

the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



**NATIONAL
EMPOWERMENT
FUND**

Growing Black Economic Participation

**Revised Annual
Performance Plan for
2024/25 and the FY25 Q3
Report**
March 2025



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The NEF's Mandate

Exclusively mandated to facilitate B-BBEE

The NEF stands as a dynamic force and a pioneer in the advancement of black economic participation.

The NEF's mission revolves around being a catalyst of Broad Based Black Economic Empowerment (B-BBEE) in South Africa. The NEF enables, develops, and implements innovative and transformative investment solutions to advance black economic participation in the economy.

The NEF plays a crucial role in championing economic empowerment, offering support to black entrepreneurs and enterprises.

The NEF aims to be a leading provider of innovative solutions for economic inclusion in South Africa. As a catalyst for B-BBEE, it focuses on enabling, developing, and promoting investments and transformation to support sustainable black economic participation.

- The NEF was established under the National Empowerment Fund Act No 105 of 1998 (NEF Act),
- the Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act)
- Codes of Good Practice issued under that Act

The NEF's Mandate

NEF Vision, Mission & Values

GROWING BLACK ECONOMIC PARTICIPATION



VISION The NEF aims to be a leading provider of innovative solutions for economic inclusion in South Africa. As a catalyst for B-BBEE, it focuses on enabling, developing, and promoting investments and transformation to support sustainable black economic participation.

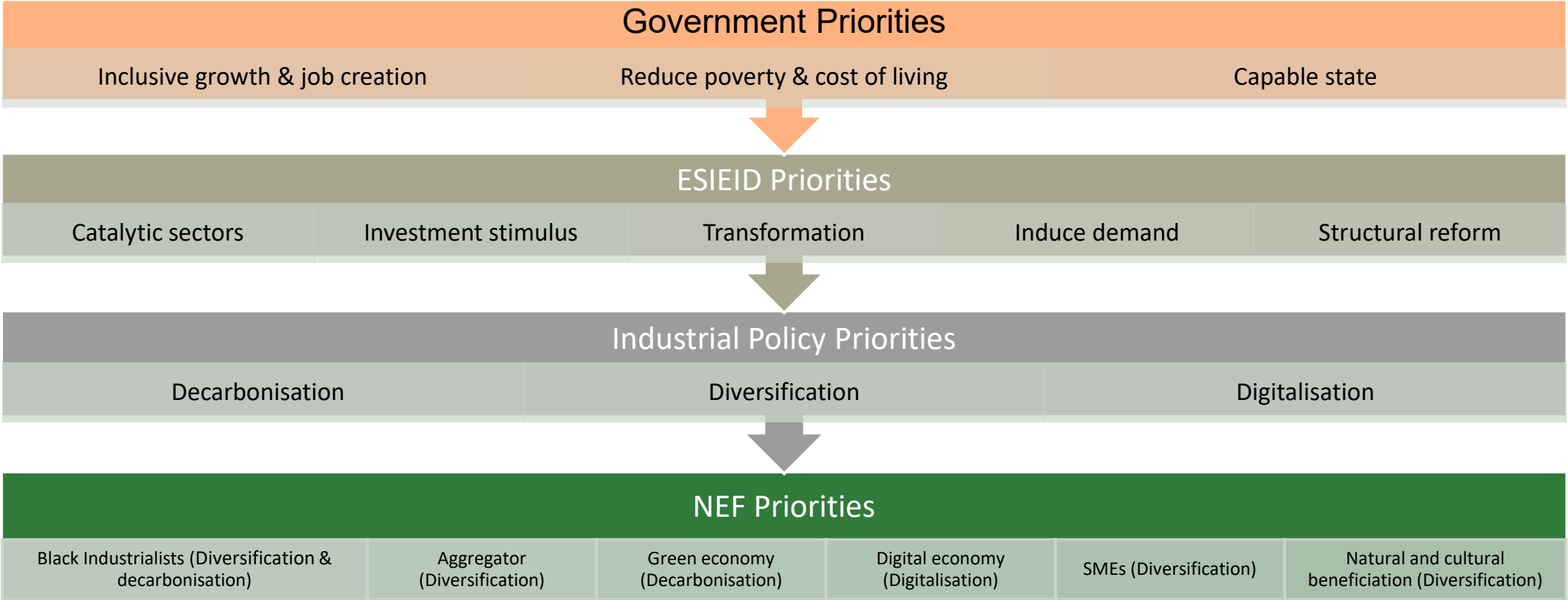
MISSION Act as a catalyst for Broad-Based Black Economic Empowerment in South Africa, driving sustainable black economic participation through innovative investment and transformation solutions.

VALUES The NEF's values, embodied in the acronym EMPOWER (Ethics-Motivation-Performance-Ownership-Worthy-Excellence-Respect), stand as the foundation of its ethical commitment and service to the nation, upheld by a pledge made by all members of the organization:

“ *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* **”**

Aligning NEF Priorities to National Priorities

7th Admin Impact Statement: "Driving inclusive growth, industrialization, and sustainable job creation through decarbonization, digitalization, and diversification for a competitive and equitable South Africa"



ESIEID 5 Year Strategic Plan

ESIEID cluster results framework summary

Over the next 5 years, the Economic Sector, Investment, Employment and Infrastructure Development (ESIEID) cluster aims to drive economic growth by focusing on industrialization to create jobs and increase income opportunities, promoting transformation to broaden economic participation, and enhancing state capacity to implement policies effectively.

Jobs Creation

4 million

NEF: 700 000

Subsistent
Farmers

441 000

NEF: 5 000

SMEs Supported

255 000

NEF: 10 000

Investment

R6 trillion

NEF: R100 billion

Work Experience

2.1 million

NEF: 45 000

Exports

R1 trillion

NEF: R5 billion

Red-tape
Reduction

4 main processes
to be improved

Transformation

NEF: R100 billion

Transformation Fund and
45% Invested outside 5 main metros in line
with the District Development Model

Strategic KPIs And Targets: APP and Strategic Plan

5-year target breakdown

Outcomes	KPIs	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Investment Stimulus	Aggregated Additional Output	R4.5b	R4.5b	R48.7b	R72.9b	R72b	R202.5b
	Value of Investments	R1.5b	R1.5b	R20b	R35b	R42b	R100b
	Number of new jobs to be created and maintained	10 500	10 500	140 000	245 000	294 000	700 000
Transformation	Number of SME's funded	150	150	2 000	3 500	4 200	10 000
	Number of Agribusinesses funded	60	60	1 000	1 780	2 100	5 000
	Percentage of investment to Black Industrialists	50%	50%	50%	50%	50%	50%
	Percentage of portfolio disbursed to businesses owned women, youth and people living with disability	50%	50%	50%	50%	50%	50%
	Number of people trained	3 000	4 500	7 500	12 500	17 500	45 000
Structural Reform	Investments made outside the 5 main metros	45%	45%	45%	45%	45%	45%
Induced demand	Revenues from exported products and services	R75m	R125m	R1b	R1.8b	R2.1b	R5b
Catalytic Sectors	Investments made to Catalytic sectors	50%	50%	50%	50%	50%	50%
Development of a Capable State (Internal Sustainability)	Percentage of portfolio impaired	30%	30%	30%	30%	30%	30%
	Collection ratio	80%	80%	80%	80%	80%	80%

Five-year investment plan

		24/25FY	25/26FY	26/27FY	27/28FY	2028/29FY	Total
Value of investments	Million	1 500	1 500	20 000	35 000	42 000	100 000
On-balance sheet	Million	600	600	600	600	600	3 000
Third party funds	Million	900	600	500	500	500	3 000
Transformation fund	Million	-	300	18 900	33 900	40 900	94 000



- Over the next five years, the NEF plans to invest R100 billion into the economy and create 700,000 jobs.
- A significant portion of the required funding is expected to come from the Transformation Fund.
- Between the 2024/25 fiscal year and the 2025/26 fiscal year, the NEF will invest R3 billion, as the transformation fund which is still being formed.
- From the 2026/27 fiscal year to the 2029/30 fiscal year, the NEF plans to leverage on partnerships through the fund.

