
End of an era as empowerment icon hands over the reins of the NEF

JOHANNESBURG, 10H00: The CEO of the National Empowerment Fund, **Ms Philisiwe Mthethwa**, will be vacating the helm of the development financier when her contract comes to an end in December 2023 after having driven the growth and institutional maturity of the entity whose legislated mandate is to grow black economic participation across South Africa.

“Looking back to our tenure in government, one of the decisions we took at the time was to recruit young black professionals into the public service. One of these was a young corporate finance and economics graduate with international experience, Philisiwe Buthelezi-Mthethwa, who was poached from Standard Corporate and Merchant Bank and went on to lead the quest for inclusive growth with passion and exceptional merit. The splendid achievements of the NEF today are testimony of that legacy,” says former South African Deputy President, **Dr Phumzile Mlambo-Ngcuka**, who is also past Executive Director of United Nations Women.

Ms Ndidi Mpye, the NEF Trustee and Chairperson of the Board Audit Committee, says “Ms Mthethwa has been instrumental in driving the institutional maturity of the NEF. It is her diverse knowledge of banking, capital markets and international investment that helped grow the NEF into a high-performing organisation, one whose integrity is exemplified by 20 years of uninterrupted clean external audits. Today the NEF is an authority on the development of black industrialists, rural and township development, women empowerment, enterprise and supplier development, among others, which are some of the areas that the CEO has been passionate about”.

Ms Lucretia Khumalo, who is the Divisional Executive for Client Support and Growth at the Industrial Development Corporation (IDC), **NEF Trustee and Chairperson of the Board Risk and Portfolio Management Committee**, adds: “Part of Ms Mthethwa’s legacy is her commitment towards the advancement of black women professionals and entrepreneurs, whether in her role as a non-executive director at the IDC, or at the NEF. Her own accomplishments have served as an example and as an inspiration in our country’s quest for redress and growth with women at the forefront”.

In 2019 the Association of Black Securities and Investment Professionals (ABSIP) recognised Ms Mthethwa’s unique contribution to the business and transformation landscape in South Africa by honouring her as the *CEO of the Decade*.

“In unanimously recommending her for the award, ABSIP considered the NEF’s role as a funder of black businesses with potential and its support for such businesses, as an important driver of transformation in the country,” says **Ms Polo Leteka, President of ABSIP**. Under Ms Mthethwa’s leadership, the NEF punched above its weight as it found a way to creatively stretch its resources and widen the reach of businesses it could support. This is illustrated by the fact that when she was first appointed as the executive head of the NEF in July 2005, the institution had only approved transactions to the value of R35 million, a far cry from the sterling achievements that she has presided over since then. She joined the NEF after successfully leading the process of crafting the country’s Codes of Good Practice, the policy lodestar that precipitated transformation legislation over the past two decades in the quest to restore the economic citizenship of the black majority. She has inspired teams of A-grade black professionals who have facilitated innovative funding of

sustainable businesses across various sectors of the economy,” adds Ms Leteka, who is also co-founder and Chairperson of IDF Capital and a former Trustee of the NEF.

“The narration of South Africa’s economic liberation struggle will be incomplete without acknowledgment of Philisiwe Mthethwa. She is a pioneer and a thought-leader of impeccable merit, passion and integrity whose many remarkable achievements place her alongside the architects of hope in our nation. It is for this reason that she was among the luminaries that were honoured this July by the BBC in recognition of her role as a Game Changer,” says **Mr Kganki Matabane, CEO of the Black Business Council**.

Says **Ms Buhle Hanise, President of the African Women Chartered Accountants (AWCA)**: “For many years the NEF has been a close partner of AWCA, actively supporting our skills development programme towards the education and training of African women CAs, especially from rural areas. Ms Mthethwa’s leadership, personal involvement and commitment to this strategic objective has been phenomenal. This is one of the many reasons why AWCA has awarded and recognised Ms Mthethwa as a *Woman of Substance* and as *Luminary* in advancing entrepreneurship, transformation, skills development and the economic empowerment of black women”.

