



Broad-Based Black Economic Empowerment Commission

Annual Performance Plan

2022/23- 2024/25

Tabling Date: 2022

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Official Sign-off

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Broad-Based Black Economic Empowerment Commission (“B-BBEE Commission”) under the guidance of the Entity Oversight Unit of **the dtic**. Considered all the relevant policies, legislation and other mandates for which the Broad-Based Black Economic Empowerment Commission has authority.

This plan reflects the impact and outcomes which the B-BBEE Commission will endeavour to achieve over the period 2022/23 to 2024/25.

The Annual Performance Plan reveals the strategic goals and objectives which the B-BBEE Commission will consider over the three-year period starting from 2022/23 – 2024/25 in order to achieve its mandate. It also takes into account all relevant policies, legislation for which the B-BBEE Commission is responsible.

Ms. Nontokozi Nokhwali-Mboyi
Chief Operations Officer


31/03/2022
Signature

Ms. Moipone Amanda Kgaboesele
Executive Manager Investigations & Enforcement


Moipone Kgaboesele
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Ms. Lindiwe Madonsela
Acting Executive Manager Compliance


Lindiwe Madonsela
Mar 31 2022
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Ms. Zodwa Ntuli
Accounting Officer


31/03/2022
Signature

Mr. Ebrahim Patel
Executive Authority


Signature

Executive Authority Statement

The Annual Performance Plan (APP) identifies the outputs, output indicators and targets that an entity aims to achieve in the new financial year. The Executive Authority is responsible for providing direction on the development and implementation of policies and strategic priorities of entities in line with their respective mandates, and to ensure the APP is aligned to government's priorities.

The environment in which the APPs of the Department of Trade, Industry and Competition (**the dtic**) and our entities have been formulated remains challenging, given the impact of the COVID-19 pandemic, the July 2021 unrest and more recently the Russia/Ukraine war. At the same time, determined efforts by the Administration has seen signs of economic recovery and greater investor confidence in economic prospects. In this light, Government's priority focus continues to be the recovery of growth, investment and employment, guided by the Economic Recovery and Reconstruction Plan adopted in 2020, and the tasks outlined by President Ramaphosa in the 2022 State of the Nation Address.

This APP is expected to take forward the strategic shift initiated in 2021/2022 toward strengthened implementation and impact of **dtic's** work, through greater integration of efforts within the department and our entities, guided by shared, crosscutting outcomes and joint performance indicators. In this regard, the work of **the dtic** and the entities will be evaluated in relation to three over-arching Outcomes (which incorporate the previous "Joint-KPIs") namely **Industrialisation**; **Transformation**; and **Capable State** (Implementation/ Effective Delivery). In this way these Outcomes more deliberately and directly inform respective outputs and KPIs of the department and entities.

In turn, the scope of the outputs collectively still encompass the identified **dtic's** priorities, which include among others, the work of sector masterplans, initiatives to boost levels of investment and localisation in the economy, expanding trade within the continent, enabling better local economic development, supporting the growth of new industries (in the green economy and through beneficiation) and building a capable state, in particular addressing red tape as prioritised by the President in the 2022 State of the Nation Address.

Every entity in the **dtic** has been requested to align their APPs to the three outputs, it being recognised that a particular entity's core business links more clearly and strongly to one or the other of the overarching Outcomes, than to others.

This APP represents the outcome of the work done by the B-BBEE Commission. Following the tabling of the APP by the **dtic** itself, each entity of the Department will be expected to consider such additional refinement and additions to be made and following completion of the review, such an addendum to this APP may be submitted in due course after the tabling.

This APP is therefore not about many new objectives but rather on a new way of implementation, with the focus on integration, to enhance the development impact of the work.

I accordingly table the APP for 2022/23 in accordance with the request by the Speaker.

I wish to thank the management for the work done and wish them well in executing the APP and aligning their work to government's overall programmes and priorities.



Ebrahim Patel
Minister of Trade, Industry and Competition

Accounting Officer Statement

The Broad-Based Black Commission ('B-BBEE Commission") has a continuing commitment of protecting the public from fronting schemes by monitoring compliance with the B-BBEE Act in a manner that seeks to promote economic transformation and give effect to the equality right in the Constitution. This document gives expression to the B-BBEE Commission's Annual Performance Plan as guided by the Strategy Plan strategic priorities for the next three (3) years (2022 – 2025) based on Government's MTSF priorities, in particular the one relating to Economic Transformation and Job Creation. This priority also forms part of government's key strategy to promote economic inclusion and transformation and revitalization of the economy following the negative impact of the COVID-19 pandemic which resulted in increased unemployment and small business collapse. The B-BBEE Commission's plans are informed by its mandate as fully articulated in section 13F of the B-BBEE Act, 2003 (Act No. 53 of 2003) as amended by Act No. 46 of 2013.

We identified strategic outcomes as our focus areas for the next three (3) years bearing in mind their contribution towards the achievement of the National Development Plan (NDP), the Economic Restructuring and Recovery Plan and Medium Term Strategic Framework for 2022/23-2026/27. The purpose of these strategic outcomes is to improve compliance through advocacy, effective monitoring of transformation patterns in South Africa, attainment of consistency in the interpretation of B-BBEE legislation and increased number of compliance reports submitted to us in line with section 13G of the B-BBEE Act's reporting requirements. The contribution of such strategic outcomes to the overall impact is dependent on compliance by both public and private sector as key role players.

Having regard to external environment from a governmental, environmental, social, economic, technological, and legal perspective, we have also identified opportunities and threats to the implementation of our mandate. These opportunities and threats have been linked to the internal environment of the organisation to develop lasting solutions exacerbated by its delayed listing as a public or trading entity.

Our oversight role is becoming more challenging and dynamic as industry players continue to devise sophisticated fronting schemes, including recognising discretionary and charitable schemes that are not provided for in the B-BBEE Act as black ownership schemes. These kinds of schemes are identified during the assessment of major B-BBEE transactions that are registered with us daily and in the complaints lodged with us by various stakeholders. While there are legitimate ownership schemes, including broad-based schemes, we remain vigilant to root out fronting disguised as empowerment.

In the five-year period of monitoring the implementation, we have created a sound foundation for informed interpretation of the provisions of the B-BBEE Act and contributed towards the creation of jurisprudence on B-BBEE matters. The implementation has also confirmed the legislative gaps we identified in 2016 during the first strategy session, which include the weak institutional mechanism, lack of dedicated tribunal or court for fronting matters, over-criminalisation and absence of administrative prohibitions and penalties to effectively deal with non-compliance, as well as lack of consequence for non-reporting and non-adherence with section 10 by public entities and organs of state.

Currently South Africa is the most unequal society in the world according to the World Bank. StatsSA population estimates for 2019 showed that Black people were at 92.1% and White people at 7.9% of the population. Further, economically active population (EAP) reflected Black people at 91.3% and White people at 8.7%. The *National Status & Trends on B-BBEE* report of the B-BBEE Commission shows overall black ownership in 2020 to be at 31% (27%: 2017) with black women ownership at 15% (9%: 2017), while the 100% black owned entities on the JSE have regressed to 0% in 2020 from 3.3% in 2019 (1%: 2017). Over 90% black people own only about 30% of the economy while white people who account for less than 10% of the population own about 70%.

In 2020 black management control on the JSE was at 28% while the public sector was sitting at 65.8%, indicating the public sector as more reflective of the demographics of the country than the private sector. The figures regressed for the private sector when compared to previous periods. For the 2020 calendar year, overall contribution towards Skills Development recorded an increase to 60% (37%: 2017), which in real terms translated to R11,2 billion spent by JSE entities and R1,8 billion by public sector in the one year alone. Also increased are contributions made towards Enterprise and Supplier Development at 61% (44%: 2017) and Socio-Economic Development at 90% (88%: 2017), which should assist with economic recovery.

Through B-BBEE, there is potential for ownership patterns to change but increased opportunities and funding for black people to make acquisitions or create new black owned businesses must be made available to accelerate the pace. Based on the *Major B-BBEE Transactions Analysis Report* of the B-BBEE Commission, 95 black ownership deals filed in 2018/19 FY amounted to R 111,938 billion in transaction value while 272 filed in 2017/2018 accounted for R188,7 billion. As at 2020/21 financial year, a total of 528 transactions had been filed. This is indicative of the increased drive to comply and contribute to economic transformation although we accept that the pace must be accelerated.

These deals are made possible by the B-BBEE Act to facilitate the transfer of ownership to black people. To fund these deals, private sector entities contributed over 30% to vendor-finance the acquisitions, about 18% was financed by banks and 2.8% funded by government funding institutions, with 10% done as share swaps, and the rest in other mixed forms of funding. New entrants have, however, decreased possibly due to lack of funding. The private and public sector entities must be encouraged to increase investment towards the funding of black entrepreneurs as envisaged in Statement 400. At this point reports show that entities are barely spending 50% of the 3% net profit after tax annually. With the impact of the Covid-19 pandemic on black businesses, the pooling of these contributions through a public-private coordinated mechanism will enhance proper deployment to support black businesses that are in dire need for capital injection to sustain production and jobs.

Of the 528 deals filed as at 2020/21, 148 (28%) were rejected for not complying with filing requirements and 380 were registered, however, 113 (29,7%) of the 380 registered were found to not meet the ownership test and were referred for investigation for possible fronting and misrepresentation as they failed to remedy the deals. Fronting continues to threaten the success of black economic empowerment. We saw two attempts to challenge the interpretation of the B-BBEE Commission on ownership by *PR Wiehahn (Pty) Ltd* whose case

has not been pursued since the B-BBEE Commission filed its papers to defend, and *Multichoice Africa* who notified us of the intention to challenge the B-BBEE Commission's interpretation, which has since been discontinued by *Multichoice Africa*. We accept that challenges of this nature will assist to provide the much needed direction on contentious matters, however, in the absence of a successful challenge in court, the position of the B-BBEE Commission as the only regulatory entity entrusted with B-BBEE oversight stands and ought to be adhered to.

Evidence on fronting in investigations show that some ownership deals that purport to facilitate the transfer of ownership in fact end up stripping black shareholders of participation rights, economic benefits and the ability to ultimately own the stake/asset purported to be for black people, with indicators such as reduced voting rights, non-existent dividend flow and perpetual re-financing resulting in over-indebtedness. As the B-BBEE Commission was set up to also investigate fronting, as at 2020/21, it handled 909 complaints and has issued findings in 423 (47%) cases, resolved 22 (2%) through Alternative Dispute Resolution, issued non-investigation notices in 276 (30%), which amounts to a breakthrough in about 79% of the cases handled over the period. 83% of cases handled is still on fronting. The complaints numbers fluctuated each year, with the highest numbers recorded in 2016/17 at 222 and 2019/20 with 243, the other years were below two hundred each. Noted though is that the quality of the complaints has improved with less notices of non-investigation being issued. Some entities have shown the upfront wish to correct alleged violations resulting in remedial recommendations that are monitored by the B-BBEE Commission.

We remain concerned about the indifferent approach by the public and private sector entities towards the reporting obligations under section 13G of the B-BBEE Act which requires that all organs of state, public entities and JSE listed entities submit annual compliance reports to the B-BBEE Commission using the B-BBEE score card applicable. Only 33% of the JSE listed entities and 9% of the organs of state and public entities submitted their compliance reports for 2020, a significant decline that may be a demonstration of resistance and blatant disregard of the transformation laws. In this regard we have been compelled to invoke the enforcement provisions of the B-BBEE Act and act against the non-reporting entities who are in breach of the B-BBEE Act and as such these entities have been referred for investigation.