NEF Programmes to Drive National Priorities

The NEF led a strategic planning session, working in collaboration with the shareholder (the dtic) and other key stakeholders within the empowerment sector. This process resulted in the development of key performance indicators (KPIs) that prioritize outcomes and impact over output-driven measures. Consequently, the following six programmes were established to:

Programme 1: Black Industrialists

Secure early equity rights for BIs to drive inclusive growth while broadening SA's industrial capacity with a focus on catalytic sectors (manufacturing, digital and renewable economies etc.).

Programme 2: Aggregator

Develop outgrower programs, farmer marketplaces, and demand/aggregator centers such as packhouses and cotton gins.

Programme 3: Green Economy

Advancing early-stage renewable energy projects to support uninterrupted expansion of manufacturing capacity in the country.

Programme 4: Digital Economy

Support SMEs through partnerships mainly with market leaders and leveraging infrastructure investments to drive digital growth, including distribution centers and fiber outlayers.

Programme 5: SMEs

Support entrepreneurship through franchise model value chain enhancement, leveraging retail networks for a greener economy, and providing procurement and ESD financing.

Programme 6: Natural and Cultural Beneficiation

Build variety in tourism offerings and showcasing South African beauty through film and TV and exporting our culture to attract tourists.

Programme Focus Case Studies Summary

Already Implementing

Programme 1: Black Industrialists (Investment Sectors include Renewable Energy, Agro-processing, Mineral Services, etc.) – **Busa Med**



Programme 2: Aggregator (Key focus: Economies of scale, warehousing and storage, access to market and value addition) – **Goseame**



Programme 3: Green Economy (Biofuels, Biomass, Biomass, Solar, Wind and Hydro Electric Generation) – **African Energy Recycling (Tyre)**



Programme 4: Digital Economy (Digital solution, infrastructure investment, distribution centres, fibre outlays) – **Oynetec**



Programme 5: SMEs (Sector diversification, rural and township economies; leverage established value chains) – **Bibi Cash & Carry**



Programme 6: Natural and Cultural Beneficiation (Tourism, exporting culture through film & TV) – **The Hill Boutique**



More details on these investments under the case studies section

Busamed (Pty) Ltd



The project's vision was to be a consolidator of the fragmented health care market. This was kick-started with the commercialisation of 4 hospital licenses for 630 hospital beds, spread over three provinces, namely Western Cape, Gauteng and the Free State. The aim was to develop centres of excellence that will provide world-class service in the healthcare space.

Currently, the group consists of and operates 7 hospitals nationally (Bram Fischer International Airport, Gateway Private Clinic, Harrismith, Hillcrest Private Health and Oncology Centre, Lowveld, Modderfontein and Paardevlei Private Hospital). In total, the group has 952 hospital beds and employs 1 167 people.

Busamed is today a significant and strategic NEF investment in the healthcare industry. The NEF supported Busamed through its growth phase and has to date injected R248.5 million, growing from R10 million in 2010 to its current enterprise value of R2.4 billion.

Aggregator Programme

Enterprise and Supplier Development Programme



Goseame

A fresh produce market in Limpopo will be used to drive rural development, stimulate agriculture production in rural area by capacitating of black-small scale farmers, professionalize them and increase their participation in the supply chain. Goseame has applied for a Blended Finance Facility that will ensure financial assistance to 60 SME/HDP farmers for infrastructure, tools and implements, inputs, parking materials, vehicles, alternative energy solutions. In the past, the NEF provided initial funding of R71 million to acquire this business, in support of the BEE sponsor who had identified this opportunity, supporting around 300 direct jobs and 2 000 indirect jobs. The funding to support 65 small-scale farmers to supplying fresh produce to Goseame retailers has generation capacity of creating 1 200 jobs.



Bibi Cash and Carry

A wholly Black-owned retailer in the Phuthaditjhaba, Free State. The retailer employs over 800 South Africans, and has two (2) distribution centers, five (5) supermarkets, four (4) bottle stores, seven (7) quick stops/spaza shops, and a training academy. To revitalize township and rural economies, Bibi Cash and Carry is intending to establish 50 fully equipped container/Quick Stop outlets. The NEF, through a R36 million facility, will simultaneously support 50 entrepreneurs. This project will generating a further 150 jobs.



Lebombo: Agro-processing

An aggregate of 1 190 Black individual members from 21 Primary Co-operatives (Co-ops) in Nkomazi area of Mpumalanga, 100% black owned and 67% women owned. The Co-ops are small holder cotton farmers and they possess ca. 11 000Ha. The farmers presently transport the harvested cotton to KZN or Limpopo. A Bankable Feasibility Study (BFS) was to investigate the viability of establishing a cotton lint manufacturing plant (Gin) in Hectorspruit, Mpumalanga. The BFS outcomes were positive and the NEF has injected additional funds for financial close. The project size is R300 million and at completion it will create an estimated 42 permanent jobs at the Gin, with an additional 40 – 100 seasonal jobs and has the potential of unlocking 16 650 jobs.

Spaza Shop Fund

- The primary aim of the Fund is to support township Community Convenience Shops, including spazas, which will be administered by DSBD and **the dtic** as agreed in the joint Ministers meetings held on 7 November 2024
- The prevalence of food poisoning incidents linked to spaza shops poses significant health risks to consumers and undermines trust in these businesses.
- Factors contributing to food safety include inadequate food handling practices, poor storage conditions and lack of awareness of hygiene standards.
- Township convenience stores and other related critical services face challenges such as competition from big retail supermarkets, lack of buying power and price competitiveness, access to capital, unsafe trading facilities and conditions and crime.
- An R500 million (R150 million DSBD and R350 million DTIC) Fund to support community convenience shops and services has been established.
- The funding will be utilised for the refurbishment of businesses and facilitating wholesale aggregation
- Businesses will also be provided non-financial support in terms of training which will cover technical skills, support for regulatory compliance and capacity building.