“Since operational inception in 2005 the NEF has used its original R2.5 billion capitalisation from Government to approve funding in excess of R13 billion for over 1 500 black-owned and managed enterprises, whose collective value is in excess of R23 billion. This includes R10.12 billion from 3rd-party funders such as commercial banks, corporates, DFIs as well as the public sector. Life to date over R9.3 billion has been disbursed to investees across the country, supporting in excess of 124 000 jobs. Before the advent of the COVID-19 pandemic, 70% of the funded portfolio were still active. As I serve out the final phase of my stewardship as CEO of the NEF, we look back with a degree of contentment over the many milestones we have spearheaded across different sectors of the economy, and with great hope for the period ahead,” says **Ms Mthethwa**.



“I am humbled to be handing over an organisation that has secured clean external audit opinions for 20 consecutive years, attesting to the NEF’s integrity and commitment to good governance. It has been a privilege to play a part in providing investor education, business planning support, entrepreneurial training, incubation support, mentorship and funding to black youth, women, SMEs and black industrialists in villages, townships and peri-urban localities,” says Ms Mthethwa.

The 2022-23 financial year saw the NEF achieving some of the highest results in its 20-year operational history, having approved transactions valued at R1.2 billion for black entrepreneurs. Commitments reached R939 million against a target of R750 million, outperforming the target by R189 million. Deployment of capital into the domestic economy reached R692 million against a target of R675 million, exceeding the target by R17 million. A total of 4 598 job opportunities were supported against a target of 4 154. Support to black women entrepreneurs comprised 37% of all disbursements against a target of 35% because the NEF prioritizes the empowerment of black women, explains Ms Mthethwa.

She says credit for this performance goes to the management and staff of the NEF, “the game-changers who comprise young black engineers, Chartered Accountants, corporate lawyers, investment professionals and specialists from various backgrounds. They are young, driven and dynamic. Over 60% of the management cohort comprises women professionals. These are the patriots who have left the private sector to serve the public service with diligence and dedication. The NEF stands on their shoulders. I also owe a huge debt of gratitude to our Government, including past and present Ministers of Trade, Industry and Competition as well as Deputy Ministers; the Portfolio, Select and Standing Committees

at Parliament; co-investors in the public and private sectors, the empowerment fraternity as well as our current and past Trustees at the NEF, for their faith in my vocation,” adds Ms Mthethwa.

She says the Minister of Trade, Industry and Competition, Hon. Ebrahim Patel, Hon. Deputy Minister Nomalungelo Gina and Hon. Deputy Minister Fikile Majola as well as **the dtic** leadership have been instrumental in unlocking resources for the NEF, allocating in excess of R1.4 billion to the entity for the Black Business COVID-19 Fund, the Women Empowerment Fund, Economic Recovery Fund, Economic Distress Fund and the Black Business Manufacturing Enhancement. Also significant was the allocation of R273 million by the Solidarity Fund to the NEF in September 2021 for a financial relief programme to support the recovery of small, medium and micro enterprises from the devastating effects of riots in KwaZulu Natal and some parts of Gauteng.

A dynamic leader of vast and diverse achievements, Ms Mthethwa is a Non-Executive Director of the Industrial Development Corporation, where she serves in the Board Investment Committee and the Board Risk and Sustainability Committee.

Prior to joining the NEF, she worked in London for Banque Nationale de Paris as a Planning Analyst and was later responsible for risk management control at the South African Reserve Bank before working in the Treasury division at Standard Corporate and Merchant Bank. As a former economic diplomat she was responsible for trade and investment promotion among eight European countries, specifically Germany, France, Italy, Switzerland, Spain, Austria, Czech Republic and Poland. Fluent in French, in 2011 she was awarded the ***Chevalier de la Legion d’Honneur*** (Knight of the National Order of Merit) by the then President of the French Republic, Mr Nicolas Sarkozy. The 2012 BusinessWoman of the Year, Ms Mthethwa holds an MBA in Corporate Finance from the University of Sheffield and read for the *Maîtrise en science économique*, equivalent of MSc in Economics, at the University of Paris 2, Sorbonne (thesis not defended).

Ms Mthethwa has not revealed her future plans, preferring to “dedicate my last remaining months to help the organisation find a leader of the future so that the NEF may continue to light the path in the quest for inclusive growth and economic justice”.