

# **1** REDFLANK



Outcomes of the Impact Assessment Study on the Mandate of the B-BBEE Commission

B-BBEE Annual Conference

01 April 2022

### Agenda





## **Study Objectives**

Research Methodology

**Summary Assessment** 

Results Chain Analysis

Key Findings and Recommendations

## **Study Objectives**





Main aim of this impact assessment Study was to **measure**, through independent research, the **effective implementation of the B-BBEE Act** by the B-BBEE Commission to fulfil its mandate **as per section 13F of the B-BBEE Act**. The overall objectives of the impact assessment Study are to:

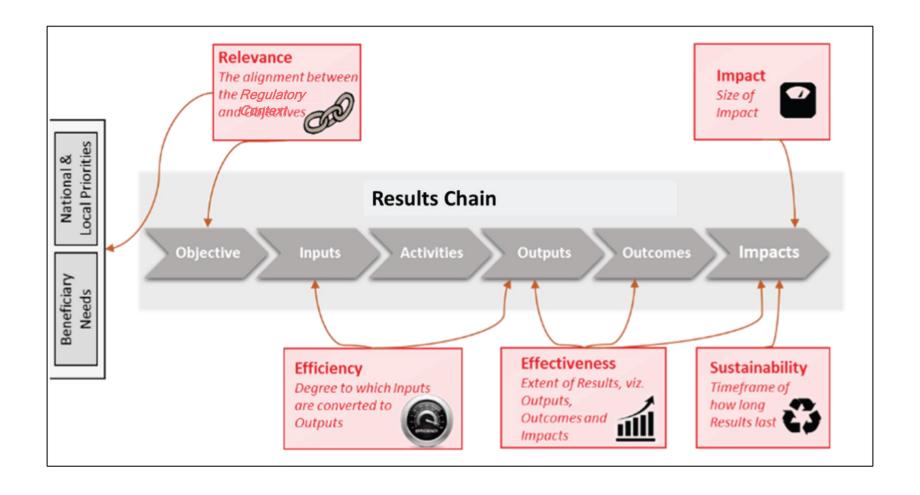
- Assess if the B-BBEE Commission has succeeded in implementing each of its mandated functions listed in section 13F.
- Assess whether the B-BBEE Commission has an intervention/activity relating to every function in section 13F and how effective these interventions/activities are in assisting the B-BBEE Commission to achieve its mandate.
- Identify the **root causes for non-compliance** to the BBBEE Act by stakeholders.
- Create results that will generate evidence of key achievements and challenges.
- Examine the effectiveness of the B-BBEE Commission's programmes/ activities by ensuring a national coverage of the geographical and demographic classifications of groups affected by the B-BBEE Commission interventions.



## Research Methodology



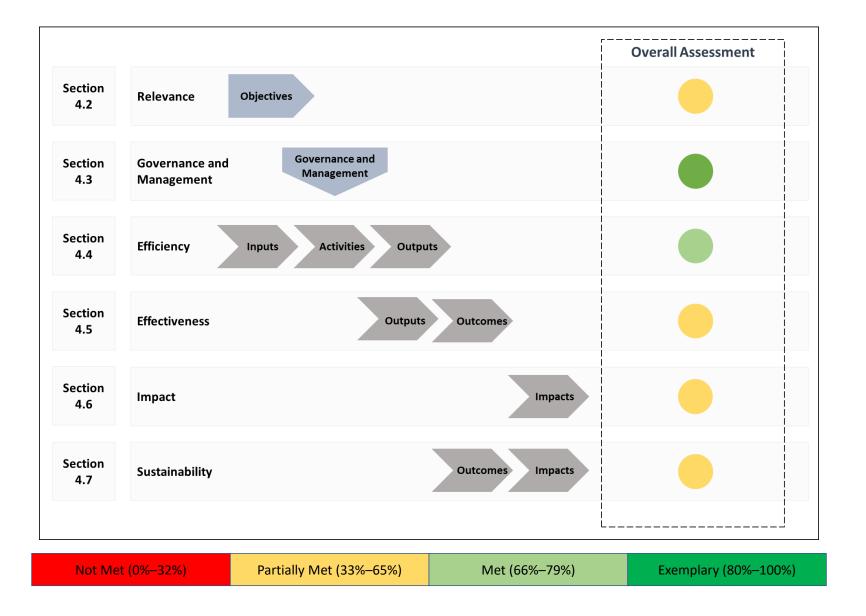




## Summary Assessment







## Results Chain Analysis

Exemplary (80%-100%)

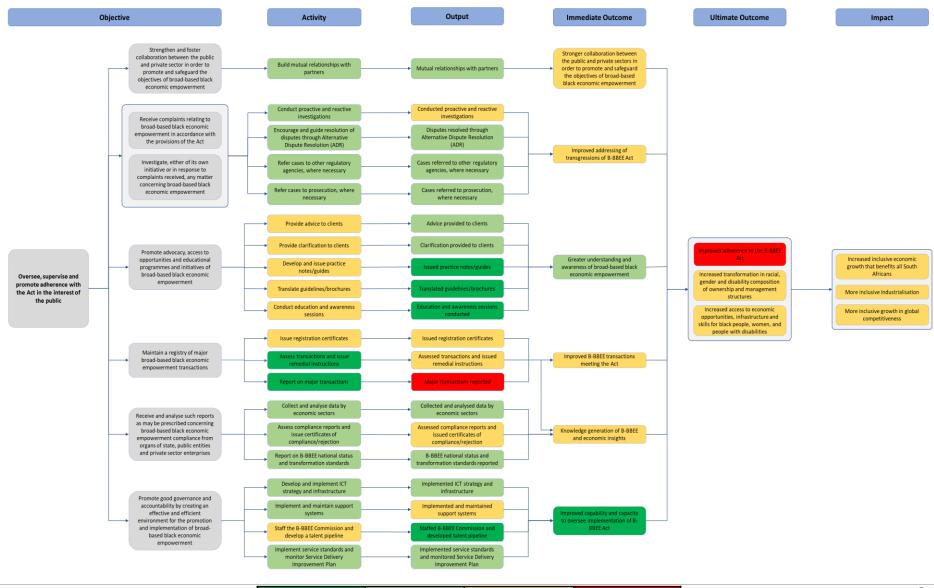
Met (66%-79%)

