



# Strategy Planning Presentation

Parliament, Cape Town

2 May 2017

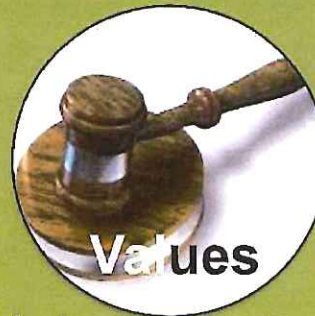


# Vision, Mission & Values



**Mission**

To facilitate the accelerated  
productive implementation of  
the Act



**Values**

An inclusive economy is our first  
consideration  
Open access and availability to  
all economic citizens  
Impartiality and Consistency  
Accountability for all decisions  
and actions taken by us  
Zero tolerance to corruption



**Vision**

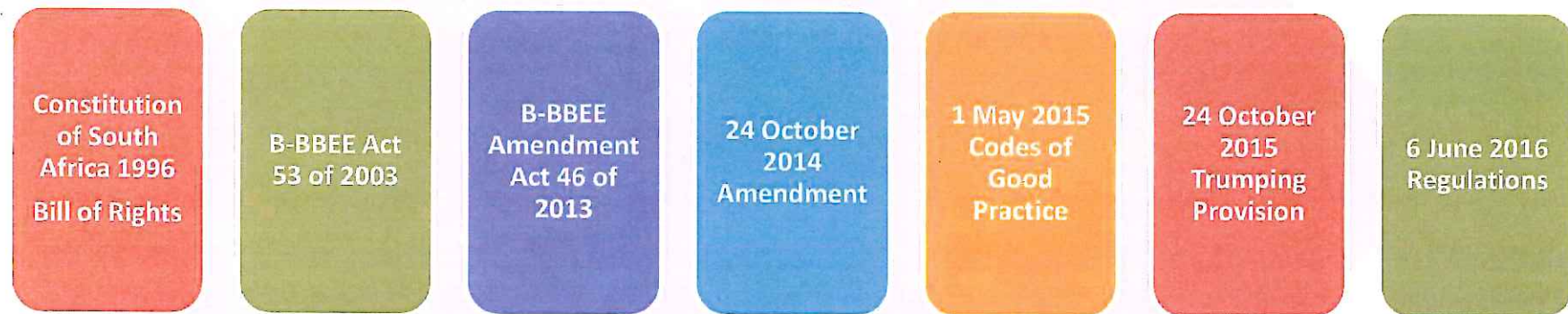
An inclusive economy that is  
globally competitive

**An inclusive economy, together!**

# Background

**Fronting Practices  
Misalignment  
Inconsistent interpretation**

**B-BBEE  
Commission  
s13B**



**Redress = Equity & Equality – Inclusive Economy**



# B-BBEE Elements

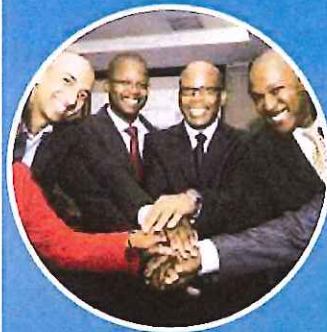


## Ownership

(Priority)

25 points

Exercisable voting rights, economic interest and net value



## Management Control

19 points

Merged with Employment Equity

Economically Active Population (EAP)



## Skills Development

(Priority)

20 points

Changed from 3% to 6%

Employees and Non-Employees



## Supplier & Enterprise Development

(Priority)

40 points

Beneficiaries QSEs and EMEs 51% black owned



## Socio-economic Development

5 points

1% Net Profit After Tax (NPAT)

75% beneficiaries black people



Eight Recognition Levels



# Objectives of the B-BBEE Act

Promoting economic transformation to enable meaningful participation of black people

Achieving substantial change in racial composition of ownership and management structures

Increasing ownership and management by communities, workers, cooperatives and other collective enterprises

Increasing ownership and management by black women and access to economic activities

Promoting investment programmes to achieve sustainable development and general prosperity

Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills

Promoting access to finance for black start-ups, SMMEs, cooperatives, black entrepreneurs, including those in informal business sector

Increasing effective economic participation and access to financial and non financial support



