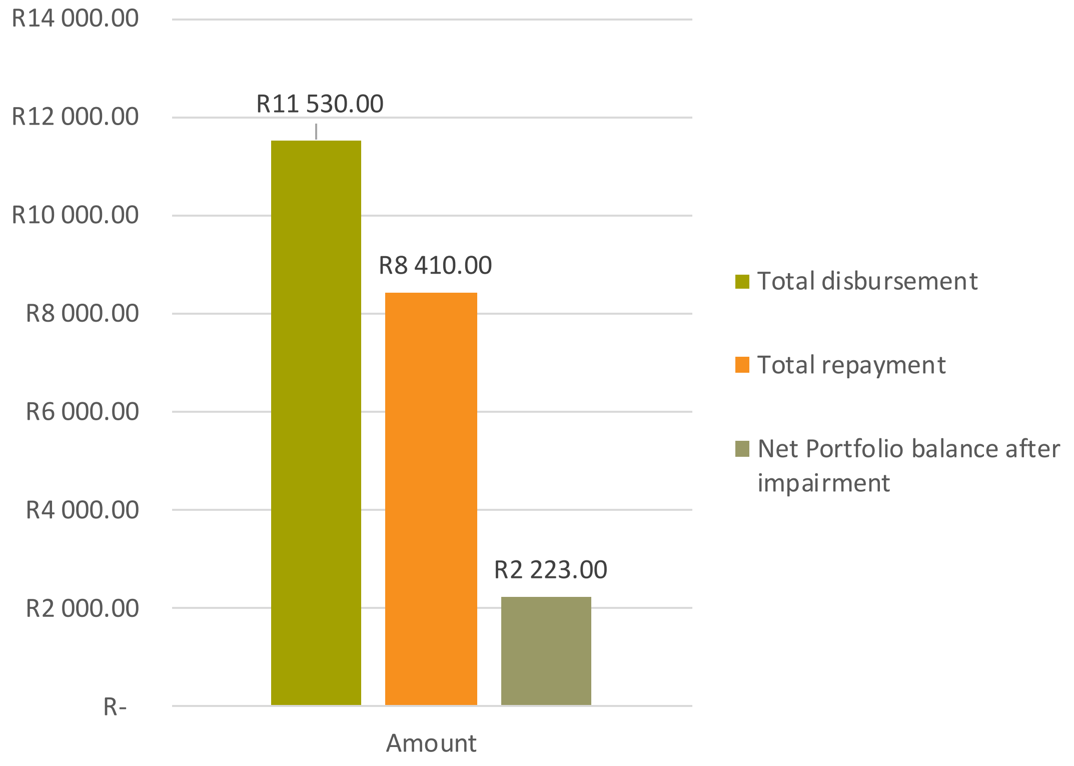


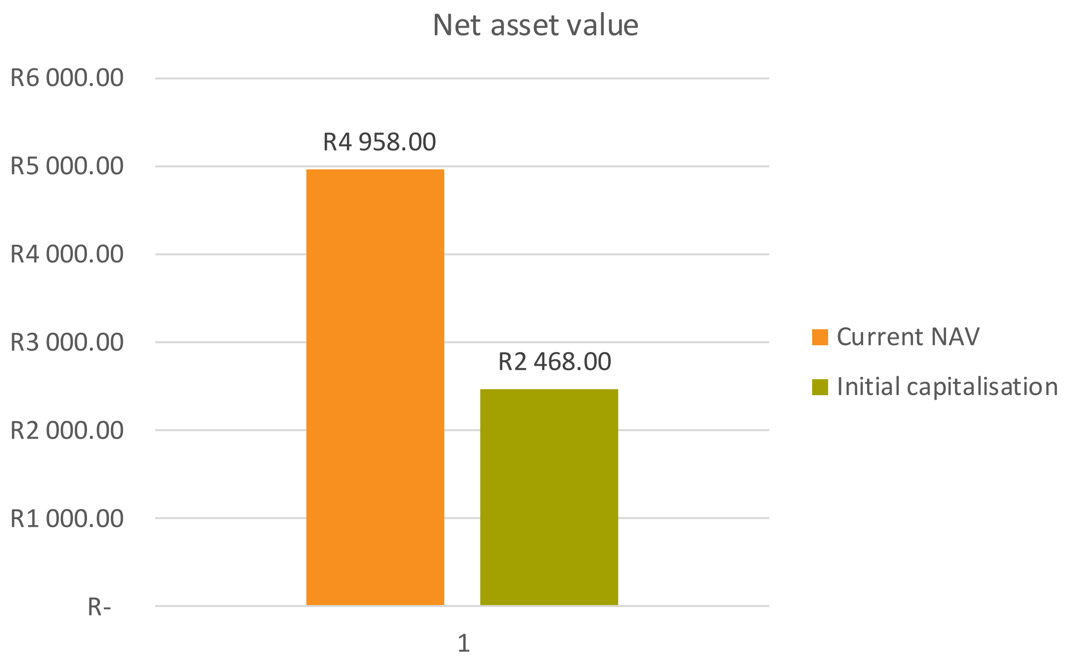
the dtic Department: Trade, Industry and Competition REPUBLIC OF SOUTH AFRICA

National Empowerment Fund Growing Black Economic Participation

Financial Sustainability and Capital Strategy

Balance sheet management





Total disbursement includes non-repayable grants. The data indicates that 77% of the capital disbursed to date has been recovered, while the net portfolio makes up 19%. Nearly 100% of the capital has been recovered or recoverable.

With a Net Asset Value of R5 billion, the NEF has successfully grown the initial capital allocated by 108%. The R2,4 billion has unlocked R11,5 billion in disbursements and leveraged over R10 billion in private sector investments.

Thank you

the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

NATIONAL EMPOWERMENT FUND
Growing Black Economic Participation