Spaza Shop Fund

Situational Challenges

Township Convenience Shops, popularly known as Spaza Shops, and SMEs in South African townships have evolved significantly, yet have experienced challenges due to historical inequalities, competitive pressures and socio-economic hardships

Challenges Faced by Small Retail Shops in the Townships

- **Competition from large retailers:** post-1994, large national retailers entered townships with competitive pricing, broader product offerings, and better resources, often overwhelming small shops
- **Foreign-owned Spaza Shops:** foreign nationals began operating spaza shops with access to bulk buying and cooperative networks, often outpricing locally-owned shops (also through cutting corners)
- **Lack of bulk buying power:** Unlike foreign-owned spaza shops or large retailers, local spaza shop owners struggled with high wholesale prices due to lack of economies of scale
- **Limited access to finance:** many of township retailers face challenges of securing finance for expansion or modernization due to lack of information and other factors
- **Operational inefficiencies:** small local shops often have limited business management skills and face inventory management, record keeping, and operational inefficiencies

Impact of Competition on Locally-Owned Spaza Shops

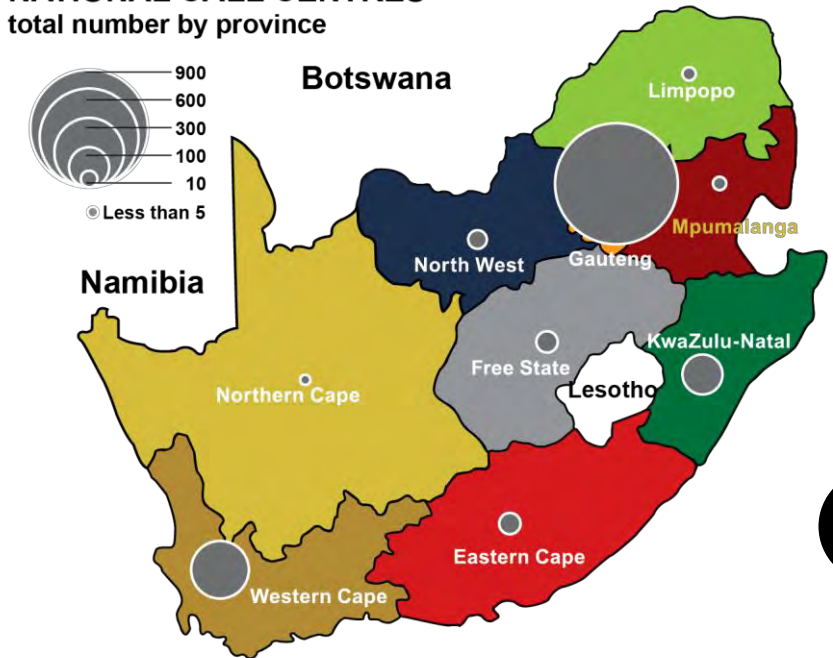
- **Price wars:** foreign-owned spaza shops and large retailers often offer lower prices due to better supply networks and economies of scale
- **Business closure:** many locally-owned shops close down due to intense competition, lack of capital, and reduced profitability
- **Erosion of local ownership:** as local shops struggle, foreign ownership of spaza shops increases, leading to fewer locally-owned businesses, reduced investment in the community
- **Social tensions:** competition with foreign-owned shops has led to social and xenophobic tensions in townships



Global Business Services (GBS)

- GBSs show strong evidence of “the community-building potential” and the potential for catalyzing small enterprises.
- In South Africa, GBSs are concentrated in Gauteng, Western Cape and KwaZulu-Natal while poor province are not represented.
- As such, Township and Rural Areas of South Africa, which constitute the bulk of the country’s 23 Priority Development Districts do not have GBSs.
- The Spatial challenge In terms of location choices of GBS operations across South Africa remains a matter of critical concern.
- The NEF seek to change the “face, look and feel” of township and rural areas through property development infrastructure including GBSs.
- Our approach will create partnerships with government and telecommunication institutions, such as; ITHALA, Transnet, Telkom, Eskom, Vodacom and MTN who have under-utilized bulk infrastructure, property and buildings in townships and rural areas that can be used to accommodate new GBS Operations.
- Provide NEF Funding to Black-owned SMEs in property development and GBSs value chain to finance property & infrastructure as well as procurement of goods and services in townships and rural areas.

NATIONAL CALL CENTRES
total number by province



NEF Trainee Programme

Empowering Youth Through Skills Development
















NEF Trainee Programme:

- Appointment of 100 unemployed graduates as trainees to be placed within the NEF for 12 months.
- These trainees will also be placed at various entities including but not limited to: NEF internally, NEF Investees, stakeholders and partners.
- Currently, the NEF has appointed 20 trainees for the Spaza Shop Fund that will be manning the Call Centre.
- An additional 10 is currently being recruited to be placed at B-BBEE Commission to assist with capacity constraints.



















Highlights of NEFs Performance

Performance at the end of Q2

 Approvals Target R600m Achieved R463m	 Commitments Target R450m Achieved R337.3m	 Disbursements Target R405m Achieved R362.8m	 Number of jobs expected to be supported or created Target 2 492 Achieved 1 567	 Percentage of portfolio disbursements to businesses owned by women Target 35% Achieved 35.3%
 Percentage of disbursement to be invested in targeted provinces Target 45% Achieved 45.8%	 Disbursements outside the 5 main metros Target R150m Achieved R209.4m	 Value of partnerships concluded Target R50m Achieved R341.5m	 Number of Investment Education Seminars held across the country Target 23 Achieved 68	 Number of entrepreneurs who successfully complete business incubation Target 20 Achieved 38
 Number of Entrepreneur Training sessions provided Target 76 Achieved 85	 Percentage of Social Facilitation Sessions for NEF investees Target 45% Achieved 71.8%	 Percentage of portfolio impaired Target 25% Achieved 32.7%	 Target ROI before impairments Target 7% Achieved 11.6%	 Collection's ratio Target 80% Achieved 80.1%

Highlights of NEFs Performance

Performance at the end of Q3

 Number of funded SMEs Target 120 Achieved 104	 Value invested Target R1 200m Achieved R633.9m	 Percentage of agri-businesses funded relative to number of SMEs Target 40% Achieved 14.4%	 Percentage of investments to Black Industrialists Target 50% Achieved 49.2%
 Percentage of disbursements to businesses owned by women, youth and people living with disability Target 50% Achieved 44%	 Percentage of disbursements to Catalytic Sectors Target 75% Achieved 32.3%	 Percentage of investments in SMEs operating outside of the 5 main metros Target 45% Achieved 47%	 Number of job opportunities to be created Target 8 400 Achieved 1 298
 Number of people trained Target 2 400 Achieved 4 007	 Number of operational and/or funded incubated businesses Target 7 Achieved 16	 Economic value added Target R3 581m Achieved R6 057m	 Value of revenues from exporting clients Target R60 m Achieved R125.5m
 Suppliers paid within 20 days of receiving a valid invoice Target 80% Achieved 95%	 Investees paid within 45 business days from commitment Target 70% Achieved 68%	 Percentage of portfolio impaired Target 30% Achieved 27%	 Collection's ratio Target 80% Achieved 81%

Performance against Q4 targets

Performance: Quarter 4 (YTD)				Projection: Q4		
Indicator	Q4 Target	Performance	Variance	Pipeline	Forecast	Projection Variance
1. Number of funded SMEs	150	115	(35)	148	262	110
2. Value invested	R1 500m	R778m	(R722m)	R488.5m	R1 266.5m	(R233.5m)
3. Percentage of agri-businesses funded relative to number of SMEs	40%	14.9%	(25.1%)	42.9%	30.7%	(9.3%)
4. Percentage of investments to Black Industrialists	50%	51.5%	1.5%	64.5%	56.5%	6.5%
5. Percentage of disbursements to businesses owned by women, youth and people living with disability	50%	42.2%	(7.8%)	30%	37.5%	(12.5%)
6. Percentage of disbursements to Catalytic Sectors	75%	34.1%	(40.9%)	57.6%	43%	(32%)
7. Percentage of investments in SMEs operating outside of the 5 main metros	45%	50.5%	(5.5%)	47.9%	49.5%	4.5%
8. Number of job opportunities to be created	10 500	1 816	(8 684)	32 079	33 895	23 395

Performance against Q4 Targets

Performance: Quarter 4 (YTD)				Projection: Q4		
Indicator	Q4 Target	Performance	Variance	Pipeline	Forecast	Projection Variance
9. Aggregate Additional Output	R3 600m	R6 073m	R2 473m	-	R6 073m	R2 473m
10. Number of people trained	3 000	4 303	1 303	-	4 303	1 303
11. Number of operational and/or funded incubated businesses	9	18	9	-	18	9
12. Value of revenues from exporting clients	R75m	R125.5m	R50.5m	-	R125.5m	R50.5m
13. Percentage of suppliers paid within 20 days of receiving a valid invoice	80%	97%	17%	-	97%	17%
14. Percentage of investees paid within 45 days from commitment	70%	67%	(3%)	79%	73%	3%
15. Collections ratio	80%	81%	1%	-	81%	1%
16. Percentage of portfolio impaired	30%	27%	3%	-	27%	3%

Transformation Fund

- **Consultation**

- All relevant stakeholders to be consulted in formulation on the Transformation Fund

- **Technical Support and Access to Markets**

- Access to markets and technical support will be prioritized and adequately funded above all pillars of the Fund. This is to ensure that there is sustainability through an all-round intervention.