# Our Mandate

## Functions (s13F)

Monitor, supervise and promote adherence – in the interest of the public

Strengthen collaboration between private and public sectors – safeguard the objectives

Receive complaints or initiate - investigations

Promote advocacy, access to opportunities and educational programmes

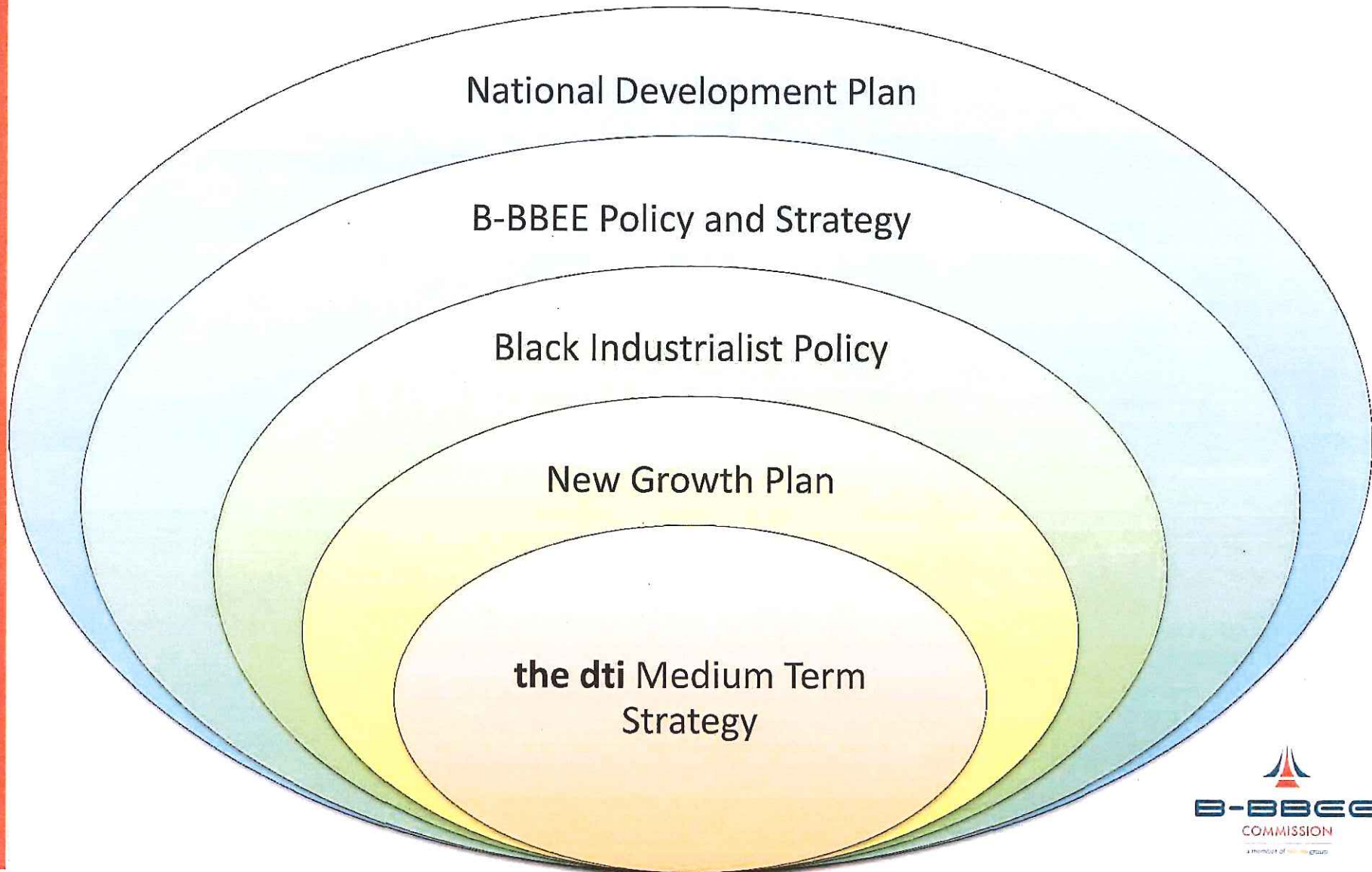
Maintain register of major B-BBEE transactions (meeting threshold)

Receive and analyse prescribed reports (listed entities, SETA, Public Entities, Organs of State)

