



NATIONAL  
EMPOWERMENT  
FUND

Growing Black Economic Participation

# GROWING THE EMPOWERMENT DIVIDEND

ANNUAL REPORT  
**2008**



"No person in this country, in whichever province he or she may reside will be left untouched by BB-BEE developments."

Mr Mandisi Mpahlwa,  
Budget Vote 2008, National  
Council of Provinces



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## MISSION

The National Empowerment Fund (NEF) is the catalyst of Broad-Based Black Economic Empowerment in South Africa.

We enable, develop, promote and implement innovative investment and transformation solutions to advance sustainable Black economic participation.

## VISION

Our vision is to become the leading provider of innovative transformation solutions for an inclusive economy.

## VALUES

Service excellence  
Result orientated  
Innovation and continuous improvement  
Ownership and accountability  
Recognition and reward  
Respect, empathy and fairness  
Honesty and integrity  
Open and honest communication  
People development

## MANDATE

The NEF was established by the National Empowerment Fund Act No.105 of 1998, to promote and facilitate Black economic equality and transformation. Its mandate and mission is to be the catalyst of Broad-Based Black Economic Empowerment (BB-BEE).

The NEF implements this mandate in two ways:

As a facilitator of the Codes of Good Practice of the Broad-Based Black Economic Empowerment Act (the Codes), to support the pillars of Black enterprise by providing finance and financial solutions across a range of sectors through its Fund Management division; and  
By structuring accessible retail savings products for Black people through its Asset Management Division, which is a custodian of certain equity allocations in State-Allocated Investments (SAls), the NEF aims to foster a culture of savings and investment amongst its beneficiaries.

## STRATEGIC ROLE AND POSITIONING

The NEF's role is to support BB-BEE. As the debate around what constitutes meaningful and sustainable BB-BEE evolves, the NEF anticipates future funding and investment requirements to help Black individuals, communities and businesses achieve each element of the Codes of Good Practice. These include a focus on preferential procurement, broadening the reach of Black equity ownership, transformation in management and staff and preventing the dilution of Black shareholding.

The NEF differentiates itself not only with a focused mandate for BB-BEE, but by also assuming a predominantly equity-based risk to maximise the empowerment dividend. Reward should balance the risk with the application of sound commercial decisions to support national priorities and Government policy such as the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA) or targeted investments through the dti's Industrial Policy Framework.

The work of the NEF therefore straddles and complements other development finance institutions (DFIs) by allowing the organisations to work in close collaboration. With them, the NEF can enhance other DFIs and their mandates by sharing its specialist sector expertise and knowledge..

**"Our Government is convinced that our very long and difficult struggle for liberation and its outcome, a democratic South Africa, would have absolutely no meaning if we did not work in the most determined and sustained manner to deliver on Broad-Based Black Economic Empowerment."**

President Thabo Mbeki. National Assembly, 08 February 2008.