- **Accessibility**

- Black owned entities particularly those outside of the supply chain of Generic Enterprises have difficulty accessing opportunities. All Black owned entities at various stages of operation shall qualify including but not limited to New projects (Greenfields and Brownfields); Venture capital projects and distressed clients.

- **Financial and Non-Financial Support Instruments**

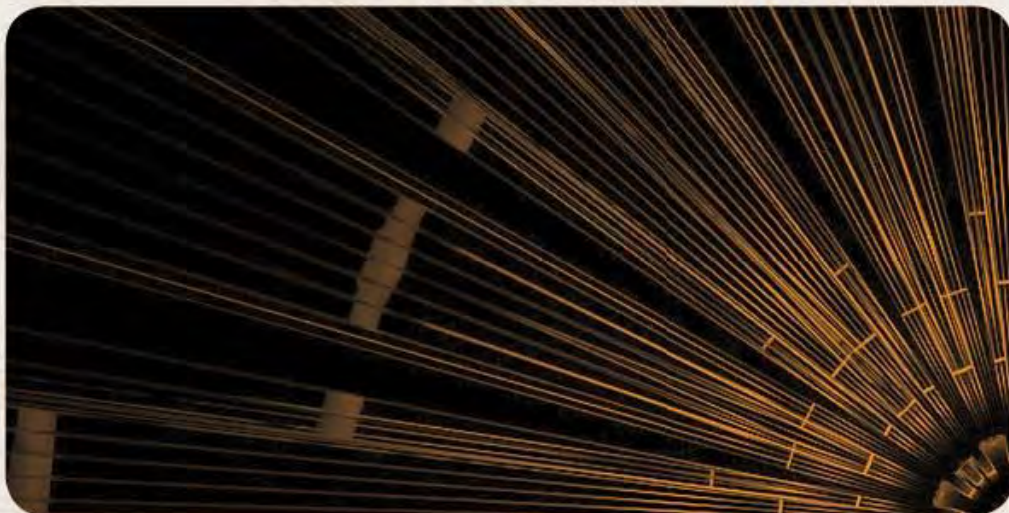
- The Fund will be a combination of wholesale and direct lending funding instruments. Financial support is equally important as non-financial support. The Fund will facilitate pre-and post-investment support including amongst others, business planning, feasibility and environmental impact studies.

- **Focus on Townships and Rural Areas**

- A portion of the fund to be set aside exclusively for entities based in Township and Rural areas, the businesses must be located in those areas and mainly employ people from those areas.

- **Focus on Productive Sectors**

- The Funds will be applied to productive sectors of economy and priority sectors for the government.



the dtic

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REPUBLIC OF SOUTH AFRICA



**NATIONAL
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Growing Black Economic Participation

Thank you



Annexures

Black Industrialist Investment Sector Focus



BLACK INDUSTRIALIST Investment Sectors						
RENEWABLE ENERGY	MINING SERVICES	AGRO-PROCESSING	INFORMATION & COMMUNICATION TECHNOLOGY	INFRASTRUCTURE	MANUFACTURING	SERVICES AND BUSINESS PROCESS OUTSOURCING
Biofuels Biomass Biogas Solar, Wind and Hydro Electric Generation	Mineral Beneficiation Services Incidental to Mining	Chemicals Processing Textiles Food Manufacture Bio-Fuels	Telecoms Infrastructure Creative Arts Infrastructure	Tourism Infrastructure Other Specialised Buildings Bulk Services	Textiles Consumables Manufacture Automotive Components Battery and Electric Accumulators	Healthcare Infrastructure Call Centre Infrastructure Data Analytics Services Digital Industry Commercialisation

Programme 1 Examples of Projects

No.	CLIENTNAME	REGION	PROGRAMS	WEF %	JOBS	TOTAL PROJECT SIZE ("R")	Capital Already Raised	Capital Required
1	Eyethu Beverages (Pty) Ltd	KZN	Manufacturing	0	123	R 55 000 000	R 35 000 000	R 20 000 000
3	Marshall Traditional Healthcare (Pty) Ltd	WC	Manufacturing	60	125	R 58 000 000	R 28 000 000	R 30 000 000
4	Mabele Fuels (Pty) Ltd	FS	Renewable Energy	15	13129	R 4 500 000 000	R 2 900 000 000	R 1 600 000 000
5	Gemilatex (Pty) Ltd	EC	Manufacturing	51	289	R 135 000 000	R 85 000 000	R 50 000 000
6	JaLo (Pty) Ltd	GP	Manufacturing	100	245	R 241 000 000	R -	R 241 000 000
7	Mendirail Engineering (Pty) Ltd	GP	Manufacturing	0,33	280	R 136 200 000	R -	R 136 200 000
8	Nkomazi Cotton Gin Project	MP	Manufacturing	53	16500	R 305 000 000	R -	R 305 000 000
9	Salamax (Pty) Ltd	GP	Manufacturing	0	120	R 111 000 000	R -	R 111 000 000
10	Tyre Energy Extraction (Pty) Ltd	EC	Manufacturing	30	210	R 120 000 000	R -	R 120 000 000
					31 021	R 5 661 200 000	R 3 048 000 000	R 2 613 200 000

- The above table reflect advanced projects at various stages of our investment processes.
- The transactions are made of key catalytic sectors such as manufacturing, agro-processing, digitisation, renewable energy and green economy amongst others.
- The investment looks to unlock total of over 31 thousand jobs.

African Energy Recycling (Pty) Ltd



Africa Energy Recycling (“AER”) is a company that was established to recycle waste tyres into the components that make up a tyre namely; oil, char and steel. The company is owned by Mr Baldwin Khosa 80% and 20% will be allocated to a Senior Management Trust. The company will source the raw material (waste tyres) from the Waste Bureau.

AER was recently approached the NEF for a funding assistance of R30.7 million to setup the plant as well as working capital from the various funds. The total project cost is approximately R 48,7 million, the balance will be R17 million and will be funded by dtic through the BIS grant. The sponsor will contribute circa R1.1m owner’s equity.

Development Impact: 56 new direct jobs will be created and approximately 150 jobs will be created during construction (renovations) phase over a period of 6 to 9 months.