It is regrettable that some organs of state and public entities have argued that they have no obligation to report as prescribed in the regulations, in particular the *Western Cape Government* has communicated in writing that it will not adhere to the written advice issued to them to comply with the reporting requirements. Also regrettable is the resistance by some of the JSE listed entities that object to submission of the breakdown of their ownership structure for proper assessment, with most arguing that the ownership information is not available. Absence of evidence to support claims is an indication that the said claims may be false or are mere fronting schemes and such matters have been referred for site visits or investigation for possible fronting and misrepresentation. A full report on the outcomes of the investigations conducted will be published and where breaches of the B-BBEE Act are confirmed, actions permitted under the B-BBEE Act will be pursued for effective consequence management with the B-BBEE Act framework.

Whereas the independent *Impact Assessment Study* conducted by DNA Economics on the B-BBEE Commission show that the level of understanding of B-BBEE has increased somewhat, including the quality

of the verification processes and initiatives being implemented, the scourge of fronting and resistance to transformation remain as a threat towards the successful implementation of the B-BBEE Act. Also, there is still inconsistent application of the B-BBEE Act caused by non-aligned sector codes, such as the *Integrated Transport Sector Code* which still has not been aligned to the 2013 Codes of Good Practice as well as the drive to incorrectly pass the *Mining Charter* as a sector code, which continues to create unnecessary confusion that undermine the amendments that were effected in 2013. In this regard the B-BBEE Commission has made submissions to the Minister of Trade, Industry and Competition to facilitate measures to align in light of section 3 (2) of the B-BBEE Act that provides for the B-BBEE Act to trump any legislation that is in conflict with it on B-BBEE matters. The B-BBEE Commission will continue to engage and coordinate with **the dtic** to improve coordination that will achieve the harmonisation and coherence that the 2013 amendments envisaged.

Having said the above, we believe there is still a need to drive our compliance driven strategy to encourage voluntary compliance, which means we must continue to raise awareness, provide free advice and educate stakeholders and the public in general about the need and benefits of B-BBEE in economically empowering black people. Since we have over the five years focused our resources on assisting entities to achieve voluntary compliance, we have now escalated the pressure by commencing with the corrective enforcement strategy, which includes issuing and publicising findings, enforcing implementation of remedial recommendations, referring criminal offences to criminal law enforcement agencies for investigation and possible prosecution and pursuing cancellation or withdrawal of contracts, licenses, grants and other authorisations obtained through misrepresented information. Further, we aim to also refer all findings that have not been remedied to National Treasury for the offending entities to be included in the list of restricted suppliers so that entities found to have engaged in fronting and misrepresentation are barred from doing business with government.

Invoking the corrective enforcement strategy will inadvertently lead to court challenges as entities exercise their rights to review the findings of the B-BBEE Commission as provided for in the B-BBEE Act and in such instances, the B-BBEE Commission will defend its decisions. It is important to note that of the 909 cases dealt with in the five-year period, 79% have been finalised and with findings issued in 423, of these less than 2% are being challenged in the High Court and the B-BBEE Commission is defending the matters with one case filed by *CRRC E Loco Supply (Pty) Ltd* already decided in favour of the B-BBEE Commission, which the parties are appealing.

The court challenge by *CRRC E Loco Supply (Pty) Ltd* was on a fronting complaint involving the *CRRC E Loco Supply (Pty) Ltd* ("**CRRC**"), an entity which was incorporated as a joint venture between CSR: Zhuzhou Electrical Locomotives (a Chinese-owned entity) ("**CSR**") with 70% shareholding and Matsete Basadi Consortium ("**MBC**"), a B-BBEE empowered entity with 30% shareholding. *CRRC E-LoCo Supply* was established for CSR to fulfil various contractual obligations to design, manufacture, test and supply locomotives to Transnet SOC Limited with MBC as its B-BBEE partner. The entity challenged the fronting findings made by the B-BBEE Commission after investigation. The court ruled that the contract between CSR Zhuzhou Electrical Locomotives and Matsete Basadi Consortium (MBC) was just a ruse designed to disguise a window dressing type of a relationship as an empowerment deal.

We have also published summary of the findings made by the B-BBEE Commission with the most recent publication exposing fronting of employees in the African Tuna Traders CC case for which the B-BBEE Commission has made a recommendation for the Department of Water, Fisheries and Forestry to consider withdrawal of the fishing rights allocated to African Tuna Traders CC on the basis of the fronting scheme orchestrated for purposes of obtaining the fishing rights. Further, we exposed benefits granted to persons that do not qualify to benefit under the B-BBEE Act in the following cases:

B-BBEE Commission // Vicky Adey Consulting CC - The close corporation misrepresented its B-BBEE status using the credentials of a Nigerian national Olufunsho Adebayo Ademoye. The entity had obtained CIDB grading using the false credentials and also got placed on panels of 4 organs of state for procurement purposes.

B-BBEE Commission // Forklift Parts World (Pty) Ltd - The company misrepresented B-BBEE status using the credential of two Chinese nationals who are just permanent residents. The entity agreed to implement remedial recommendations.

B-BBEE Commission // FRS Warehousing CC t/a EPS Courier Services - Mr Evert Philip Serfontein, a white male misrepresented his close corporation as 100% black owned entity arguing that he was informed by his mother before passing that his real father was a coloured man, but failed to substantiate the claim with any evidence.

B-BBEE Commission // Stellar Events (Pty) Ltd & Others - Stellar Events (Pty) Ltd, Finsolve Solutions CC and GNL Management Services CC misrepresented B-BBEE status from the credentials of Ms. Marion Mbeiza Kafuko, a permanent resident of the Republic of South Africa. Finsolve Solutions CC and GNL Management Services CC failed to conduct proper verification.

To enhance the enforcement mechanisms and achieve synergies, we will continue our coordination with the regulatory entities such as CIPC, Competition Commission, Commission for Employment Equity and Companies Tribunal and to increase joint awareness campaigns to reach more stakeholders, especially in rural areas. We remain focused on contributing to government's drive for economic transformation and job creation to increase participation of previously disadvantaged group in the mainstream economy. The economic inclusion imperative can be addressed through imposition of local content requirements and correcting deceptive ownership transactions/structures while encouraging simple and less restrictive funding packages for black entrepreneurs and businesses by the public and private sector measured entities, as well as focused skills development linked to scarce skills required in the economy.

Further, encouraging and investing in the local manufacturing will help grow the local industries, and position SMMEs to the South African market. Therefore, incentivising companies through B-BBEE scorecard to manufacture and buy local will enhance opportunities for jobs and contribute to industrialisation of the South African economy in achieving government's agenda to boost economic growth and enable deeper levels of economic inclusion and transformation. The B-BBEE Commission's five-year Strategic Plan (2022 – 2027)

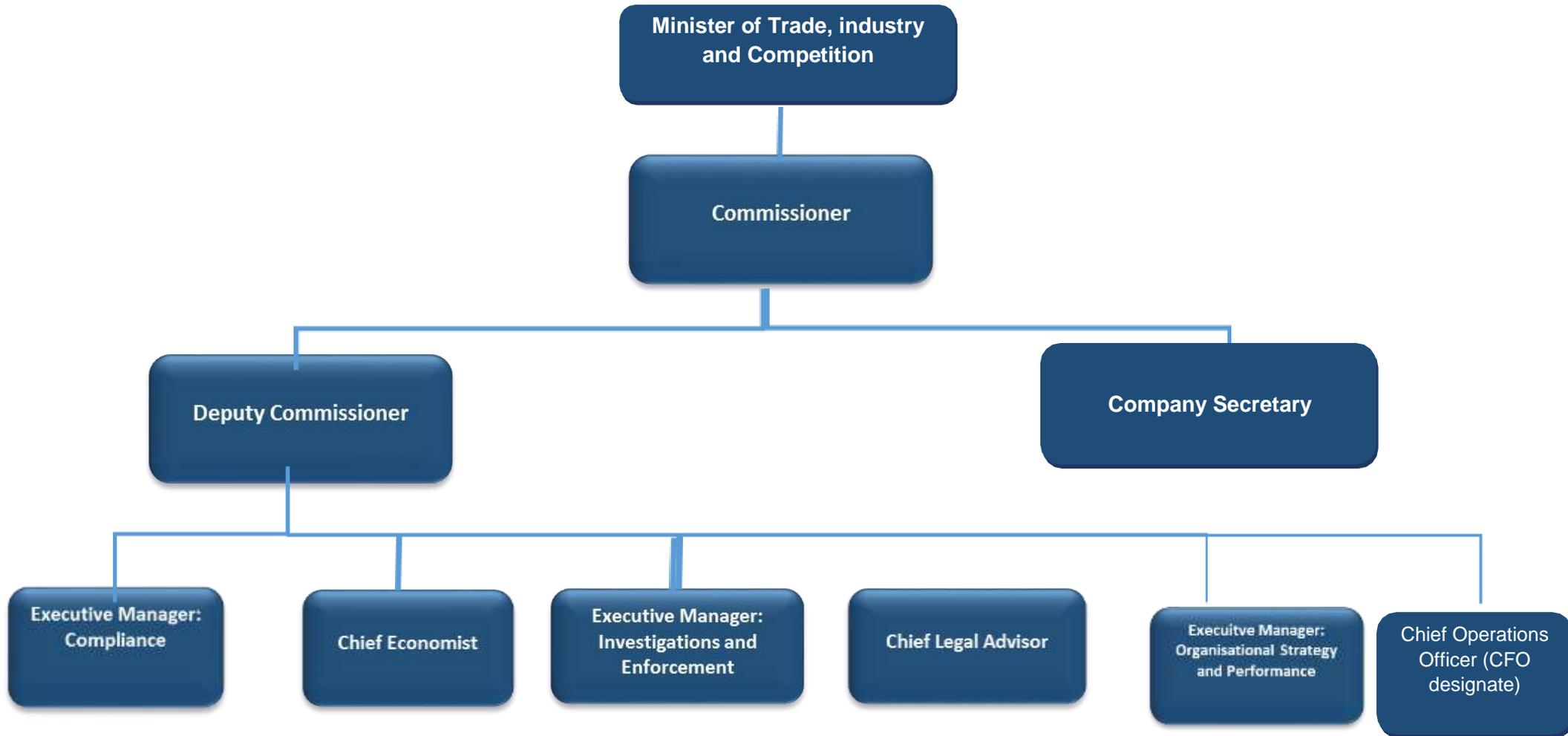
will ensure the strengthening and execution of its mandate and embracing the fourth industrial revolution thereby improving competitiveness through the use of ICT.

Despite the pending listing as an entity which has impacted the ability to recruit staff to fulfil our mandate, we are proud of our employees and their contribution towards building a sustainable economy for South Africa. All of the staff members at the B-BBEE Commission are performing beyond expectation and go an extra mile given that we do not have resources to perform this critical mandate as the mandate remains unfunded. Appreciation is extended to the majority of the stakeholders that have come to embrace and support us to achieve beneficial B-BBEE initiatives.



Ms. Zodwa Ntuli
Commissioner

Broad-Based Black Economic Empowerment Commission Organisational Structure



PART A: Strategic View

1. Update to Relevant Legislative and Policy Mandate

The Broad-Based Black Economic Empowerment Act (Act 53 of 2003) was enacted in 2003 pursuant to the 1996 Constitution of the Republic of South Africa, and amended in 2013 (Act 46 of 2013), which amendments became effective from 24 October 2014. The B-BBEE Commission is established as an entity within the administration of the Department of Trade, Industry and Competition (**the dtic**) in terms of section 13B the B-BBEE Act to oversee and monitor the implementation of the B-BBEE Act, including acting against fronting practices and misrepresentation.

