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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5165

Ms S Mosikatsi (ANC) to ask the Minister of Trade, Industry and Competition:
Given that broad-based participation in industrialisation and the creation of small, medium- and micro-enterprises (SMMEs) is critical for inclusive economic growth and job creation leading to transformation of the economy, and noting that the concentration of funding in the development finance institutions and financial sector has not translated to growth in the sector, what steps has his department taken to improve turnaround times and the accessibility of funding through its agencies, including (a) his department, (b) the Industrial Development Corporation and (c) the National Empowerment Fund for black industrialists and the creation of SMMEs? NW5572E

REPLY:

(a) The Department together with its development finance institutions, continue to implement measures aimed at improving the accessibility and turnaround times in the requests for funding for Black Industrialists (BIs) and SMMEs.

Some of the interventions implemented include the following:

- Aligning grant support with the Industrial Development Corporation (IDC) and the National Empowerment Fund (NEF), thereby reducing duplication and enabling applicants to access complementary sources of funding, as is the case with the Black Industrialists Scheme.

- Working to simplify and strengthen the funding application process to provide clearer programme requirements.

- Implementing the Online Incentive System to improve programme administration, enable more efficient processing, monitoring and decision-making, while maintaining the necessary due diligence and governance requirements.

- Improving accessibility through the Industrial Financing Portal, which was launched in March 2026. The Industrial Financing Platform is a centralised digital portal established to improve access to industrial finance. It enables businesses to identify, filter and compare grants, loans, equity and export-related financial support, assess eligibility and prepare for applications, while applications remain administered and assessed by the respective funding institutions. In addition, the platform shifts the funding search from a fragmented, institution-by-institution process to a single, streamlined digital platform, saving applicants, particularly SMMEs that do not have the resources and time to navigate multiple funding institutions and programmes time, improving accessibility and supporting faster progression through the funding process.

Measures implemented by the IDC to Improve Funding Accessibility and Turnaround Times

The IDC has implemented a range of measures to improve funding accessibility and turnaround times, particularly for black industrialists, SMMEs, youth-owned enterprises and businesses operating in priority sectors.

These include:

- Simplifying application and due diligence requirements for qualifying transactions to reduce administrative burdens and improve processing efficiency.
- Providing dedicated funding products and ring-fenced facilities targeted at black-owned businesses, emerging industrialists, youth-owned enterprises and other underserved groups.
- Enhancing digital platforms and client engagement processes to improve application tracking, communication and responsiveness to applicants.

- Conducting targeted regional outreach programmes and working with business support organisations, industry bodies and other stakeholders to increase awareness of funding opportunities and improve access to IDC services.
- Strengthening partnerships with commercial banks, development finance institutions, large corporates and sector-based organisations to broaden the reach of IDC funding and create stronger pipelines of fundable projects.
- Supporting investment opportunities in Special Economic Zones (SEZs) and other priority development areas to encourage broader participation in industrialisation.
- Continuously reviewing and refining internal approval, risk and governance processes to improve turnaround times while maintaining prudent lending standards.

In addition, the IDC is assessing further enhancements to its SMME funding capability, including dedicated systems, processes and risk frameworks aimed at improving service delivery, expanding coverage and increasing support for small businesses across all regions.

(b) **NEF**

The NEF has implemented a number of measures aimed at improving access to funding and reducing the turnaround times associated with the assessment and processing of funding applications from black-owned enterprises, including Black Industrialists and small, medium and micro-enterprises (SMMEs).

These measures are enabling the NEF to transition from predominantly manual and sequential processes towards a digitally enabled and increasingly automated investment-processing model, aimed at improving accessibility, reducing administrative processing times, providing earlier feedback to applicants and increasing the NEF's capacity to process a larger pipeline of black-owned SMMEs and Black Industrialists while maintaining appropriate investment and governance controls.

These include:

Improved accessibility through the Online Application Portal

In November 2025, the NEF launched its Online Application Portal, enabling entrepreneurs to submit funding applications electronically without having to physically visit an NEF office or submit applications through manual channels.

The portal provides entrepreneurs across the country with a more accessible and standardised channel through which to apply for funding. It guides applicants through the application process and the submission of the required supporting documentation, while applications are captured electronically into the NEF's processing environment. This intervention is particularly important in improving access for entrepreneurs located outside the major economic centres, including enterprises operating in townships and rural areas, by reducing the geographical and administrative barriers associated with accessing development finance.