Aggregation Model Programme

Targeted Impacts and Outcomes

- NEF's strategy seeks to leverage large-scale projects & partnerships to integrate SMEs into formal value chains.
- The focus sectors is on Retail, Agriculture, and General SME Sector.
- Ensures SMEs benefit from economies of scale, competitive pricing, and structured supply chains.
- Aggregation model supports bulk buying, warehousing, logistics, and market networks.
- Aims to transform informal businesses into structured, sustainable enterprises.
- Expected outcomes over the next five years are:
 - **Job Creation:** Expected to create over 10,000 direct & indirect jobs over the next 5 years.
 - **New SMEs & Agri Businesses:** Supports 5,000 small-scale farmers & black-owned agro-processors.
 - **Market and Value Chain Access:** through Direct links to retailers and FMCG companies (Goseame, Bibi Cash & Carry, Coca-cola, Unitrade Management Services) and export markets.
 - **Industrialization & Local Supply Chains:** Strengthening black-owned businesses to compete.
 - **Food Security & Rural Development:** Supports irrigation schemes & agro-processing plants.
 - **Access to Technologies:** Facilitating the adoption of modern agricultural and retail technologies, including digital platforms, point-of-sale (POS) systems, and precision farming tools, to enhance efficiency and competitiveness.

Empowering small and emerging farmers

Summerpride Foods is South Africa's largest pineapple processor, converting fruit into pineapple juice concentrate for both local and international beverage producers. The company sources its pineapples from approximately 4,683 hectares of pineapple-growing lands, primarily located in the Eastern Cape province.

Approximately 90% of the Eastern Cape's pineapple production is sent to Summerpride Foods for processing into pineapple juice concentrate, with about 85% of this concentrate exported to markets including South America, Russia, and Europe.

The pineapple industry significantly contributes to employment in South Africa's Eastern Cape province. As of 2017, the horticulture sector, which includes pineapple farming, employed 24,661 individuals, accounting for 38% of the province's total agricultural employment.

NEF and Summerpride to collaborate by establishing a joint fund on the contribution of 50/50 basis. The funds to be used to support emerging black entrepreneurs in the pineapple growing businesses.

Summerpride to enlist its incumbent clients to participate in a mentor/mentee programme.

This will result in the creation of approximately 1200 over the period of 5 years, of which approximately 77 will be full time jobs created, and the remainder be seasonal jobs during the planting and picking period.

Transformation: Black Industrialist

Township Development

Expansion



Aggregation Model Programme - Small Scale Farming

NEF Project Driving Aggregator Model

In implementing its Aggregator Model, NEF is rolling out the following projects for the current financial year to maximize the benefits of aggregation:

- Spaza Shop Support Programme – R350 million investment to support 1,000+ Spaza Shops nationwide, integrating them into bulk-buying networks for competitive pricing and sustainability aimed also at addressing challenges associated with foodborne disease.
- Bibi Quick Stop (Free State) – R36 million investment to create 50 new Spaza Shops, generating 150+ jobs. The model will be replicated in other provinces.
- Goseame Farmers Production Programme (Limpopo) – R35 million funding to support 65 small-scale farmers, supplying fresh produce to Goseame retailers, creating 1,200 jobs.

These projects strengthen local supply chains, enhance SME sustainability, and support job creation in alignment with government economic objectives.

SMEs and Township

- The NEF will drive SMEs and Township economies through promotion of access to finance for black entrepreneurs to increase meaningful participation. The NEF is expected to support over 150 transactions
- Revitalisation of townships and rural economies. As we seek to transform the business landscape through transformation, by integrating the local economies into the mainstream economy.
- This is undertaken through the identification of the business opportunities driven by rural and township entrepreneurs.
- The Fund focuses and execute its activities on sectors that government policies have identified that have high growth, labour intensive and further downstream requirements and potential for exports.
- The focus will be in retail, agriculture and food production, digital and financial services, real estate and housing among others.
- The strategy will focus on Enterprise and supplier development as well as improving profitability and sustainability of these SMEs.

SMEs and Township Examples



Tshellaine Holdings (Pty) Ltd is a 100% black youth owned and managed, and 50% black-woman owned business in the student accommodation at the UJ Soweto Campus. The NEF provided funding of R37.5 million which supported the creation of permanent and temporary jobs.



Wildfire Trading (Pty) Ltd is 100% black woman-owned, an Engen franchise, operating from Alexandra township. entrepreneur. The NEF approved R2.5 million which supported the employment of 29 people.



Wynfoods (Pty) Ltd deals primarily in processing chicken, producing Individually Quick Frozen (IQF) portions. The NEF approved R18 million which went towards replacing equipment, shop fittings, stock and working capital. The funding assisted in re-employing 60 jobs and creating a further 5.



Icebolethu Burial Services (Pty) Ltd ("Icebolethu Burial") is a 100% black woman-owned and managed burial company. The NEF approved R19.1 million which went towards replacing equipment and shop fittings, replace stock and float working capital.

Renewable Energy – Programs to be implemented in the short to medium timespan

Energy Battery storage	<p>Upstream value chain participants:</p> <ul style="list-style-type: none"> Manufacturers of energy storage materials and equipment Manufacturers of batteries Battery swapping facilities Battery recycling <p>South Africa is “well endowed” in many of the minerals needed for batteries, such as iron ore, manganese, cobalt, titanium, and nickel. SA has the industrial capacity and know-how; SA can make cells needed for battery energy storage systems. The NEF Strategic Project Fund together with its strategic partners will partake in the feasibility studies that consider materials processing for their inputs required in the energy storage opportunities.</p> <p>Downstream value chain participants:</p> <ul style="list-style-type: none"> Sellers of the batteries Service providers in terms of after-sales care and support. Battery for Scooters (e.g. batteries used in the delivery scooters such as Take-A-lot and other delivery companies) Energy storage equipment agents/Recharging stations Energy storage system operators
Electric Vehicles (EVs)	<ul style="list-style-type: none"> Manufacturers of components Recharging stations where EVs can recharge Automotive companies such as busing companies including inter-city bus operators, and minibuses) Repairs and workshop facilities that will repair and service the EVs.
Hydrogen	<ul style="list-style-type: none"> Conversion of buses into use of hydrogen energy. Conversations with aspiring entrepreneurs have started in this area. Feasibility studies still need to be conducted in these areas.

Outcomes and Impact to be unlocked

New emerging growth sectors offer an opportunity to increase inclusion and broaden black people’s participation in the new emerging industries.

This is an opportunity to increase black women and youth participation, including rural and township communities. The barriers of entry in the new industries are still reasonable and affordable, unlike some of the matured industries.

This presents an opportunity to fund both new entrants and as well as expansion of existing businesses.

This will create massive employment, value chain integrations to unlock other supporting sectors.

Immediate projects
ca R500m

- Scaling up lithium battery manufacturing – R800m
- Juda Energy – R40m for Hydro/Battery storage facility
- Another early stage investment

Over 500 jobs

Short to medium time
(1-5years)
ca R2-R2.5billion

- Battery recharging stations for the automotive companies
- EV components suppliers
- Pannel betters and repair shops for Evs
- Unlocking opportunities from downstream and upstream

- Over 10 000 jobs to be supported
- 50 SMEs to be supported
- Value chain integration a support for other SMEs

Renewable Energy – Battery Storage Program for immediate implementation

Creslow Energy Solutions (CES) is a 100% black owned and 50% black-woman owned business that operates in the Energy Storage Industry. Creslow provides customized, rechargeable Lithium-ion battery solutions to automobile OEMs, distributors and other businesses nationally. Lithium batteries are made and programmed at Creslow's rented facility in Witbank. The products are built for use by businesses and households to ensure the continuity of operations during power outages. The products are trademarked.

Creslow currently manufactures eight battery-types, differentiated by size, capacity, and voltage under the registered and trademarked SolarSmart and AutoSmart brands.