The B-BBEE Commission has jurisdiction throughout the Republic; must be impartial and perform its functions without fear, favour or prejudice; and must exercise the functions assigned to it in terms of the Act or any other law in the most cost-effective and efficient manner; and in accordance with the values and principles mentioned in section 195 of the Constitution, 1996. In terms of section 13E of the B-BBEE Act, the B-BBEE Commission is financed from money that is appropriated by Parliament for the B-BBEE Commission; and money lawfully received from any other source. The Auditor-General must audit the B-BBEE Commission's financial records every year.

The functions of the B-BBEE Commission are outlined fully in section 13F of the B-BBEE Act as follows:

- (a) to oversee, supervise and promote adherence with this Act in the interest of the public;
- (b) to strengthen and foster collaboration between the public and private sector in order to promote and safeguard the objectives of broad-based black economic empowerment;
- (c) to receive complaints relating to broad-based black economic empowerment in accordance with the provisions of this Act;
- (d) to investigate, either of its own initiative or in response to complaints received, any matter concerning broad based black economic empowerment;
- (e) to promote advocacy, access to opportunities and educational programmes and initiatives of broad based black economic empowerment;
- (f) to maintain a registry of major broad-based black economic empowerment transactions, above a threshold determined by the Minister by notice in the Gazette;
- (g) to receive and analyse such reports as may be prescribed concerning broad-based black economic empowerment compliance from organs of state, public entities and private sector enterprises;
- (h) to promote good governance and accountability by creating an effective and efficient environment for the promotion and implementation of broad-based black economic empowerment; and
- (i) to exercise such other powers which are not in conflict with this Act as may be conferred on the Commission in writing by the Minister.

In terms of section 13F (3) of the B-BBEE Act the B-BBEE Commission must increase knowledge of the nature and dynamics and promote public awareness of matters relating to broad-based black economic empowerment by implementing education and information measures to develop public awareness of the provisions of this Act, and in particular to advance the purposes of this Act; (a) providing guidance to the public by (i) issuing explanatory notices outlining its procedures; (ii) issuing non-binding opinions on the interpretation of any provision of this Act; or (iii) applying to a court for a declaratory order on the interpretation or application of the provisions of this Act; and (b) conducting research relating to its mandate and activities and, from time to time, publishing the results of that research.

Our strategies are aligned to the objectives of the National Development Plan (NDP) which aims to eliminate poverty and reduce unemployment and inequality by 2030 and further to the Joint Key Performance Indicators (**J-KPIs**) of **the dtic** which require integrated planning, implementation and reporting across multiple branches and Departmental entities on Industrialisation, Transformation and District Development Model. The Republic of South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

Given the lack of data on B-BBEE, in 2016 we conducted a baseline study to understand the county's state of transformation when we commenced to be able to start measuring performance annually. The study displayed 25% Black Ownership with Black Female Ownership at 10%. Four years later based on the National Status and Trends on Broad-Based Black Economic Empowerment report published by the B-BBEE Commission for 2020 calendar year, Black Ownership is at 31%, with Black Female Ownership at 15%, a 6% and 5% variance respectively since 2016.

According to Statistics South Africa (Stats SA) report issued on 30 November 2021, the country's unemployment rate was at 34.9% in quarter 3 of 2021 an upsurge from 34.4% compared to quarter 2 of 2021. And the youth unemployment rate is at 66.5%. A rise in unemployment means that there will be a fall in tax revenue due to fewer people paying income tax and less spending on goods and services. Therefore, government will also have to spend more money on social-grants to unemployed people and related benefits. Further, unemployment especially youth unemployment may lead to increased crime and social unrest. A focus on supporting SMMEs is necessary to expand opportunities for more jobs to be created, which means the contributions towards Enterprise and Supplier Development should be better coordinated for tangible impact.

The B-BBEE Commission will need to put all our energy and resources in contributing towards achieving government and **the dtic** objectives to "Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation" and "Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner", which will rely heavily on the willingness and commitment of organs of state and public entities to effectively drive transformation by implementing the Act properly.

Since the formal operation of the B-BBEE Commission in June 2016, we have published two (2) reports on Analysis of Major B-BBEE Transactions and five (5) counting the baseline report on the National State and Trends on B-BBEE Transformation. These reports are of significance as they provide a clear indication of who are the real players in the economy, whether real economic empowerment has vested in the hands of black people, and further indicates whether B-BBEE is progressing or regressing. For every policy, tracking progress gives indicators of its effectiveness and where there are areas of improvement, the policy can be adjusted in time.

Our efforts are also directed in ensuring that fronting practice is eradicated in South Africa. Thus, we finalised about 79% of the investigations and published a number of investigation reports which has made a significant impact in the B-BBEE space, particularly to prejudiced black shareholders and beneficiaries. Further, despite the impact and restrictions posed by COVID-19, as part of 18-year reflection of B-BBEE, we conducted a campaign and a webinar under the theme “*Promoting economic inclusion and youth employment*”, to honor Youth Month which was aimed at stimulating debate among young people and those who participated in the dialogue included youth leaders from Black Business Council, Black Management Forum, Black Forum South Africa (UNISA) to name a few. We also held joint discussion with CIPC and Companies Tribunal in order to raise awareness on their mandates. This campaign is part of the build up to annual conference which will focus on 18-year reflection on B-BBEE.

In terms of providing guidance to the public, we made progress by developing three (3) educational brochures dealing with application of the B-BBEE Act in respect of Specialised Scorecard, Effective Implementation of B-BBEE and the mandate of the B-BBEE Commission. We have started translating our English versioned educational materials to indigenous languages (i.e. isiZulu and Setswana). This is to ensure that stakeholders understand and implement the B-BBEE Act in an efficient and effective manner that will enhance meaningful participation of marginalised group of people into the mainstream economy. Furthermore, we issued a joint position with Proudly SA to **the dtic** on the use of industry master plans to promote B-BBEE and localization. We also contributed to the Department of Small Business Development webinar and unpacked how B-BBEE can assist in implementing the Presidential directive on 40% public procurement set aside for women owned business.

We aim to integrate and enhance our systems to ensure that our services work as seamless as possible and are available anywhere in the country, 24 hours. We have developed HR Systems, B-BBEE Certificate Portal System, Contact Centre Service System and Integrated databases. We are in the advanced stages of developing One-Stop-Shop Portal to ensure that we are a trusted source of information. We continue to work with our Strategic Partners and other regulatory authorities for purpose of collaboration, and also use every opportunity to access broader range of resources and expertise and make referrals easier on investigated cases.

We have now started implementing our enforcement strategy to deal with those who deliberately act against the objectives of the B-BBEE Act. Investigations will be conducted against non-reporting entities as well, on both public and private sector. The Management Team with the support from B-BBEE Commission Officials is confident that we will achieve the desired outcomes, ultimately, building a transformed state.

2. Update to Institutional Policies and Strategies

This plan is prepared when South Africa is recovering from the COVID-19 pandemic, the effect of which will be felt for a significantly long period in South Africa given that South Africa was also downgraded during this period. Government has adopted the Economic Reconstruction and Recovery Plan that implores all role players, which includes public entities and regulatory bodies, to contribute in assisting government to achieve the plans within the applicable legal frameworks subsequent to the COVID-19 pandemic that has affected the whole country so much that it recorded a new high rate (34.9%) for unemployment as per Statistic South Africa report published on 30 November 2021, meanwhile the rate of jobseekers increased to 46.6% from 44.2% and whilst youth unemployment is at 66.5%. This basically means that almost half of the economically active population in South Africa is unemployed.

For the MTSF, government has set seven (7) key priorities to achieve the objectives of the NDP as listed below:

- Economic transformation and job creation;
- Education, skills and health;
- Consolidating the social wage through reliable and quality basic services;
- Spatial integration, human settlements and local government;
- Social cohesion and safe communities;
- A capable, ethical and developmental state;
- A better Africa and world.

The COVID-19 pandemic has laid bare the level of inequality, poverty and unemployment that this country continues to face and the need for urgency in the interventions to address them. This means the need to achieve some level of economic equality has become more critical, with the consistent application and monitoring of performance against the scorecard. The B-BBEE Commission as an entity within an organ of state, has through its alignment with **the dtic's** key priorities also aligned to the government key priorities. The B-BBEE Commission contributes directly to economic transformation and job creation, a better Africa and world, and a capable, ethical and developmental state. Table 1 below illustrate the B-BBEE Commission contribution to the NDP priorities and the J-KPIs of **the dtic**.

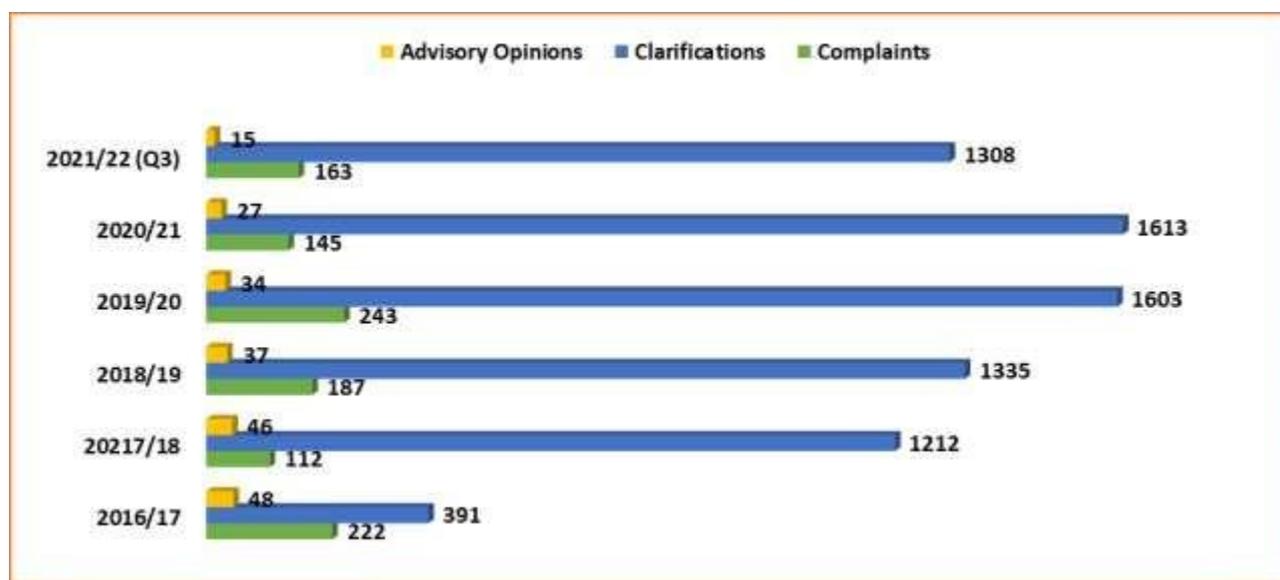
Table 1: B-BBEE Commission Contribution to the 7 Key Priorities of Government and the 3 J-KPIs of the dtic

