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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2743

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

What are the key performance indicators versus achieved performance of the (a) Independent Development Corporation and (b) National Empowerment Fund in (i) the 2023-24 financial year and (ii) quarter 1 and (iii) quarter 2 of the 2024-25 financial year on the (aa) turnaround time to process funding applications from receipt of the application to its acceptance or rejection, (bb) total number of applications received, (cc) total number of applications rejected, (dd) reasons for rejection of the applications and (ee) rand value of applications broken down by size? NW3169E

REPLY:

I have been advised by Industrial Development Corporation (IDC) as follows.

(a) For the Industrial Development Corporation, Table 1 below provides a summary of the turnaround times to process funding applications from receipt of the application to its rejection, the total number of applications received as well as the total number of applications that were rejected for the periods requested.

Table 1: Summary of Turnaround Times, Total Number of Applications* Received and Rejected

		Performance Indicator	Achieved	Performance Indicator	Achieved	Performance Indicator	Achieved
		2023-2024		Q1 2024-2025		Q2 2024-2025	
aa	Turnaround time to process funding application to legal agreements being signed**	80%	59.20%	80%	50%	80%	50%
bb	Total number of applications received	431		15		17	
cc	Total number of applications rejected	76		3		4	

* An application is a written request for IDC finance for a specific business. The request will be considered an application when it has met all the minimum set criteria for application.

**80%- Number of applications concluded within the targeted number of days as a percentage of the total number of applications concluded.

dd) Reasons for rejections

- Lack of economic viability
- Cut-off date expired for outstanding information
- Outside SBU/IDC mandate for finance
- Withdrawn by BP
- Does not comply with criteria of IDC general funding
- Unavailability of business plan
- Co-funding terms unacceptable to IDC

ee) For the Industrial Development Corporation, Table 2 below provides a breakdown of the number of applications approved, for the periods requested, categorised by size of application.

Table 2: Detailed Breakdown of Number of Applications Approved Categorised by Size

Size breakdown	FY 2023/24	Q1 FY 2024/25	Q2 FY 2024/25
1m-10m	31	6	8
11m-50m	33	9	6
51m-100m	26	2	2
101m-500m	33	5	6
501m-1b	7	0	1
>1b	2	1	0
Total	132	23	23

*** The variation in numbers is due to Table 1 presenting information on Applications received in the period while Table 2 presents information on Applications Approved.

I have been advised by the National Empowerment Fund (NEF) as follows.

(b) (i) 2023-24 financial year performance indicators versus achieved performance:

KPI	Target	Achievement
Approvals	R1.2 billion	R856 million
Commitments	R900 million	R915 million
Disbursements	R810 million	R838 million
Job Opportunities	4 985	6 526
Percentage of portfolio disbursed to businesses owned by Black women	37%	37%
Percentage of portfolio disbursed towards targeted provinces	40%	40.2%
Number of Seminars held	45	66
Entrepreneurial training sessions held	145	229
Number of entrepreneurs who successfully completed business incubation	36	64
Percentage of social facilitation sessions	25	31
Value of concluded partnerships	R100 million	R134.8 million
Return on investments	7%	7.67%
Collections	80%	80%
Impairments	25%	33%

(ii) 2024-25 financial year Q1 performance indicators versus achieved performance:

KPI	Target	Achievement
Approvals	R300 million	R127 million
Commitments	R225 million	R154.8 million
Disbursements	R203 million	R145 million
Job Opportunities	1246	239
Disbursements outside the 5 main metros	R75 million	R56.1 million
Percentage of portfolio disbursed to businesses owned by Black women	35%	23.1%
Percentage of portfolio disbursed towards targeted provinces	45%	31.7%
Number of Seminars held	11	25
Entrepreneurial training sessions held	38	45
Number of entrepreneurs who successfully completed business incubation	10	24
Percentage of social facilitation sessions	23%	43.3%
Value of concluded partnerships	R25 million	R339.6 million
Return on investments	7%	12.9%
Collections	80%	80%
Impairments	25%	29%

(iii) 2024-25 financial year Q2 performance indicators versus achieved performance:

KPI	Target	Achievement
Approvals	R600 million	R463 million
Commitments	R450 million	R337.3 million
Disbursements	R405 million	R362.8 million
Job Opportunities	2 492	1 567
Disbursements outside the 5 main metros	R150 million	R209.4 million
Percentage of portfolio disbursed to businesses owned by Black women	35%	35.3%
Percentage of portfolio disbursed towards targeted provinces	45%	45.8%
Number of Seminars held	23	68
Entrepreneurial training sessions held	76	85
Number of entrepreneurs who successfully completed business incubation	20	38
Percentage of social facilitation sessions	45%	71.8%
Value of concluded partnerships	R50 million	R341.5 million
Return on investments	7%	11.6%
Collections	80%	80.1%
Impairments	25%	32.7%

(aa) turnaround time to process funding applications from receipt of the application to its acceptance or rejection:

Applications received for funding are registered on the NEF system and a letter of acknowledgement with a reference number is provided to the applicant within 48 hours.

The applications are allocated to the relevant unit for screening, and it takes between 7 to 14 working days depending on the volume received to screen the application and where necessary engage the applicant. The feedback also communicates whether the application will be processed further in the next assessment phase, or whether further information or compliance documents are required or whether the application has been declined.

The timeline to finalise an application across the investment value chain ranges between 6 weeks to 3 months – the process includes conducting due diligence, obtaining approval, signing of legal agreements and disbursements of funds. This depends on applicant's responsiveness in relation to commercial legal and financial requirements, particularly the provision of required information.

(bb) total number of applications received:

- The NEF received a total of 501 applications during the 2024/25 financial year. During the same period, the NEF received 2 784 enquiries from entrepreneurs regarding financial and non-financial support.

(cc) total number of applications rejected:

- A total number of 65 applications were rejected.

(dd) reasons for rejection of the applications:

- Incomplete applications
- Non-submission of required or supporting documents.
- Business is non-viable
- Credit risk related issues
- Does not fall within the NEFs mandate

(ee) rand value of applications broken down by size:

During the reporting period 2024-25, the majority of funding applications received fell within the lower to mid-value ranges, with a significant concentration in the R0–R1 million and R2–R10 million brackets. Only one application exceeded R100 million.

Range	Applications
R0m-R1m	101
R1m-R2m	38
R2m-R5m	92
R5m-R10m	74
R10m-R15m	41
R15m-R30m	40
R30m-R50m	32
R50m-R100m	32
>R100m	1

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