Creslow Energy was founded in December 2021 by husband-and-wife Mr Kriban Govender and Ms Reneka Govender. Mr Kriban Naidoo is the MD of Creslow Energy Solutions. He started his career as a Software Developer and was key in developing several solutions on the legacy system and the current ERP system. Kriban spent 14 years in I.T, having worked as Chief Operating Officer for BMG and MD for Industry Tools and Equipment. He has a National Diploma in Information Technology from the Durban Institute of Technology.

Reneka is responsible for the admin and finance function at Creslow. She holds a Bcomm Accounting qualification from Durban University.

The business currently services over 10 clients, with the main customer being Mobi G Industries, a golf cart manufacturer that is based in Mpumalanga, with clients in South Africa and across the continent.

Creslow Energy currently employs 4 technicians, with plans to add 12 new employees post-funding. Ten of these employees will be out of work graduates.

CES was approved by the NEF for new funding of R22million to fund working capital.

Focus: Industrialisation and Transformation

Indicators	
Time period:	December 2022
Promoter	Mr Kriban Govender and Ms Reneka Govender.
Type of investment:	Manufacturing
Value:	R22million
Jobs:	16



Renewable Energy – Project development for immediate implementation

JMCE's vision is to develop a 100 MW Green Hydrogen Power Project with battery storage facilities for Emalahleni Local Municipality located in the Nkangala District Municipality of Mpumalanga province.

The project has been developed to PFS completion.

JMCE approached the NEF for assistance with BFS funding to the tune of R40 million. The NEF Team is engaging the DBSA for co-funding these funding requirements.

BNM Technology Group (Pty) Ltd have worked with JMCE on the PFS. JMCE has signed a term sheet with Power X, a licensed (NERSA) trader of renewable power.

This is a clean energy initiative will then be expanded to other interested municipalities upon successful completion of the Emalahleni Project.



Quick Wins, Impact and Plan

- Conduct an in-depth study of the digital economy to determine and identify high impact projects for funding. This will help develop strategy to guide funding in the space
- Collaborate with TIA to build pipeline of projects that have passed research stage and are ready to commercialize
- Build a pipeline with The Innovation Hub and Co Fund on projects that are ready for implementation
- Use research organisations including market leader (Naspers) to identify quick implementable projects at commercial scale
- Fund large scale infrastructure development projects in the digital space, especially those reaching rural and township areas as well as semi urban
- Identify from the market, potential for establishment of ICT assembling and manufacturing plants for co funding opportunities
- Facilitate the setting up of Business Process Outsourcing in South Africa and determine funding needs
- Promote and support the development and production of computer software and hardware in the Digital Economy space
- Support the establishment of Technological Parks and Incubators
- NEF already funding some 3 projects in the ICT and Digital Space (Case Study attached)

Potential impact to be unlocked

- Over **1,200** jobs would be unlocked by these sectors per annum for 5 years
- Minimum of 40% disbursement into women owned business has been set.
- Township and Rural Economies will be supported through immediate funding of Takealot Warehouses construction to be rolled out to rural areas and townships, estimated investment of over **R1 billion**

Target Investment Value and Size

- Over next 5 years, NEF projects to invest in at least **10 projects** across the Digital Economy space
- At an estimated project size of R65 mill, **R650 mill** is anticipated total project cost

Quickloc8 (Pty) Ltd

- Quickloc8 (Pty) Ltd is a 100% black owned entity established in 2015 by Mr Mabogo, a Black Industrialist. Mr Mabogo developed, tested and piloted a tracking device for motor vehicles with complete mobile capabilities that operates from a smart phone-based platform. Quickloc8's main target market is the taxi industry. NEF approved finance of R2,5m to commercialise and to rollout the product to target market in 2016, approved additional funding of R10m under the Covid 19 Economic Distress Fund to assist
- The device provides the following unique capabilities:
 - > GPS location with real time tracking for location and speed on smartphone, monitoring on the app with 3D maps;
 - > Push notification for speed, ignition and driving style (harsh/economy driving) data;
 - > On/off-route alerts through geolocation features on the app, route analysis and replaying (total kilometres travelled/stopped with addresses);
 - > Ability to track and analyse driving style and performance of each driver and compare best drivers;
 - > Advanced antitheft system through combined auto geofencing and towing detection functionality;
 - > Bluetooth wireless connectivity features that allows owners to call drivers using through the tracking devices; and
 - > Smart crash detection that sends a message to owners immediately after accident.
- Significant number of jobs created



Oynetec (Pty) Ltd

Oynetec (Pty) Ltd is black-owned and managed, and 30% is black woman and youth-owned. The company is a maritime technology solutions provider based in South Africa, specialising in vessel traffic surveillance systems (VTS), Automatic Identification Systems (AIS), radars, and radio communications. the company caters to a range of clients including ports, harbours, and maritime safety organisations

The company was recently awarded a once-off contract worth R67 382 017.56 (including VAT) by Transnet National Port Authority (TNPA). The contract with Transnet is for the Supply, Delivery, Installation, and Commissioning of 12 Radar Sensors in all 8 South African Ports.

Oynetec approached the NEF to raise funding to the tune of R30.2 million to procure the 12 radar sensors and finance the project's working capital. The funding will assist the company in executing and delivering on the obligation of the contract and create at least 8 temporary jobs.



Project: Graskop Gorge Lift Company

The Graskop Gorge Lift (GGLC) is a unique offering in the Mpumalanga tourism belt. The business first approached the NEF for development funding to invest in first of its kind tourism experience in Mpumalanga. Through a Private Public Partnership, the GGLC was awarded the opportunity to establish lift infrastructure in the Graskop Gorge. The lift experience is a breath-taking 360 degree view of the gorge that descends 60m to the floor of the Gorge where tourists can enjoy guided tours of the biodiversity.

Experiences include; The lift, a suspended walk bridge across the Gorge, The big swing (Bungee jumping and Zipline experiences) and Electric Biking at the top of the gorge for full enjoyment for the whole family. GGLC has also partnered with local crafters and artists who are able to trade their wares in the craft market and art studio at the Experience centre, last but not least the centre boasts 5 star restaurant and café for weary tourists to quench their appetites before moving on along the Panorama Route.

Location	Mpumalanga
Deal Stage	Operational
NEF Approved Amount	R38.1 million (incl R5million TTF Grant)
Ownership	5% Black Owned
Promoter	Oupa Pilane
Number of jobs	60 new Jobs



Beneficiation Of Our Beauty

- The NEF aims to support the production of movies and TV shows through partnerships with streaming platforms such as Netflix, and Amazon Prime. The targeted investment through syndication with other funders is R1 billion.
- Partnership engagements are ongoing with key stakeholders ensure SMEs participation and markets access.
 - > An example of this is Arch Doccie (In current implementation)
- R5 billion focused on creating aggregation of tourism
 - > Practical example
 - Panorama Route Model**
 - Investment in ensuring we grow international tourists expenditure from current R500 per day (across Graskop Gorge, God's Window, Three Rondavels etc...)
 - Improving God's window offering (R500 million) – NEF through Tourism partnership and Transformation to inject R150 million (BFS 90% complete construction to begin within 10 months (see case study)
 - Project earmarked for Blyde River Canyon and Three Rondavel
 - Final step will be Panorama route hotel (Likely Graskop)
 - > Adventure Tourism Projects being researched for following areas
 - Orange / Vaal River
 - Durban Boardwalk
 - Eastern Cape Adventure Tourism
- Cultural Infrastructure
 - Cape Town Creative Space in capital raise R60 million required (See Case Study in following Slides)
 - Cape Point Film Studios to be co-developed in coming years to co-host a state-of-the-art movie studio. Project requires R100 million to operationalize

Immediate Pipeline For Investment:

Cape Town Creative Spaces: Creative Infrastructure Project

In June 2018, the NEF, in partnership with the Department of Arts & Culture approved funding of R1.4 million towards a pre-feasibility study (PFS) and into the establishment of a creative precinct to be located in Cape Town. The promoters, The Nomzamo Cultural Centre (Pty) Ltd, are a 100% women owned and 75% black owned company. The project looks to ensure that arts are utilized as a vehicle where people feel included and Africanism is emphasized in Eurocentric areas. The NEF invested a further R5million bankable feasibility study funding after successful completion of the PFS.