Priorities	Link to NDP Outcome	Link to J-KPIs	B-BBEE Commission Contribution	MTSF Commitment
Economic Transformation and Job Creation	Outcome 4 - decent employment through inclusive growth	Transformation: B-BBEE promotion	Safeguarding the outcomes of an inclusive economy.	Provide advice to clients within 30 days. Translated brochures into 2 languages 2 practice notes developed and published when necessary 10 educational awareness workshops conducted
			Researching, analyzing and reporting on the state of transformation.	National Status Report Published Analysis of Major Transaction Report Published
	Outcome 11 - Create a better South Africa and a better world.	Industrialisation: localisation outcomes	Implementing corrective enforcement to achieve compliance.	50% Investigation Reports with recommendation finalised 80% cases identified for ADR finalised within 6 months 100% cases identified referred for prosecution and other regulatory institutions
			Collaborating with relevant stakeholders to advance transformation.	Monitor relationship and implement agreements
	Outcome 12 – An efficient, effective and development-oriented public service.	Capable state: Coordinating with other parts of the state	Developing capability and capacity of the Commission to deliver on its mandate.	Implement and Monitor integrated data-base 3 Systems implemented (B-BBEE Portal, One stop portal, Events and Management system)

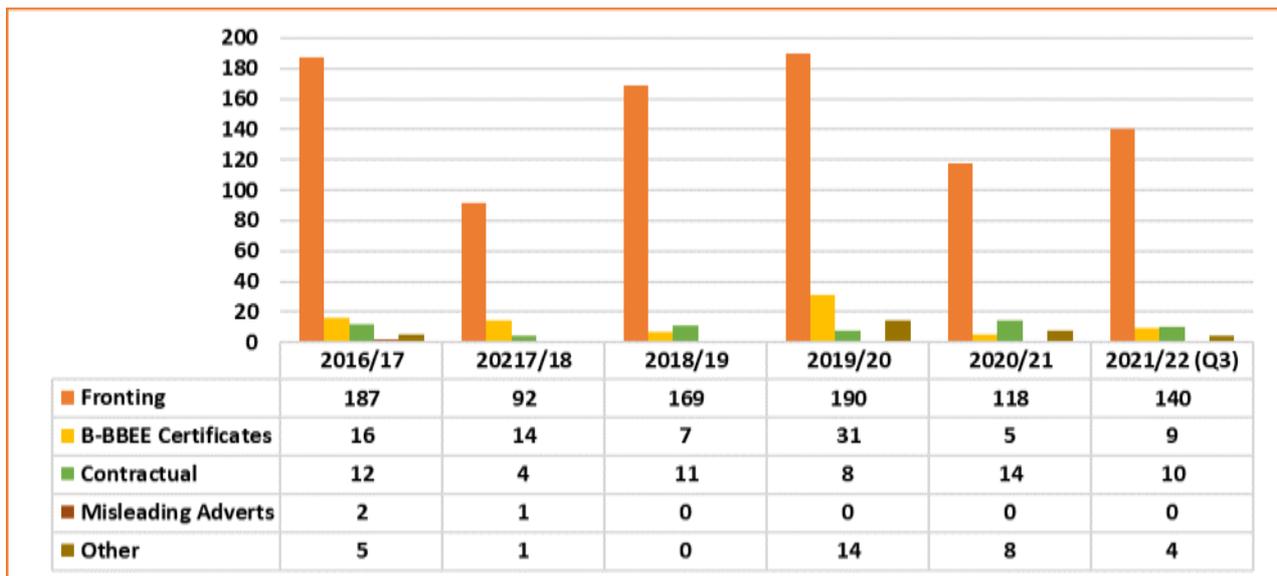
In 2021/22 financial year, we observed a 12% increase in the number of complaints lodged, 19% decline in the number of clarification requests and 44% decline on advisory opinion requests compared to the previous year. This can be attributed to our education and awareness programme. However, we feel that there is a need to market our advisory opinion service more in the upcoming financial year as it is critical to prevent non-compliant transactions from being implemented due to the upfront advice provided. The drop on advisory opinion requests may be indicative of the reduced economic activity due to Covid-19 pandemic, however, constant reminder of the free service offered by the B-BBEE Commission is necessary to encourage more engagement opportunities between the regulator and the stakeholders.

We are committed in reaching disadvantaged and rural areas to ensure that communities from these areas also get the opportunity to participate in the economic space as well as understand the objectives of the B-BBEE Act. In 2021/22 with the challenges of adopting the new norms, moving away from the normal ways of doing business, we conducted all our stakeholder engagement through virtual platforms. With less restrictions related to Covid-19, we aim to roll out sessions in communities, especially rural and township.

The graph below illustrated trends on complaints lodged, clarifications requests and advisory opinions issued from 2016/17 FY to 31 December 2021:



Fronting complaints remain the highest, standing at 89% of the total complaints lodged which are prevalent in ownership and management control. As part of our communication strategy aimed at raising awareness, advocacy, sharing of information and best practices for the purposes of promoting adherence and compliance with the requirements of the B-BBEE Act, we will be hosting an Annual Conference on 24 March 2022 with the theme “*Broad-Based Black Economic Empowerment, Quo Vadis*”. We aim to conduct corporate introspection and reflect on B-BBEE after 18 years since the advent of the empowerment legislation came into effect, with the hope that the deliberations will encourage the country to deal decisively with fronting. The graph below represents the types of complaints received by the B-BBEE Commission from 2016/17 to 31 December 2021:



To reach the desired outcomes in executing our mandate, in addition to the existing strategic partnership we have entered into Memorandum of Understanding with Companies Tribunal (“the Tribunal”), Public Protector South Africa, Council for Medial Schemes, and renewed agreement with Intellectual Properties Commission (CIPC) and Commission for Employment Equity. The aim is to develop mutual support, transfer and/or implementation of innovative practices as well as the implementation of joint initiatives that revolves around cooperation, peer learning and exchanges of experience. Through the partnership with CIPC and the Tribunal, we held a joint dialogue through a webinar to raise awareness on the mandates of the three institutions on 24 November 2021. The webinar was able to attract 124 stakeholders who engaged extensively with officials of the B-BBEE Commission, Companies Tribunal and CIPC. Government Communication and Information Systems (GCIS) has been instrumental in enabling us to reach more audience, including through community stations which has been beneficial given the restrictions in travelling to communities due to COVID-19 pandemic protocols and risk mitigation measures.

The B-BBEE Commission has also made progress on the implementation of its Enforcement Strategy, a number of complaints were referred to the National Prosecuting Authority (NPA) and/or South African Police Services (SAPS) for criminal investigation whereas other complaints outside the jurisdiction of the B-BBEE Commission were referred to other relevant regulatory institution(s) such as CIPC. So, where there is clear criminality and blatant disregard of the B-BBEE Act, we do not hesitate to pursue criminal processes. We do appeal for fronting to be made a priority crime as not only does it affect empowerment of black people, but its impact goes deeper in procurement and licensing process that ultimately undermines the plan by government to meaningfully facilitate entry of real black businesses in the value chain, rent-seekers seem to thrive with little consequences, if any, from a criminal enforcement perspective.

As at the end of the financial year 2020/2021, we concluded about 79% of the investigations with findings produced, including Notices of Non-Investigation, in respect of complaints where we found no evidence of contravention of the B-BBEE Act, or where a matter predates the B-BBEE Act, or the complainant does not have remedy or the matter does not fall within our jurisdiction. And we successfully concluded twenty-two

agreements relating to alternative dispute resolution and the prejudiced parties received in excess of R100 000 000.00 (One Hundred Million Rand) in compensation and or redress.

3. Update to Relevant Court Rulings

In the five-year period the we have dealt with 909, of those 79% have been finalised and with findings issued in 423, of these less than 2% are being challenged in the High Court and the B-BBEE Commission is defending the matters with one case filed by CRRC E Loco Supply (Pty) Ltd already decided in favour of the B-BBEE Commission, which the parties are appealing.

The court challenge by CRRC E Loco Supply (Pty) Ltd was on a fronting complaint involving the CRRC E Loco Supply (Pty) Ltd (“**CRRC**”), an entity which was incorporated as a joint venture between CSR: Zhuzhou Electrical Locomotives (a Chinese-owned entity) (“**CSR**”) with 70% shareholding and Matsete Basadi Consortium (“**MBC**”), a B-BBEE empowered entity with 30% shareholding. CRRC E-LoCo Supply was established for CSR to fulfil various contractual obligations to design, manufacture, test and supply locomotives to Transnet SOC Limited with MBC as its B-BBEE partner. The entity challenged the fronting findings made by the B-BBEE Commission after investigation. The court ruled that the contract between CSR Zhuzhou Electrical Locomotives and Matsete Basadi Consortium (MBC) was just a ruse designed to disguise a window dressing type of a relationship as an empowerment deal.

We have also published summary of the findings made by the B-BBEE Commission with the most recent publication exposing fronting of employees in the African Tuna Traders CC case for which the B-BBEE Commission has made a recommendation for the Department of Water, Fisheries and Forestry to consider withdrawal of the fishing rights allocated to African Tuna Traders CC on the basis of the fronting scheme orchestrated for purposes of obtaining the fishing rights.

During the 2020/21 and 2021/22 financial periods, the B-BBEE Commission also noted external court cases that have a bearing on the work of the B-BBEE Commission in effectively executing its mandate.

The first case was in relation to order made by the Supreme Court of Appeal in the matter between *Afribusiness NPC vs Minister of Finance* where the court declared the PPPFA Regulations of 2017 invalid. The handing down of this order created confusion as to the status of the B-BBEE Act. The B-BBEE Commission subsequently issued a media release to confirm that the ruling has no effect on the B-BBEE Act, as amended, and its requirements. The B-BBEE Act permits organs of state or public entities to set B-BBEE qualification criteria for procurement and other economic activities and to exceed the criteria set in the Codes of Good Practice through section 9 (6) of the B-BBEE Act.

The declaration of the PPPFA Regulations of 2017 as invalid is not a blow to the B-BBEE requirements for tenders as reported. The invalidity of the PPPFA Regulations of 2017 does not invalidate the B-BBEE Act, and the PPPFA Regulations were not issued under to the B-BBEE Act. The framework for the B-BBEE Act

and how it is applied is clear and was not affected by the ruling of the Supreme Court of Appeal in this context.

Secondly, in the recent High Court judgment in the matter between *Minerals Council of South Africa vs Minister of Mineral Resources and Energy and thirteen others*, the court really dived into the status of the mining charter where the question in dispute had to determine whether the Mining Charter III constitutes law or policy.

In its decision, the High Court held that the Mining Charter III is a policy document and not law. The court also set aside certain provisions of the mining charter such as the application of the continued consequence principle, which allowed entities to recognise the shareholding that was held by black people post the exit of such black people for the same duration in which black people were shareholders in that entity.

What is clear from the court proceedings, is that it seems that the Court is of the view that the Minister of Minerals Resource and Energy lacked the power to publish a charter in the form of a legislative instrument binding upon all holders of mining rights, and thus in breach of the MPRDA.

Therefore, in light of this and in the spirit of ensuring that there is synergy in terms of how transformation is implemented in the mining sector, the two (2) Ministries, being **the dtic** and DMR need to engage and consider issuing a joint public statement, advising and confirming that the entities in the mining sector are to determine their B-BBEE targets in line with the generic Codes of Good Practice.

We believe that this will not present a challenge as even prior to the introduction of the Mining Charter, mining entities were and are still applying the generic Codes of Good Practice. Therefore, a public statement will solidify the application of the generic Codes of Good Practice in the mining sector and create certainty.

Lastly, the Supreme Court of Appeal judgement in the matter of *Afriforum NPC vs Minister of Tourism and Others* on the implementation of B-BBEE Act, whereby the question before the Supreme Court of Appeal was whether the Minister of Tourism was required by law to make B-BBEE part of the criteria under the Tourism Relief Fund. On 6 April 2020 the Minister of Tourism issued a directive on the implementation of the Tourism Relief Fund, in terms of the Disaster Management Act, aimed at mitigating the effect of covid-19 on the tourism industry. As part of the criteria for qualifying entities to access the fund, the Minister of Tourism included B-BBEE compliance based on the Tourism B-BBEE Codes of Good Practice. The inclusion of B-BBEE was guided by the provisions of section 10 (1) (e) of the B-BBEE Act, which requires organs of state and public entities to apply the relevant codes of good practice when awarding any incentive, grant or investment scheme in support of broad-based black economic empowerment.