Promote good corporate governance and accountability

Increase knowledge and public awareness (guiding, declaratory order, researching)

# Guiding Our Strategy





# Operational Situation

- No significant progress in transformation through B-BBEE
- Lack of understanding of the B-BBEE Act and Codes of Good Practice
- No credible or reliable information on the state of B-BBEE
- Fronting practices and fraudulent B-BBEE certificates
- Poor verification processes and gap in regulating verifiers
- Sector codes still not aligned with revised Codes of Good Practice and causing confusion
- Tick box approach to B-BBEE compliance and poor advice through consultants
- Increased requests for advice and clarification from B-BBEE Commission



# SWOT Analysis

Strength	Weaknesses
<ul style="list-style-type: none"><li>Dedicated Team and Expertise</li><li>Clear mandate and regulatory certainty</li><li>Ability to simplify the legislation</li><li>Understanding of complementary legislation</li></ul>	<ul style="list-style-type: none"><li>Office space</li><li>Financial and human resource constraints</li><li>Limitations in the legislation</li><li>Bureaucracy and red tape</li><li>Lack of speed in decision-making</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>Raising additional revenue through fees</li><li>Building relations and collaborations</li><li>Influencing the economic discourse</li><li>Learning, creativity and innovation</li><li>Creating the ideal organisational culture</li><li>Education, awareness and advocacy</li></ul>	<ul style="list-style-type: none"><li>Lack of political buy in</li><li>Negative reports</li><li>Circumvention and lack of cooperation</li><li>Resistance by stakeholders and government entities</li><li>Low conviction rate</li><li>Black people fronting themselves</li></ul>



# Key Focus Areas

The following are the key strategic objectives:

- Safeguarding the outcomes of an inclusive economy
- Implementing corrective enforcement to achieve compliance
- Researching, analysing and reporting on the state of transformation
- Collaborating with relevant stakeholders to advance transformation
- Developing capability and capacity of the B-BBEE Commission to deliver on its mandate



# Strategic Outcome Orientated Goals (Towards 2030 NDP Vision)

STRATEGIC GOALS	STRATEGIC GOAL STATEMENT
<ul style="list-style-type: none"> <li>• Safeguarding the outcomes of an inclusive economy</li> </ul>	<ul style="list-style-type: none"> <li>▪ NDP Outcome 4 - Decent employment through inclusive growth.</li> </ul>
<ul style="list-style-type: none"> <li>• Implementation corrective enforcement to achieve compliance</li> </ul>	<ul style="list-style-type: none"> <li>• NDP Outcome 11 - Create a better SA and better world.</li> </ul>
<ul style="list-style-type: none"> <li>• Researching, analyzing and reporting on the state of Transformation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facilitate broad-based economic empowerment through targeted interventions to achieve more inclusive growth.</li> </ul>
<ul style="list-style-type: none"> <li>• Collaboration with relevant stakeholders to advance transformation</li> </ul>	<ul style="list-style-type: none"> <li>• NDP Outcome 12 - An efficient, effective and development-orientated public service.</li> </ul>
<ul style="list-style-type: none"> <li>• Developing capability and capacity of the Commission to deliver on its mandate</li> </ul>	<ul style="list-style-type: none"> <li>• NDP Outcome 12 - An efficient, effective and development-orientated public service.</li> </ul>



# To safeguard the outcomes of inclusive economy

Strategic Objective	Description	Output/Deliverable
Guide the implementation of the Act	The Commission provide guidance to specific queries and request for advice, as well as formulate directives, explanatory notes and clarification on the approach and interpretation of the Act.	Advisory Opinions
		Practice Notes/Guides
		Guideline / brochures
Assess B-BBEE Transactions and provide advice	Compliance checks prior to deals being completed to reduce the number of violations.	Compliance with the Act and Corporate Governance
		Register of B-BBEE Transactions
		Develop leniency programme



## To implement corrective enforcement to achieve compliance

Strategic Objective	Description	Output/ Deliverable
Conduct both proactive and reactive Investigations	Initiate pro and re-active investigations and produce report with recommendations – include summons, public hearings and raids where required	Report on Investigations
Encourage and guide resolution to disputes	Resolve and refer cases for mediation or alternative dispute resolutions for amicable settlements	Settlement Agreements
	Monitoring conditions of settlement agreements	Consent Agreements
	Referral to other regulatory entities	Notice of referral Referral report
Initiate prosecution when necessary	Refer cases for prosecution – include exploring damages award	Cases referred for prosecution