Location	Western Cape, Cape Town
Project Development Stage	Bankable Feasibility Study
NEF Investment to date	R6.4 million
Project Promoter	The Nomzamo Cultural Centre (Pty) Ltd
Projected Financial Close Requirement	R80 million
Jobs	100





Special Projects: Spaza Shop Fund Update

Spaza Shop Fund

Objective

- To support Spaza Shops with funding for the refurbishment of businesses and facilitating wholesale aggregation. Businesses will be provided with financial and non-financial support in terms of technical skills, support for regulatory compliance and capacity building.
- The objective is to:
 - > increase the participation of South African owned Spaza Shops in the townships and rural areas' retail trade sector;
 - > provide safe and affordable products and services to Township and Rural Community residents;
 - > strengthen and support locally-owned Spaza Shops by building capacity, enhancing operational efficiency, and enabling access to competitive pricing through partnerships;
 - > help Spaza shops tap into bulk purchasing benefits and business support to boost their sustainability and competitiveness.

Spaza Shop Fund

Implementation

- The NEF has finalised the qualifying criteria for the Spaza Shop Fund and the application process has been documented.
- The IT Department of the NEF has also completed the construction of the Spaza Shop Fund portal.
- Both the qualifying criteria and application process flow documents have been uploaded into the portal for ease of understanding and use by applicants.
- Various wholesalers, from which goods and services will be sourced by the Spaza Shops Fund applicants, have been met to discuss, among other things:
 - Insurance that only safe food items are sold to Spaza shops.
 - Agreement that goods are sold at discounted prices to ensure that the Spaza Shop remain viable.
 - Ways of ensuring that disbursement are made directly to wholesalers or vouchers are accepted by wholesalers as a form of payment for trading goods (not cash) to manage fraud risk.

Spaza Shop Fund

Implementation

- These wholesalers include:
 - Tiger Brands
 - Kit Kat
 - Big Save
 - Bibi Cash and Carry.
- Other service providers have also been met and the NEF is finalising memoranda of understanding which contain clear scope of work to be executed by each service provider. These service providers included:
 - Family Tree Group – With a wealth of experience in assisting rural and township entrepreneurs in installation of spaza shops. Family will provide database of potential applicants and assist in the installation and mentorship.
 - UMS – A goods delivery business operating in the townships. UMS has promised to deliver goods from wholesalers to the spaza shops for free.
 - Tedcoza – Empowers township and rural economies through business development support. They focus on inclusive growth, prioritizing women, youth, and people with disabilities to promote sustainable, community-driven development

Spaza Shop Fund

Call Centre and Application Portal

- **Call Centre**

- A call centre dedicated to the Spaza Shop Fund has been set-up by the NEF. We have recruited a dedicated team of call centre agents, primarily unemployed youth graduates, who have undergone training and will be ready to assist applicants at launch.
- Additionally, the existing NEF and SEDFA call centre teams will provide support to manage increased call volumes and ensure a high quality of service.

- **Application Portal**

- Application Criteria for the Support Fund has been developed and publicised in the form of a Brochure.
- The portal for businesses to submit their applications for funding to the National Empowerment Fund (NEF) and the Small Enterprise Development Finance Agency (Sedfa) is ready for application.
<http://www.spazashopfund.co.za>
- Proudly South African has provided a database of vetted South African entities that Spaza Shops can utilise to procure their products.
- Key wholesalers have been vetted and are in the processes of finalising agreements to supply Spaza shops with stock and building infrastructure.

Spaza Shop Fund

Containers to Trade

- The NEF is in discussions with Nehawu and Transnet who have agreed to donate over 20,000 containers which will be allocated to spaza shop owner across all provinces of South Africa.
- The NEF is in the final stage of registering with NCR which allow the organisation to deploy funds in the form of micro loans to Spaza Shop Fund applicants.
- The furniture manufactures funded by the NEF and the dtic have also been engage to supply furniture to assist in the set-up of the actual spaza shop.
- The NEF has already setup the call centre and the agents have been appointed and are in the process of being trained. All necessary facilities have been allocated to the agents which include workspace, headsets and computers.
- The NEF is also holding meetings with both the dtic and Sedfa to align the process and co-ordinate resource management.

Spaza Shop Fund

Partnerships – Family Tree Householding

Family Tree Holdings is a multi-disciplinary support and capacity development company specializing in township and rural economic development. Its primary focus is on the growth and development of Small, Medium, and Micro Enterprises (SMEs) operating in township and farm areas. With an established presence in Gauteng, the company is actively expanding its footprint in Mpumalanga and KwaZulu-Natal.

Family Tree Holdings' Enterprise and Supplier Development programs distinguish themselves through:

- A value-adding and hands-on approach,
- A relationship-driven strategy that fosters a community of practice, and
- Extensive skills and depth of experience.



Spaza Shop Fund

Partnerships – X11 Digital

Digital services for better business X11 operates a platform for the new generation of digital services on smart contracts. Their mission is to create tools that provide a more cost-efficient way to sell digital services like digital vouchers, insurance, memberships, loyalty programs, group purchases, and other financial products.



Spaza Shop Fund

Partnerships – Big Save

Big Save has proudly served South African communities for 35 years, offering wholesale and retail solutions that cater to both businesses and individuals. From spaza shop and tavern owners to families stocking up for their homes, we are your trusted partner for quality products at unbeatable prices.

Their growing online shopping platform makes it easier than ever to access their products, with fast delivery across Gauteng. For stokvel groups, they help members save while purchasing in bulk, ensuring everyone gets maximum value for their hard-earned money.

Since opening their doors in 1989, Big Save has become a cornerstone in the communities they serve. More than just a store, they're a part of the journey—supporting local businesses, empowering stokvels, and bringing convenience to families. At Big Save, they are committed to delivering the "Good Life" to our fellow South Africans.



Spaza Shop Fund

Partnerships – Unitrade Management Service (UMS)

The group was established to contribute positively to the success and sustainability of the independent wholesale and retail market in Southern Africa. They provide unique business solutions to independent FMCG wholesale and retail traders, enabling these entrepreneurs to compete effectively in all areas with the corporate chains. Partnerships are fundamental to the UMS model – with members, suppliers, communities and people.



Spaza Shop Fund

Partnerships – Bibi Cash & Carry

As a member of Unitrade Management Services (UMS), which services spaza shops in the Free State province, Bibi effectively utilizes collective purchasing power to obtain competitive pricing on goods. Through UMS membership, Bibi enjoys the advantages of bulk purchasing at discounted rates. To maintain a robust and competitive group, membership necessitates a minimum turnover of R100 million. This will allow spaza shop to buy in bulk at affordable rate from the members

Stock is procured from key suppliers, including but not limited to Willowton (cooking oil), Tiger Milling (malt), Allem Brothers (Super Meal), Clover (dairy), Tiger Culinary (baked beans), and B&H Sugar (sugar). This strategic procurement strategy ensures that Bibi Cash and Carry (Pty) Ltd has access to high-quality products at optimal prices, thereby promoting both affordability and operational sustainability.