In its judgement, SCA found that the Disaster Management Act makes no mention of B-BBEE, and that the Minister of Tourism acted outside the scope of the Disaster Management Act and her directive, in that the purpose of the relief fund was to mitigate the risk of covid-19 and not for B-BBEE implementation. The judgement has a potential risk for B-BBEE implementation if misinterpreted in that it presents a limitation as

to the extent to which organs of state and public entities **must** comply with section 10 (1) (a)-(e) of the B-BBEE Act, where it is stated that every organ of state and public entity **must** apply the relevant code of good practice issued by the Minister of Trade, Industry and Competition in accordance with section 9 of the B-BBEE Act in relation to the specified economic activities.

Further, the judgement gives the impression that the Disaster Management Act limits or suspends the application and/or implementation of the B-BBEE Act, despite the Disaster Management Act not having a specific provision to this effect in a state of disaster. This also presents a hindrance to the effective implementation of the amendments effected to the B-BBEE Act in 2014 which made implementation of section 10 (1) of the B-BBEE Act mandatory, by silently re-introducing the previous regime where organs of state and public entities were only as far as reasonably possible expected to implement B-BBEE in carrying out economic activities.

Therefore, it is important to determine the extent to which this ruling means that section 27 of the Disaster Management Act empowers any person to suspend the application of the B-BBEE Act as this does not appear from the reading. Further, no regulations were issued under the Disaster Management Act during Covid-19 pandemic to the effect that the B-BBEE Act is suspended or limited. The only time an organ of state or public entity can deviate from what the codes of good practice have provided for is if that organ of state and public entity has obtained a deviation or exemption from the Minister of Trade, Industry and Competition in line with section 10 (2) of the B-BBEE Act.

Lastly, it is important to determine the basis for the ruling to create an exemption that is not provided for in the B-BBEE Act, noting that there is no mention of the Companies Act or the Taxation laws in the Disaster Management Act, however, the CIPC registration and the tax compliance as part of the criteria had to be adhered to. If not properly understood, this ruling has serious negative implications for the transformation agenda of South Africa, which is a constitutional imperative.

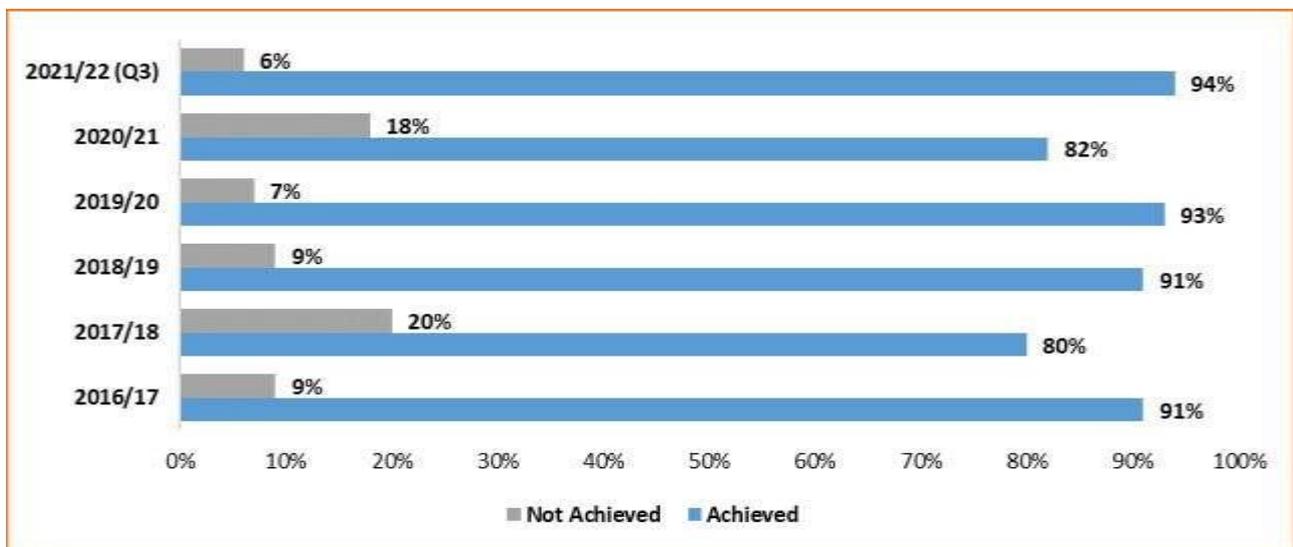
PART B: Our Strategic Focus

4. Update on Situational Analysis

4.1 Internal Environment Analysis

The B-BBEE Commission strategic focus areas are derived from the mandate in Section 13F of the B-BBEE Act, with the resources made available in accordance with Section 13E of the B-BBEE Act. Like all other state organs and public entities, the B-BBEE Commission is focused on the effective execution of its mandate and the implementation of the MTSF of government which is informed by the NDP. In terms of its strategic agenda, significant improvement in organisational performance has been realised since 2016/17.

The organisational performance since 2016/17 till Q3 of 2021/22 is reflected in the graph below:



Service delivery levels has been consistent since 2016/17, which is the indication of common drive to achieve the vision of the organisation, of where the organisation needs to be, use of operations management principles and a focus on achieving the key governmental and departmental priorities. Further, assurance that these priorities are translated into measurable, funded and realistic plans and projects.

However, our resources are strained due to work overload and low staff morale, will undoubtedly counter the potential for excellence in the B-BBEE Commission in the coming years. We have a challenge in meeting our targets in producing final investigation reports within the twelve (12) months prescribed timeframe due to resource limitation. We currently working with four (4) investigators and six (6) officials absorbed from the internship programme within the Investigation and Enforcement Division, with the average case load per person at around sixty (60) cases and this impacts negatively the well-being and morale of our staff.

The B-BBEE Commission is currently functioning at 15.9% (18) of its approved capacity (*the total of filled posts versus the approved establishment of about 113 officials*) with twenty (18) additional personnel, majority of whom were absorbed from the internship programme who were retained for further development

to enhance their employability. A total of 95 positions were not filled since 2016/17 due to lack of budget for compensation of employees, unavailability of permanent office space and delays in listing the B-BBEE Commission to be an entity. **the dtic** has also cancelled the recruitment process of the B-BBEE Commission, which has resulted in the employees planned to be recruitment for commencement in this calendar year not being brought on board, with further unfavourable effects especially on investigation of complaints. None of the vacancies, including funded ones, have been approved for filling by **the dtic**, significantly derailing the performance. The following depicts the vacancy rate per operational area:

Division	Approved Posts	Filled Posts	Vacancy Rate
Office of the Commissioner	5	2	60%
Organisational Strategy & Performance	15	2	87%
Compliance	25	2	92%
Research, Analysis & Reporting	12	0	100%
Investigation & Enforcement	17	5	71%
Legal Support & Prosecutions	8	0	100%
Operations	31	7	77%
Total Posts	113	18	84%

The breakdown per management layer is Junior officials (Level 2-8): 21 staff or 57% of the total workforce; Middle management (level 9-12): 10 staff or 27% of the workforce; Senior management (level 13-16): 6 staff or 16% of the workforce; and 1 official on internship. The initial plan had been to recruit and train 10 trainees each year to increase knowledge and experience on B-BBEE.

A major weakness and risk for the B-BBEE Commission is inadequate human resource capacity in respect of numbers and specialised skills. The B-BBEE Commission has insufficient capacity and capability in critical specialist and management areas. The B-BBEE Commission core business is in need of capacity in areas such as investigation and enforcement, compliance, stakeholder engagement, research and analysis and support areas such as risk management, contact centre, finance and ICT services.

COVID-19 has forced business to move away from normal ways of doing business, but rather to adopt the use of technology. This new normal required a fundamental shift in Information Communication Technology

(ICT). With the lack of automated ICT processes, due to dependency on State Information Technology Agency (SITA), the B-BBEE Commission will not be able to achieve its set objectives. The adjustment in budget has also had an unfavorable impact on service delivery and areas of strategic importance such as recruitment of human resource. The continuous resource constraints have reputational challenges for not only the B-BBEE Commission but for government as the B-BBEE Commission play major role in ensuring the inclusive economic transformation goals are achieved.

In the true sense, every South African citizen is a stakeholder of the B-BBEE Commission either directly or indirectly, economic transformation affects all citizens, young or old; black or white, we all need to embrace B-BBEE.

4.2 External Environment Analysis

The B-BBEE Commission is responsible to regulate the entire Republic of South Africa, meaning it manages a huge number of records. Therefore, record management is critical for the B-BBEE Commission. The lack of electronic access and retrieval of records has a fundamental impact on turnaround time for services. The non-integration of IT systems in B-BBEE Commission, downgraded infrastructure and limited capability to integrate data platforms are a risk to the integrity of business processes and performance. However, the network services of the B-BBEE Commission cannot be sourced anywhere else but from the State Information Technology Agency (SITA) as it is classified as mandatory services. Thus, B-BBEE Commission records are on databases and manually stored and/or retrieved.

The major threats for the B-BBEE Commission include the (a) inability of the B-BBEE Commission to execute its mandate fully due to delay to list of the B-BBEE Commission as an entity; continued lack of consultation in development or changes to policy, legislation and codes; inconsistent application of B-BBEE by government departments and entities; and number of role players in the B-BBEE space providing inconsistent messaging about B-BBEE (b) lack of stakeholder (private and public sector) buy-in for B-BBEE (c) lack of integrity in verification processes which stimulate fronting practices (d) circumvention of the law through creative B-BBEE models and use of invalid B-BBEE Certificates and/ or Sworn Affidavits to acquire business opportunities (e) misconception that government departments do not need to comply with B-BBEE Act, and to undergo verification of their B-BBEE claims (f) lack of consequence for government departments that are not complying with B-BBEE Act (g) B-BBEE being used as a scape goat for corruption and (h) serious legislative weaknesses on enforcement powers and institutional mechanism to deter fronting and non-compliance.

Further, the release of Explanatory Notice in 18 May 2021 by Minister on discretionary ownership schemes requires consistent application which the B-BBEE Commission continues to issue through advices and assessment of transactions. It is important that the interpretation is solid and aligned to the objectives of the Act although stakeholders that wish to pass unacceptable schemes will seek to pursue a different interpretation. Lack of common ideology around B-BBEE especially in the political space also continues to threaten implementation of B-BBEE.

Also given the number of fraudulent B-BBEE certificates in the market, the B-BBEE Commission developed a B-BBEE Portal system which requires verification professionals/agencies to upload approved B-BBEE certificates. This is a measure to reduce the use of fraudulent certificates as in future the public and organs of state will be able to access the system to verify validity of certificates they receive. In addition, the system is allowing, albeit in a limited way for now, the B-BBEE Commission to monitor the state of B-BBEE compliance by various sectors and entities, and moreover, do trends analysis in order to contribute to the report on the National Status of Transformation. The system should soon allow for integration with other departments, including the Central Supplier Database.

PART C: Measuring Our Performance

5. Institutional Programme Performance Information

5.1 Programme 1 - Compliance

Purpose: To safeguard the outcomes of an inclusive economy.