The Online Application Portal has also improved the efficiency of the application intake process. Applications submitted through the portal are captured electronically and acknowledgement of receipt is generated in real time, compared with the previous predominantly manual process, which required applications received through email or physical submission to be manually captured before assessment could commence.

Improved accessibility through Regional Offices and Entrepreneur Development Training

The NEF has expanded accessibility to funding through its national network of regional offices, which provide entrepreneurs with direct access to information, funding guidance and application support closer to where they operate. In addition, the NEF conducts Entrepreneurship Training Program across the country to equip potential entrepreneurs with the business skills required, through this program, assist them to prepare bankable funding applications, not only for the NEF but also for other funding institutions. These initiatives are complemented by ongoing national and regional marketing and awareness campaigns, stakeholder engagements and outreach programmes aimed at increasing awareness of the NEF's products and services, particularly among black entrepreneurs, SMMEs and businesses operating in underserved and rural areas.

Automation of eligibility and documentation verification

The NEF has further introduced automated eligibility screening and document verification as part of the modernisation of its pre-investment processes.

Historically, the verification of application documentation and assessment of compliance with funding requirements were largely manual processes. These activities required investment personnel to review individual documents and identify outstanding information before an application could progress to commercial assessment.

The automated process enables submitted information and supporting documentation to be assessed against defined eligibility and documentation requirements significantly faster. It also assists in identifying missing, incomplete or inconsistent information at an earlier stage of the application process.

This allows applicants to receive earlier feedback on documentation deficiencies and provides an opportunity for these deficiencies to be addressed before an application proceeds further into the investment assessment process.

Automation of preliminary commercial viability assessment

The NEF is also implementing automation within the preliminary commercial viability assessment process. The automated assessment is intended to support investment professionals by conducting an initial assessment of applications against predetermined investment and viability criteria.

The purpose of the automation is not to replace investment judgement or the NEF's governance and approval processes. Rather, it enables routine assessment activities to be completed more efficiently and allows investment professionals to concentrate their time on applications requiring detailed commercial assessment, due diligence, transaction structuring and investment decision-making.

The combined automation of application intake, documentation verification and preliminary viability assessment is intended to create a more efficient end-to-end pre-investment process, thereby reducing the period between submission of an application and the determination of whether an application is sufficiently complete and viable to proceed to detailed due diligence.

Strengthening the Pre-Investment function

The NEF has further strengthened its Pre-Investment function to provide a dedicated front-end capability for the screening, assessment and preparation of applications before they are allocated for detailed investment assessment.

The function is intended to improve the quality of applications entering the investment pipeline, identify documentation and viability gaps earlier and reduce the amount of investment professional capacity spent processing applications that are materially incomplete.

Importantly, where applications do not initially meet documentation requirements, the NEF's approach also provides for applicants to be informed of the deficiencies identified so that they can strengthen and, where appropriate, resubmit their applications. This is particularly relevant for emerging SMMEs that may require additional guidance in preparing funding-ready applications.

Improving access through regional and targeted funding interventions

Digitalisation is complemented by the NEF's physical and programme-based channels for reaching entrepreneurs. The NEF continues to utilise its regional presence and targeted funding programmes to broaden access to development finance, particularly for enterprises located in underserved markets, townships and rural areas.

These channels are important because improved accessibility to development finance requires both digital access and appropriate institutional support. Entrepreneurs who are able to transact digitally can access the NEF through the Online Application Portal, while regional and programme-based interventions provide additional support to

enterprises that may require assistance with investment readiness and application packaging.

Expected impact on turnaround times and access to funding

Through these interventions, the NEF is progressively moving from predominantly manual and sequential processes towards a digitally enabled and increasingly automated investment-processing model.

The improvements are designed to:

- provide entrepreneurs with easier and more geographically inclusive access to NEF funding;
- reduce manual capturing and administrative processing of applications;
- provide faster acknowledgement and feedback to applicants;
- identify incomplete applications and documentation deficiencies earlier;
- accelerate eligibility screening and preliminary viability assessments;
- improve the quality of applications progressing to detailed due diligence;
- enable investment professionals to focus on commercially viable and investment-ready transactions; and
- increase the NEF's capacity to process a larger volume of applications while maintaining the necessary investment and governance controls.

These measures form part of the NEF's broader institutional modernisation programme aimed at improving the accessibility, responsiveness and efficiency of development finance. They are intended to strengthen the NEF's ability to support a larger pipeline of black-owned SMMEs and Black Industrialists, including enterprises operating in township and rural economies, thereby contributing towards broader participation in industrialisation, enterprise development, employment creation and economic transformation.

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