Spaza Shop Fund

Bibi Cash & Carry – Aggregator

Bibi Cash & Carry (Pty) Ltd is a wholly Black-owned retailer that has been successfully serving the Phuthaditjhaba (FS) lower-income market since 1999. The retailer employs over 800 South Africans, and operations comprise of two (2) distribution centers, five (5) supermarkets, four (4) bottle stores, seven (7) quick stops/spaza shops, and a training academy.

In response with Government's efforts to revitalize township and rural economies, Bibi Cash and Carry is intending to establish 50 fully equipped container/Quick Stop outlets in the Free State province. Quick Stops are fully stocked spaza shops run from a 12m container and a 6m container for stock storage, all supplied by Bibi Distribution Centre. Each site employs three staff members.

The NEF, through a R36 million facility, will simultaneously support 50 entrepreneurs in acquiring and owning Quick Stop outlets with Bibi providing operational oversight.



Spaza Shop Fund

Bibi Cash & Carry – Aggregator

Bibi is the turnkey aggregator that will oversee the entire rollout, ensuring each site is fully equipped and ready to operate.

Bibi's role and responsibilities include:

- Identifying sites for Quick Stop stores
- Interviewing & Selecting Entrepreneurs
- Turnkey Supplier for Fully Stocked Containers
- Ongoing Stock Supply
- Entrepreneur Training
- Monitoring & Operational Support
- Competitive pricing.

The investment will simultaneously empower 50 SMEs, create 150 jobs in an untransformed sector and targeted Province, foster local entrepreneurship, strengthen local economic participation, ensure business sustainability, and enhance regulatory compliance.



Spaza Shop Fund

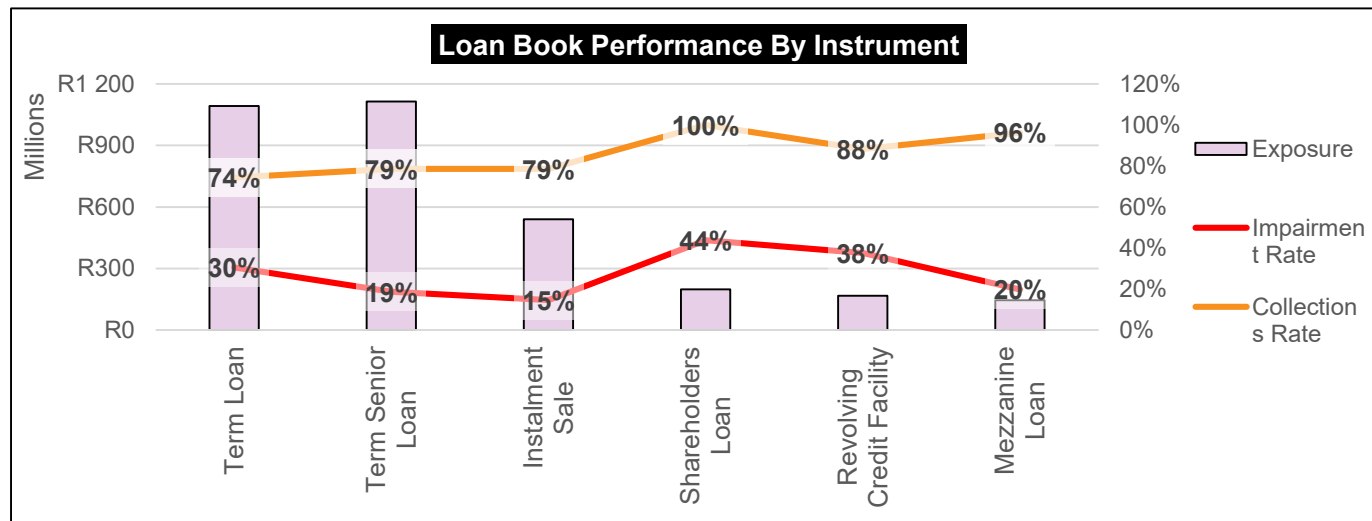
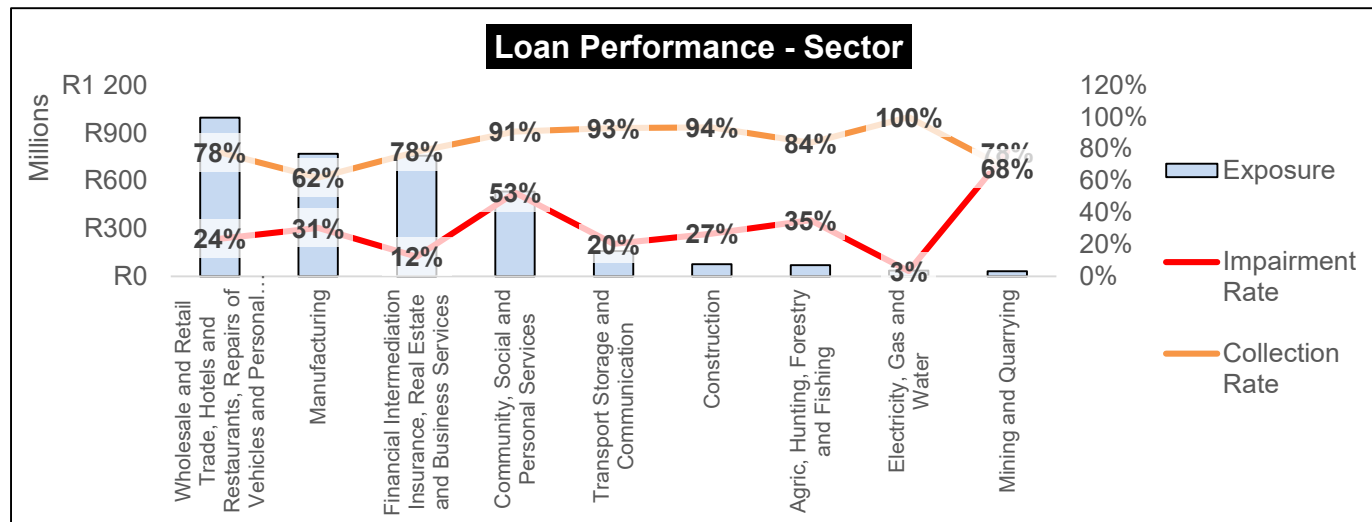
Bibi Quick Stop Aggregator Model

Expected outcomes

- **Improved Supply Chain Access:** Consistent access to competitively priced goods, leading to lower operational costs and increased profitability.
- **Economic Empowerment:** Enhanced income and job creation for local spaza shop owners, strengthening township economies.
- **Increased Competitiveness:** Locally-owned shops gain a competitive edge, boosting sales and improving market positioning.
- **Skills Development:** Improved business management capabilities among spaza shop owners, fostering self-reliance and long-term sustainability.



Understanding Portfolio Impairment and Collection Rates



- Impairment rates across sectors reflect the operational realities of economic activity.
- Wholesale and retail and property (real estate) reflect lower relative impairment rates as the nature of instruments tend to be term loans secured against their respective assets.
- Larger operations like those observed in manufacturing and property require a blend of riskier instrument including shareholder loans and revolving credit facilities
- NEF collections have exceeded targets 80% due to enhanced portfolio management strategies deployed in the last 12 months and a relatively more stable economic environment seeing lower interest rates and stabilized load-shedding levels.
- Impairment rates have also improved to below 30% as payment trends have improved relative to previous trading periods.