5.1.1 Outcomes, Output, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved Compliance	Guide implementation of the Act	Average number of days taken to provide advice to clients	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 day
		Average of number of days taken to issue clarifications to clients	Nil	Nil	5 days	5 days	5 days	5 days	5 days	5 days
		Number of languages in which Guidelines / Brochures will be Translated to	2 annually	2 annually	2 annually	2 annually	2 annually	2 annually	2 annually	2 annually
		Number of education and awareness sessions conducted	Nil	Nil	10 annually	10 annually	10 annually	10 annually	10 annually	10 annually
	Assess B-BBEE transactions and provide advice / initiatives	Average number of days taken to issue a registration certificate	Nil	10 days	10 days	10 days	10 days	10 days	10 days	10 days
		Average number of days taken to assess a transaction and issue a	90 days	90 days	90 days	90 days	90 days	90 days	90 days	90 days

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		remedial instruction								
	Assess Compliance Reports and provide feedback	Average number of days taken to assess compliance reports and issue certificates of compliance / rejection	Nil	90 days	90 days	90 days	90 days	90 days	90 days	90 days
Transformed State	Analyse trends on Worker/Employee Ownership Schemes filed during major B-BBEE Transactions.	Annual report on Worker/Employee Ownership Schemes (ESOPS)	Nil	Nil	Nil	Nil	Nil	1 annually	1 annually	1 annually
Industrialisation: localisation outcomes	Promote localization through the Codes of Good Practice	Recommendations on promoting localization submitted to Minister for consideration	Nil	Nil	Nil	Nil	Nil	1 Annually	Monitor Implementation	Monitor Implementation

5.1.2 Indicators, Annual and Quarterly Targets

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Number of days taken to provide advice to clients	30 days taken to provide advice to clients upon receipt	Advice provided to clients within 30 days upon receipt	Advice provided to clients within 30 days upon receipt	Advice provided to clients within 30 days upon receipt	Advice provided to clients within 30 days upon receipt
Average of number of days taken to issue clarifications to clients	5 days taken to issue clarifications to clients upon receipt	Clarifications issued to clients within 5 days upon receipt	Clarifications issued to clients within 5 days upon receipt	Clarifications issued to clients within 5 days upon receipt	Clarifications issued to clients within 5 days upon receipt

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Number of guidelines/ Brochures translated	Guidelines / Brochures Translated into 2 languages annually	Nil	Nil	Nil	guidelines / brochures translated into 2 languages
Number of education and awareness programme conducted	10 education and awareness programme conducted annually and reports produced	2 education and awareness programme conducted and reports produced	3 education and awareness programme conducted and reports produced	3 education and awareness programme conducted and reports produced	2 education and awareness programme conducted and reports produced
Average number of days taken to issue registration certificates	Issue registration certificates within 10 days of registration of major B-BBEE transactions	10 days	10 days	10 days	10 days
Assess transactions and issue remedial instruction	90 days taken to assess B-BBEE transactions and issue remedial instruction	Assess B-BBEE transactions and issue remedial instruction within 90 days upon receipt	Assess B-BBEE transactions and issue remedial instruction within 90 days upon receipt	Assess B-BBEE transactions and issue remedial instruction within 90 days upon receipt	Assess B-BBEE transactions and issue remedial instruction within 90 days upon receipt
Average number of days taken to assess compliance reports and issue compliance certificates / reject	90 days taken to assess compliance reports and issue compliance certificate / reject	Assess compliance reports and issue certificates of compliance / rejection within 90 days upon receipt	Assess compliance reports and issue certificates of compliance / rejection within 90 days upon receipt	Assess compliance reports and issue certificates of compliance / rejection within 90 days upon receipt	Assess compliance reports and issue certificates of compliance / rejection within 90 days upon receipt
Report on Worker/Employee Schemes (ESOPs)	One report produced annually	Nil	Nil	Nil	Analyse Worker/Employee Ownership Schemes in Major B-BBEE Transactions
Recommendations on promoting localization submitted to Minister for consideration	One Briefing Note with recommendations on promoting localization	Nil	Nil	Submit a brief Note with recommendation to Minister for consideration	Nil

5.2 Programme 2: Investigations and Enforcement

Purpose: To implement corrective enforcement to achieve compliance.

5.2.1 Outcomes, Output, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved Compliance	Conduct both proactive and reactive investigations.	Average percentage of reports produced on investigations conducted within 12 months	80% of Reports	On average 80% investigation findings produced on investigations conducted within 12 months upon receipt of complaint.	On average 80% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 80% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 80% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation
	Encourage and guide resolution of disputes through ADR when necessary.	Average percentage of identified cases analysed & investigated for possible ADR process if any. [r15 (11)]	100% cases received analysed and investigated. 80% Cases referred.	100% identified cases for ADR analysed and investigated. 80% of the referred cases resolved within 6 months.	100% identified cases for ADR analysed and investigated. 80% ADR concluded within 6 months and referred to other regulatory entities within 30 days.	80% of the identified cases for ADR finalised within 6 months if any [r15 (11)]	80% of the identified cases for ADR finalised within 6 months if any [r15 (11)]	80% of the identified cases for ADR finalised within 6 months if any [r15 (11)]	80% of the identified cases for ADR finalised within 6 months if any [r15 (11)]	80% of the identified cases for ADR finalised within 6 months if any [r15 (11)]

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Referral to other regulatory entities when necessary.	Percentage of cases referred to other Regulatory entities on average within 30 days. [s13J (6)]	100% of Cases Referred.	100% of identified cases referred.	100% of identified cases referred within 30 days.	100% of identified cases referred on average within 30 days if any.	100% of identified cases referred on average within 30 days if any.	100% of identified cases referred on average within 30 days if any.	100% of identified cases referred on average within 30 days if any.	100% of identified cases referred on average within 30 days if any.
	Refer for prosecution when necessary.	Number of cases finalised and referred for prosecution when necessary. [s13J (5)]	2 Cases	100% of the identified cases if any.	100% of the identified cases referred for Prosecution if any.	100% of identified cases referred for prosecution if any. [s13J (5)]	100% of identified cases referred for prosecution if any. [s13J (5)]	100% of identified cases referred for prosecution if any. [s13J (5)]	100% of identified cases referred for prosecution if any. [s13J (5)]	100% of identified cases referred for prosecution if any. [s13J (5)]

5.2.2 Indicators, Annual and Quarterly Targets

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Average percentage of reports produced on investigations conducted within 12 months	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of compliant / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation	On average 50% investigation findings produced on investigations conducted within 12 months upon receipt of complaint / initiation
Average percentage of identified cases analysed & investigated for possible ADR process if any. <i>[r15 (11)]</i>	80% of the identified cases for ADR finalised within 6 months if any <i>[r15 (11)]</i>	80% of the identified cases for ADR finalised within 6 months if any <i>[r15 (11)]</i>	80% of the identified cases for ADR finalised within 6 months if any <i>[r15 (11)]</i>	80% of the identified cases for ADR finalised within 6 months if any <i>[r15 (11)]</i>	80% of the identified cases for ADR finalised within 6 months if any <i>[r15 (11)]</i>
Percentage of cases referred to other Regulatory entities on average within 30 days. <i>[s13J (6)]</i>	100% of identified cases referred on average within 30 days if any.	100% of identified cases finalised and referred to other regulatory institutions within 30 days if any <i>[s13J (6)]</i>	100% of identified cases finalised and referred to other regulatory institutions within 30 days if any <i>[s13J (6)]</i>	100% of identified cases finalised and referred to other regulatory institutions within 30 days if any <i>[s13J (6)]</i>	100% of identified cases finalised and referred to other regulatory institutions within 30 days if any <i>[s13J (6)]</i>
Number of cases finalised and referred for prosecution when necessary. <i>[s13J (5)]</i>	100% of identified cases finalised and referred for prosecution if any. <i>[s13J (5)]</i>	Nil	100% of identified cases finalised and referred for prosecution if any <i>[s13J (5)]</i>	Nil	100% of identified cases finalised and referred for prosecution if any <i>[s13J (5)]</i>

5.3 Programme 3: Research, analysis and reporting

Purpose: To research, analyzing and reporting on the state of transformation.

5.3.1 Outcomes, Output, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/24
Improved Compliance	Report on B-BBEE National Status and Transformation Trends	Number of 'National Status' Annual Report produced	1 National Status annual report produced.	1 National Status annual report produced.	1 National Status annual report produced.	1 National Status annual report produced.	1 National Status annual report produced.			
	Report on Major Transactions	Number of major B-BBEE Transaction Report produced	Nil	Nil	Nil	1 Major B-BBEE Transaction report produced				

5.3.2 Indicators, Annual and Quarterly Targets

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Number of 'National Status' Annual Report produced	1 Annual National Status Report produced.	Nil	100% data tracked, collected from B-BBEE certificate portal system and analysed (Jan – June). 1 sector report produced.	Nil	100% data tracked, collected from B-BBEE certificate portal system and analysed for the calendar year. 1 National Status Report produced.
Number of Major B-BBEE Transaction Report produced	1 Annual Major B-BBEE Transaction Report produced	Nil	Nil	Nil	1 Major B-BBEE Transaction Report produced

5.4 Programme 4: Relationship Building/Stakeholder Relations

Purpose: To collaborate with relevant stakeholders to advance transformation.

5.4.1 Outcomes, Output, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved Capable State	Build mutual relationships with selected partners.	Monitor, maintain and evaluate relationships.	2 MOU Agreements concluded and published.	2 MOU Agreements concluded and published.	Monitor relationships and implement agreements.	Monitor relationships and implement agreements.	Maintain relationships.	Maintain relationships, evaluate and review.	Maintain relationships, evaluate and review.	Maintain relationships, evaluate and review.
	Satisfactory Customer service.	Implement Service Standards and Monitor Service Delivery Improvement Plan.	Nil	Nil	Monitor Service Delivery Improvement Plan and Service Standards	Monitor Service Delivery Improvement Plan and Service Standards	Review and Monitor Service Delivery Improvement Plan and Service Standards	Review and Monitor Service Delivery Improvement Plan and Service Standards and produce a report.	Monitor Service Standards and Delivery Improvement Plan and produce a report.	Monitor Service Standards and Delivery Improvement Plan and produce a report.

5.4.2 Indicators, Annual and Quarterly Targets

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Relations Monitored, maintained and evaluated	Monitor relationships and implement agreements with reports produced	Nil	Monitor relationships and implement agreements	Nil	Monitor relationships and implement agreements with report produced
Service Delivery Improvement Plan Developed and Monitored	Develop, implement and Monitor Service Delivery Improvement Plan and action report produced	Develop Service Delivery Improvement Plan	Implement and Monitor Service Delivery Improvement Plan and produce report	Implement and Monitor Service Delivery Improvement Plan and produce report	Implement and Monitor Service Delivery Improvement Plan and produce report

5.5 Programme 5: Administration

Purpose: To developing capability and capacity of the B-BBEE Commission to deliver on its mandate.