COMMISSION  
a member of the group



# Researching, analyzing and reporting on the state of transformation

Strategic Objective	Description	Outputs/ Deliverables
Collect and analyse real time data by economic sectors	Collection of data for analysis and monitoring of trends through media and other avenues for production of sector reports and trends tracking	Sector Report
		Real time database trend tracking
Report on National Status and Transformation Trends	Collect, collate and analyse transformation status and trends and produce an annual report for publication	'National Status' Annual Report



## Collaboration with relevant stakeholders to advance transformation

Strategic Objective	Description	Outputs/ Deliverables
Build mutual relationships with selected partners	Identify partners, set-up meetings, agree on areas of mutual interest and enter into memoranda of agreement/ binding agreements	Memoranda of Cooperation
		Binding agreements with enforcement Agencies



# Developing capability to deliver its mandate

Strategic Objective	Description	Outputs/ Deliverables
Develop an ICT Strategy and infrastructure	Assess B-BBEE Commission's needs, engage with stakeholders, conduct benchmark study, collect information, confer with stakeholders and develop ICT strategy for approval by Commissioner	ICT 5 year plan
Develop and maintain Support Systems	Agree on priority, confirm resources (human and financial), draft terms of reference, procure/develop systems with inputs/ approval by user/s	Financial system for leadership decision making and compliance
		Human Resource System
		Performance Management System
Staff the Commission and develop talent pipeline with capability capacity ahead of demand	Develop a strategy, identify areas needing capacity, engage with institutions of higher learning, identify interventions, recruit, and induct, place and mentor graduates	Internship and trainee Programme



# Risk Management

RISK	MITIGATION
New ICT infrastructure to support new Commission	Develop and implement an ICT strategy Align systems, policy and procedures Resource plan optimally
Inadequate human resource to deliver on the mandate	Graduate training scheme – build capacity organically Multiskilling programmes, training and development
Insufficient financial resources to effectively execute the Commission's mandate	Apply for re-allocation of <b>the dti</b> budget Scale strategy as appropriate and prioritise Limit communication to high impact
Non-compliance with corrective action and recommendations to stakeholders	Education Advisory notes and guidelines Engagement plan
Litigation	Proper investigation plan Adequate legal support



# Financial Plan

<b>Economic Classification</b>	<b>2017/18 RM</b>	<b>2018/19 RM</b>	<b>2019/20 RM</b>	<b>2020/21 RM</b>	<b>2021/22 RM</b>
Compensation of Employees	66 000	70 000	75 000	81 000	87 000
Goods and Services	26 000	27 000	29 000	31 000	33 000
<b>Total operational expenditure</b>	<b>92 000</b>	<b>97 000</b>	<b>104 000</b>	<b>112 000</b>	<b>120 000</b>
Payment for capital assets	20 000	10 000	6 000	7 000	8 000
<b>Total expenditure</b>	<b>112 000</b>	<b>107 000</b>	<b>110 000</b>	<b>119 000</b>	<b>128 000</b>

# Human Resource Plan

Projected Number of Employees	2017/18	2018/19	2019/20	2020/21	2021/22
Number of permanent employees	113	118	118	118	118
Number of interns and/ trainees	10	10	10	10	10
<b>Total Staff Complement for the Programme</b>	<b>123</b>	<b>128</b>	<b>128</b>	<b>128</b>	<b>128</b>



# Status as at 31 March 2017

Activity	
Advisory opinions	48 (25 days average turnaround time)
Clarifications	391 (3 days average turnaround time)
Meetings	189
Complaints	218
Compliance Reports	50 out of 138 due by September 30
Information sessions/presentations	25
B-BBEE Transactions	Aveng, Pinnacle, Acelor Mittal, SKF, Adcock Ingram, MTN, SERR, Net Value Holdings,
Fraudulent Certificates	46 certificates declared invalid B-BBEE Certificate Portal 1 April 2017
Report on State of Transformation	Baseline Study by Who Owns Whom Benchmark Study by Mthente Consulting

**Thank you!**