Partially Met (33%-65%)

Not Met (0%-32%)







## Results Chain Analysis





**Sub-Objective** 

Strengthen and foster collaboration between the public and private sector in order to promote and safeguard the objectives of broad-based black economic empowerment

Receive complaints relating to broad-based black economic empowerment in accordance with the provisions of the Act

Investigate, either of its own initiative or in response to complaints received, any matter concerning broad-based black economic empowerment

Promote advocacy, access to opportunities and educational programmes and initiatives of broadbased black economic empowerment

Maintain a registry of major broad-based black economic empowerment transactions

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

Promote good governance and accountability by creating an effective and efficient environment for the promotion and implementation of broadbased black economic empowerment

Activity

Output

**Immediate Outcome** 

**Ultimate Outcome** 

**Impact** 

Provide advice to clients

Provide clarification to clients

Develop and issue practice

notes/guides

Conducted proactive and reactive investigations

Issued registration certificates

Translate guidelines/brochures

Conduct education and awareness sessions

Issue registration certificates

Staff the B-BBEE Commission and develop a talent pipeline

Assessed transactions and issued remedial instructions

Assessed compliance reports and issued certificates of compliance/rejection

Implemented and maintained support systems

Stronger collaboration between the public and private sectors in order to promote and safeguard the objectives of broad-based black economic empowerment

Improved addressing of transgressions of B-BBEE Act

Improved B-BBEE transactions meeting the Act

Knowledge generation of B-BBEE and economic insights

Improved adherence to the B-

Increased transformation in racial, gender and disability composition of ownership and management structures

Increased access to economic opportunities, infrastructure and skills for black people, women, and people with disabilities

Increased inclusive economic growth that benefits all South Africans

More inclusive Industrialisation

More inclusive growth in global competitiveness

## Key Recommendations (1/2)





#### **Key Finding**

- •The Commission has some documented processes in the form of Standard Operating Procedures (SOPs). However, no documented process maps exist. A process was started to map some processes; however, this has not progressed further. Documented processes and enterprise architecture improve efficiency and effectiveness and demonstrate organisational maturity.
- •The Commission currently operates largely manually and on paper.
- •Due to staffing shortages, complaints are received by the Operations division and not directly by the Investigations and Enforcement division. This process creates delays and may introduce risks such as data degradation and miscommunication at handover.

#### **Key Recommendation**

Embark on a business process analysis exercise of documenting the Commission's current processes and enterprise architecture, identifying improvements, and entrenching them in the organisation. Using the findings of the business process analysis and enterprise architecture Study, draw up an action plan for digitising the Commission and expediting the procurement of systems, particularly the case management system.

## Key Recommendations (2/2)





#### **Key Finding**

- •As with receiving complaints, investigations are still highly manual, with a reliance on paper-based work and some use of productivity tools (e.g., Microsoft Office).
- •Compliance reports are processed largely manually, in hardcopy, or through productivity tools such as email. This is an inefficient process that can introduce errors from both the submitting party and the Commission, resulting in delays and unnecessary rejections. Whilst there is/was a portal for submission of compliance reports, this was reportedly insufficient as it could not receive large files.
- •Whilst the integrated database and ICT year plan were produced according to target, of the seven systems planned over 2019/20–2020/21, only three were implemented (HRM&D and two releases of the B-BBEE Certificate Portal). A crucial system still outstanding is the case management system.

#### **Key Recommendation**

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### Other Key Recommendations (1/2)





- Establish a working group for increased stakeholder engagement and awareness consisting of the B-BBEE Commission, the *dtic*, and partner organisations (e.g., CIPC, SANAS, DSBD, SARS, SAPS, NPA, sector councils).
- Continue engagements with the dtic, National Treasury, and Parliament on amending
  the B-BBEE Act to allow for the Commission to be established independently as a public
  entity. Whilst the Act is amended, engage National Treasury to list the B-BBEE
  Commission as a trading entity reporting to the dtic.
- Engage with civil society and government organisations [e.g., National Development Agency (NDA)] to address potential resistance towards transformation.
- Acceptable vehicles for transformation can be discussed in the working group to encourage transformation in the various areas of partner organisations.

## Other Key Recommendations (2/2)





- Engage the *dtic*, National Treasury, and Parliament on the need to amend the B-BBEE Act to include administrative processes for non-compliance (penalties, interdicts).
- Consider regular stakeholder sessions on the interpretation of specific aspects and educate stakeholders regarding the processes and structures relevant to interpretation.
- Continue referring stakeholders to other organisations such as those in the proposed working group. For instance, issues of access to markets and funding have solutions in the *dtic*, Department of Small Business Development, National Treasury, Development Bank of Southern Africa, etc.
- Continue engaging with industry associations across spectrum.



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## Thank You!