5.5.1 Outcomes, Output, Performance Indicators and Targets

Outcome	Outputs	Output Indicator	Annual Targets							2024/25
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Improved Capable State	Develop and Implement ICT strategy and infrastructure	Develop Integrated data base (data warehouse) for the B-BBEE Commission.	1 ICT 5 year plan developed and approved	1 ICT 5 year plan developed and approved	Develop integrated data base (data warehouse)	Implement and monitor integrated data-base (data warehouse)	Monitor implementation of integrated data-base(data warehouse) and ICT plan and review ICT 5year plan	Implement Integrated data base	Monitor Integrated data base	Enhance Integrated data base

Outcome	Outputs	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Implement and maintain support systems	Number of systems developed, implemented, maintained, enhanced and monitored	Implementation of the 2 Systems (CMS & B-BBEE certificate and reports portal)	4 Systems developed and 5 systems Implemented (CMS, Phase 2 B-BBEE certificate & reports portal, HRMD, and Contact Centre)	4 Systems developed and 5 systems Implemented (CMS, Phase 2 B-BBEE certificate & reports portal, HRMD, Contact Centre and Financial)	3 systems Implemented and Enhanced Integration (B-BBEE certificate & reports portal, One stop portal, Events and Management System)	Implement 3 Systems and Enhanced Integration (One stop portal, B-BBEE certificate & reports portal and Events Management System) Deployment of HRMD to the B-BBEE Infrastructure	Implement and maintain 4 Systems and Enhanced Integration (One stop portal, Events Management System, Contact Centre and B-BBEE certificate & reports portal)	Monitor Implementation of 4 Systems and maintenance (One stop portal, Events Management System, Contact Centre and B-BBEE certificate & reports portal)	Monitor Implementation of 4 Systems and maintenance (One stop portal, Events Management System, Contact Centre and B-BBEE certificate & reports portal)
	Staff the B-BBEE Commission and develop a talent pipeline	Average percentage of officials trained	Nil	10 officials trained	60% officials trained	60% officials trained	60% officials trained	60% officials trained	60% officials trained	60% officials trained
		Number of permanent employees recruited	Nil	Nil	Nil	3	Nil	15	20	30
		Number of Graduates on internship and Trainee programme	10	Nil	Nil	1	1	1	1	1

5.4.2 Indicators, Annual and Quarterly Targets

Performance Indicator/ Measure	Annual Target 2022/23	Quarterly Milestones			
		1 st	2 nd	3 rd	4 th
Develop Integrated data base (data warehouse) for of the B-BBEE Commission.	Implement and monitor integrated data-base (data warehouse)	Finalise the Development of integrated data-base	Implement integrated data-base (data warehouse)	Implement and maintain integrated data-base (data warehouse)	Implement and maintain integrated data-base
Number of systems developed, implemented and maintained	4 systems Implemented and maintained (One stop portal, Events Management System, Contact Centre, B-BBEE certificate & reports portal)	Implement B-BBEE certificate & reports portal; One stop portal and Contact Centre	Implement and Maintain the B-BBEE Certificate Portal systems; One stop portal; Contact Centre and Events & Management system	Maintain 4 systems (B-BBEE Certificate Portal systems; One stop portal; Contact Centre and Events & Management system)	Maintain 4 systems (B-BBEE Certificate Portal systems; One stop portal; Contact Centre and Events & Management system)
Average percentage of officials trained	60% officials trained annually	Nil	30% officials trained	Nil	30% officials trained
Number of Permanent employees	15 skilled employees recruited and appointed	Prepare submission for approval to recruit skilled employees	Publication of positions	Appointment of 15 permanent employees	Nil
Number of Graduates on Internship and Trainee programme	1 Graduate on Internship and Trainee programme	Nil	Nil	Nil	1 Graduate on Internship and Trainee programme

6. Explanation of Planned Performance over the medium term period

The selected outputs for each programme are aimed to support the delivery and achievement of the strategic outcomes which are linked to both the National Development Plan (NDP) goals and **the dtic** objectives. Focus is to contribute to the acceleration of the inclusive economic growth that is globally competitive and to increase meaningful participation of previously disadvantaged group of people (women, youth, people living with disability) in the mainstream economy. The below table illustrate the linkage between the choice of the outcome indicators and the National Development goals.

Outcomes	National Development Goals
1. Safeguarding the outcomes of an inclusive economy.	<p>Supports NDP Outcome 4 – decent employment through inclusive growth.</p> <p>Facilitate broad-based economic empowerment through targeted interventions to achieve more inclusive growth.</p>
2. Implementing corrective enforcement to achieve compliance.	<p>Supports NDP Outcome 11 – Create a better South Africa and a better world.</p> <p>Create a fair regulatory environment that enables transformational development in an equitable and socially responsible manner.</p>
3. Researching, analyzing and reporting on the state of transformation.	<p>Provides trend and other in-depth analysis in easy to read formats to measure both the success of the Commission and transformation gains across South Africa.</p> <p>Facilitate broad-based economic empowerment through targeted interventions to achieve more inclusive growth.</p>
4. Collaborating with relevant stakeholders to advance transformation.	<p>Extends relationships with key stakeholders for the betterment of the economy in relation to B-BBEE.</p> <p>Supports NDP Outcome 12 – An efficient, effective and development-oriented public service.</p> <p>Promote a professional, ethical, dynamic competitive and customer-focused working environment that ensures effective and efficient service delivery.</p> <p>Create a fair regulatory environment that enables transformational development in an equitable and socially responsible manner.</p>
5. Developing capability and capacity of the Commission to deliver on its mandate.	<p>Supports NDP Outcome 12 – An efficient, effective and development-oriented public service.</p> <p>Promote a professional, ethical, dynamic competitive and customer-focused working environment that ensures effective and efficient service delivery.</p>

7. Programme Resource Consideration

7.1 Human Resource Considerations

The staff complement over the next three years is projected to be as follows:

6.1.1 Programme 1: Compliance

Approved Number of Employees	2021/22	2022/23	2023/24	Vacancy Rate As Number and %
Number of permanent employees	25	25	25	23
Total Staff Complement for the Programme	25	25	25	92%

6.1.2 Programme 2: Investigation and Enforcement

Approved Number of Employees	2021/22	2022/23	2023/24	Vacancy Rate As Number and %
Number of permanent employees	25	25	25	20
Total Staff Complement for the Programme	25	25	25	80%

6.1.3 Programme 3: Research

Approved Number of Employees	2021/22	2022/23	2023/24	Vacancy Rate As Number and %
Number of permanent employees	12	12	12	12
Total Staff Complement for the Programme	12	12	12	100%

6.1.4 Programme 4: Relationship Building/Stakeholder Relations

Approved Number of Employees	2021/22	2022/23	2023/24	Vacancy Rate As Number and %
Number of permanent employees	4	4	4	3
Total Staff Complement for the Programme	4	4	4	75%

6.1.5 Programme 5: Administration

Approved Number of Employees	2021/22	2022/23	2023/24	Vacancy Rate As Number and %
Number of permanent employees	47	47	47	38
Total Staff Complement for the Programme	47	47	47	81%

7.2 Financial Plan

It must be noted that the B-BBEE Commission is operating with a zero (0) budget since its budget is allocated under the transfer line item which is not accessible until such time that the B-BBEE Commission is listed as a Public entity. Below is the projected budget of the B-BBEE Commission for a three-year period.

Economic Classification	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000
Compensation of Employees	86 000	87 000	88 000	89 000	90 000
Goods and Services	30 000	32 000	33 000	35 000	37 000
Total operational expenditure	116 000	119 000	121 000	124 000	127 000
Payment for capital assets	1 000	1 000	1 000	1 000	1 000
Total expenditure	117 000	120 000	122 000	125 000	128 000

8. Updated Key Risks

Key Risks have been identified and described below with their mitigating actions. The Risk Committee will control the register and the progress of both Strategic Risks and Operational Risks.

Outcome	Risk Description	Mitigation Action Required	Action Taken
1. Developing capability and capacity of the Commission to deliver on its mandate	Lack of infrastructure to support the B-BBEE Commission	1. Monitor the implementation of the ICT Strategy.	The ICT strategy is being implemented and monitored.
		2. Timely procurement of ICT infrastructure. B-BBEE Commission does not have control over SITA processes.	1. Installation of the server has been finalised and servers are being utilized. 2. The Service Level Agreement (SLA) for the Events Management System has been finalised pending approval. 3. The procured laptops are awaiting connection by OCIO before they can be distributed to the users.
2. Developing capability and capacity of the Commission to deliver on its mandate	Inadequate human resources to deliver on the mandate.	1. Recruitment and secondment of multi-skilled and experienced human resources.	Ten (10) critical positions were identified for internal advertisement and the necessary documents submitted to HRM & D. Request was also made to have some of the dtic officials seconded/assigned to the B-BBEE Commission and feedback is awaited.
		2. Alternative Office space.	An assurance was given by the dtic that office space

Outcome	Risk Description	Mitigation Action Required	Action Taken
			needs of the B-BBEE Commission will be catered for within the dtic campus, on an as and when required basis.
		3. Graduate training programme – build capacity organically.	The B-BBEE Commission currently has one (1) graduate whose contract will expire in June 2022.
		4. Capacity building programme, training and development of human resources.	Thirty-eight (38) out of forty (40) officials of the B-BBEE Commission attended the capacity building workshop on Ownership, on 24 March 2021.
3. Developing capability and capacity of the Commission to deliver on its mandate	Inadequate financial resources to effectively execute the B-BBEE Commission's mandate	1. Apply for additional budget from the dtic .	The B-BBEE Commission did not identified a need for the application of additional budget from the dtic .
4. Developing capability and capacity of the Commission to deliver on its mandate	Non – compliance with corrective action and recommendations to stakeholders	1. Enforce the B-BBEE Act.	Eight (8) cases have been referred to court in terms of S13(j)(4) of the B-BBEE Act to restrain any breach of the B-BBEE Act.
5. Implementing corrective enforcement to achieve compliance	Litigation against B-BBEE Commission	1. Proper investigations plan.	Continuous implementation of proper investigation plan.
		2. Adequate legal support through the State Attorney	Continuous adequate legal support through the State Attorney.
6. Safeguarding the outcomes of an inclusive economy	Regulatory Uncertainty	1. Issue practice guides on B-BBEE	One brochure (Enterprise and Supplier Development) updated and issued.
		2. Enter into an SLA/MOU with the dti on policy matters.	Draft SLA with the dtic produced and awaits sign-off by the dtic .

9. Public Entity

Not applicable

10. Infrastructure Projects

None at the current time

11. Public Private Partnerships

None at the current time

Part E: Technical Indicator Description (TID)

Outcome 1 - Safeguarding the outcomes of an inclusive economy

Programme 1 - Compliance

Outcome	Improved Compliance
Indicator title	1.1 Number of translated education materials produced by the B-BBEE Commission with Fog Index of 8 or less
Short definition	The B-BBEE Commission must provide electronic and printed materials in alignment with the B-BBEE Act in an easy to read format relevant to the audience.
Purpose/importance	Relevant educational information must be made available to all audiences in order to educate stakeholders in the purpose and vision of the B-BBEE Act. Understanding this will aid in the overall spirit of B-BBEE goals.
Source/ collection of data	Education materials may be outsourced or produced internally by B-BBEE Commission staff.
Method of calculation	Utilise the Fog Index methodology to ensure the materials are understandable. The outside limit is a level of 8.
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
Baseline Indicator	Two annually
Desired performance	A lower Fog Index is desirable
Indicator Responsibility	Executive Manager: Compliance and Executive Manager: Organizational Strategy & Performance

Outcome	Improved Compliance
Indicator Title	1.2 Requests for advice are documented in writing within 30 working days of receipt.
Short definition	Advisory Opinions are generated in response to requests for advice on B-BBEE issues. These must be registered, investigated and provide feedback to requestor within the specific number of days.
Purpose/importance	The purpose is to ensure all stakeholders' queries are dealt with in a timely manner by issuing advisory opinions in response to all queries.
Source/ collection of data	All requests for advice are recorded centrally with date received, date of feedback and date closed (finalised).
Method of calculation	Percentage of Advisory Opinions provided within the 30 working days limit against all requests for advice.
Data limitations	None
Type of indicator	Outputs

Calculation type	Non-cumulative
Reporting cycle	Quarterly
Baseline Indicator	Advice provided to client within 30 days upon receipt
Desired performance	100%
Indicator Responsibility	Executive Manager: Compliance

Outcome	Improved Compliance
Indicator Title	1.3 Requests for clarifications are documented in writing within 5 working days of receipt.
Short definition	Clarifications are generated in response to requests for clarity on B-BBEE issues. These must be registered and provide feedback to requestor within the specific number of days.
Purpose/importance	The purpose is to ensure all stakeholders' queries are dealt with in a timely manner by issuing clarification in response to all queries.
Source/ collection of data	All requests for clarification are recorded centrally with date received, date of feedback and date closed (finalised).
Method of calculation	Percentage of Clarifications provided within the 5 working days limit against all requests for advice.
Data limitations	None
Type of indicator	Outputs
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Baseline Indicator	Clarifications provided to client within 5 days upon receipt
Desired performance	100%
Indicator Responsibility	Executive Manager: Compliance

Outcome	Improved Compliance
Indicator title	1.4 Compliance with the B-BBEE Act and Corporate Governance
Short definition	The B-BBEE Commission is charged with assuring that B-BBEE transactions comply with the B-BBEE Act and Companies Acts.
Purpose/importance	The purpose is to ensure all B-BBEE transactions are legal in respect of the law. It is important that the B-BBEE Commission drive compliance and best practice.
Source/ collection of data	All B-BBEE transactions registered with the B-BBEE Commission will be audited internally. Non-compliance will be dealt with in terms of specific procedures.
Method of calculation	Percentage of all non-compliant transactions showing adherence to the defined process to become compliant.
Data limitations	Only those B-BBEE transactions above the gazette threshold, that are registered, can be assessed.
Type of indicator	Outputs
Calculation type	Non-Cumulative
Reporting cycle	Annually
Baseline Indicator	New
Desired performance	All non-compliant transactions should be following the defined steps so 100% is desirable.
Indicator Responsibility	Executive Manager: Compliance

Outcome	Improved Compliance
Indicator Title	1.6 Register of B-BBEE Transactions
Short definition	The B-BBEE Commission is charged with registering all B-BBEE transactions(above threshold) which should be published electronically
Purpose/importance	The purpose is to ensure transparency of all B-BBEE transactions (above threshold)
Source/ collection of data	All B-BBEE transactions registered with the B-BBEE Commission will be placed on the B-BBEE Transaction Register
Method of calculation	B-BBEE register to be updated monthly and published on website. Email notifications will be sent to all stakeholders directing them to website.
Data limitations	Only those B-BBEE transactions above the gazette threshold, that are registered, can be assessed.
Type of indicator	Outputs
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	Assess transactions within 90 days upon registration
Desired performance	A monthly update must be published
Indicator Responsibility	Executive Manager: Compliance and Executive Manager: Organizational Strategy & Performance

Outcome	Improved Compliance
Indicator Title	1.7 Compliance reports in line with section 13G
Short definition	The B-BBEE Commission will acknowledge receipt and assess the compliance reports and provide feedback with regards to state of compliance as per the B-BBEE Act
Purpose/importance	The purpose is to ensure transparency with B-BBEE compliance
Source/ collection of data	Submitted compliance report from JSE listed companies, organs of state, state-owned entities, SETA's
Method of calculation	Certificate of Compliance / rejection will be sent to all entities that submitted compliance report to B-BBEE Commission
Data limitations	Only submitted compliance report will be assessed and analysed
Type of indicator	Outputs
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	90 days taken to assess compliance report

Desired performance	Monthly update
Indicator Responsibility	Executive Manager: Compliance and Executive Manager: Organizational Strategy & Performance

Outcome 2: Implementing corrective enforcement to achieve compliance

Programme 2: Investigations and Enforcement

Outcome	Improved Compliance
Indicator Title	2.1 Percentage of reports produced on investigations conducted within 12 months upon receipt of compliant
Short definition	Investigation reports must be registered, tracked, investigated, feedback and closed so that the person with the query feels the value-add service being provided by the B-BBEE Commission
Purpose/importance	The efficiency of the B-BBEE Commission to deal with queries in a timely fashion is of paramount importance.
Source/ collection of data	Database
Method of calculation	Days between Date of registration to Date of closure of each report should be less than 365 as a percentage of all Investigative reports
Data limitations	Accurate dates must be captured and stored
Type of indicator	Activities
Calculation type	Non-cumulative
Reporting cycle	Annual
Baseline Indicator	On average 80% of reports produced with findings on investigations conducted within 12 months upon receipt of compliant
Desired performance	100%
Indicator Responsibility	Executive Manager: Investigations & Enforcement

Outcome	Improved Compliance
Indicator Title	2.2 Percentage of identified cases for possible Alternative Dispute Resolution (ADR) process
Short definition	The objective is to try and resolve disputes before prosecution.
Purpose/importance	The desire is to get ADR agreement in preference to prosecution.
Source/ collection of data	Database
Method of calculation	Number of disputes reaching ADR agreements, as a percentage of all disputes
Data limitations	The database should be able to track the outcome of the dispute in order to hand over disputes for prosecution if consensus cannot be reached.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Quarterly

Baseline Indicator	Three cases referred for ADR
Desired performance	The higher the percentage, the better the performance
Indicator Responsibility	Executive Manager: Investigations & Enforcement

Outcome	Improved Compliance
Indicator Title	2.3 Updated register of cases referred for prosecution
Short definition	Where there is contravention of the B-BBEE Act cases will be referred for prosecution. A register of referred cases will be maintained and managed.
Purpose/importance	The B-BBEE Commission is interested in managing all cases referred for prosecution.
Source/ collection of data	Register
Method of calculation	The register must be published quarterly
Data limitations	Desire of the prosecuting authority to keep the B-BBEE Commission informed on progress of all cases it is assigned
Type of indicator	Outcomes
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Baseline Indicator	One case referred for prosecution if any
Desired performance	1 publication per quarter
Indicator Responsibility	Executive Manager: Investigations & Enforcement

Outcome 3: Researching, analysing and reporting on the state of transformation

Programme 3: Research, Analysis & Reporting

Outcome	Improved Compliance
Indicator Title	3.1 Major Transaction Report produced annually
Short definition	A report on the major B-BBEE transactions analysis
Purpose/importance	To determine if Ownership has been created in line with code series 100, identify value creation by sectors and calculate total value of registered transactions
Source/ collection of data	Received major B-BBEE Transactions
Method of calculation	Number of major B-BBEE Transaction reports published
Data limitations	Availability of received major B-BBEE Transactions
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annual
Baseline Indicator	One report
Desired performance	One per year (published in the first quarter of the next financial year)
Indicator Responsibility	Chief Economist

Outcome	Improved Compliance
Indicator Title	3.2 'National Status' Report produced annually
Short definition	A report of the B-BBEE status as a nation
Purpose/importance	Feedback to the stakeholders as to the status and reach of the B-BBEE Commission's work
Source/ collection of data	Database (B-BBEE certificate Portal system), Compliance report, major B-BBEE transactions.
Method of calculation	Number of reports published
Data limitations	Content to produce the report may need to be sourced externally
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annual
Baseline Indicator	One report
Desired performance	One per year (published in the first quarter of the next financial year)
Indicator Responsibility	Chief Economist

Outcome	Improved Compliance
Indicator Title	3.3 Regulatory Impact Assessment Report showing a year on year decline in the factors inhibiting positive change
Short definition	The B-BBEE Commission is to produce a report annually highlighting

	the factors inhibiting positive change, according to the 5 elements of B-BBEE
Purpose/importance	It is vital that the B-BBEE Commission shares the challenges and successes of its initiatives with its stakeholders.
Source/ collection of data	Databases
Method of calculation	Number of Impact assessment Reports in a year
Data limitations	Availability of data from external sources and objective interpretation of the B-BBEE position
Type of indicator	Impact
Calculation type	Non-cumulative
Reporting cycle	Annual
New Indicator	New
Desired performance	One
Indicator Responsibility	Chief Economist

Outcome 4: Collaborating with relevant stakeholders to advance transformation

Programme 4: Relationship Building/Stakeholder Relations

Outcome	Improved Compliance
Indicator Title	4.1 Segment stakeholders for those selected partners and generate stakeholder engagement plans
Short definition	The B-BBEE Commission must engage with partners to form relationships that are mutually beneficial to aid in the achievement of the B-BBEE goals. By selecting stakeholders and developing plans to work closely together is the first step in the process
Purpose/importance	The implementation and success of the B-BBEE initiatives cannot be done by the B-BBEE Commission alone. Key stakeholders need to play an role in understanding, advocating and implementing
Source/ collection of data	Internal selection of stakeholders and generation of an individual plan to engage with the entity
Method of calculation	A list of selected stakeholders must exist and a plan for each one must exist. The calculation is the percentage of existing plans for stakeholders all selected stakeholders
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
Baseline Indicator	Two memoranda of understanding entered to per year
Desired performance	Two memoranda of understanding entered to per year
Indicator Responsibility	Executive Manager: Organisational Strategy and Performance

Strategic Goal 5: Developing capability and capacity of the B-BBEE Commission to deliver on its mandate

Programme 5: Administration

Outcome	Improved Compliance
Indicator Title	5.1 ICT 5 year plan produced and approved
Short definition	The ICT plan will describe the infrastructure, application, data and security layers required to support the Commission's activities
Purpose/importance	The B-BBEE Commission relies heavily on ICT for the storage of information for its activities. It is a major budget item and should be closely managed to the plan.
Source/ collection of data	ICT plan should be available electronically for all Committees and internal stakeholders
Method of calculation	The plan should be updated annually, approved and be readily available.
Data limitations	None
Type of indicator	Activities
Calculation type	Non-cumulative
Reporting cycle	Annual
Baseline Indicator	One ICT plan
Desired performance	One approved plan
Indicator Responsibility	Chief Operations Officer

Outcome	Improved Compliance
Indicator Title	5.2 Number of systems developed and maintained
Short definition	Development of operational system
Purpose/importance	B-BBEE Commission requires automated systems to improve efficiency
Source/ collection of data	Benchmark with other organs of state
Method of calculation	Number of systems developed
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annual
Baseline Indicator	One system
Desired performance	Five systems
Indicator Responsibility	Chief Operations Officer

Outcome	Improved Compliance
Indicator Title	5.3 Number of graduates on Internship and Trainee Programme
Short definition	The Internship and Trainee Programme exists to ensure steady growth of the available resource base for both the Commission and South Africa at large
Purpose/importance	Growing young people organically into the values and vision of the B-BBEE Commission is a future-proof mechanism to ensure the success of the B-BBEE Commission
Source/ collection of data	Human Resource records
Method of calculation	Count of the number of graduates on an official B-BBEE Commission programme divided by the number of total staff of the B-BBEE Commission
Data limitations	None
Type of indicator	Capacitation
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	1
Desired performance	The level is dependent on the available budget to support the graduates.
Indicator Responsibility	Chief Operations Officer

Outcome	Improved Compliance
Indicator Title	5.4 Percentage of officials trained for capacity building
Short definition	Staff development and training exist to ensure improvement of skills and knowledge of employees within the B-BBEE Commission.
Purpose/importance	Staff development and training assist in creating a pool of readily available and adequate replacements for personnel who may leave or move up in the B-BBEE Commission.
Source/ collection of data	Human Resource records
Method of calculation	Number of staff members training annually
Data limitations	None
Type of indicator	Capacitation
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Baseline Indicator	10
Desired performance	60%
Indicator Responsibility	Chief Operations Officer