

Sector Scorecard: Industry Specific Initiatives

• Industry specific initiatives:

- Growers: contributions to wide ranging initiatives that serve public interests and support local communities
- Forestry Contractors: Contributions to representative Contractors Association's programmes aimed at empowering black contractors.
- Fibre producers: additional enterprise development support that contribute to increased roundwood supply, local beneficiation of forest and waste products and local production of goods and services procured by sub-sector.
- Sawmillers: Establishment of representative sawmillers organisation and support to its programmes aimed at empowering emerging black sawmillers

Sector Scorecard: Industry Specific Initiatives, cont.

• Industry specific initiatives (continued):

- Pole producers: Contributions to SAWPA approved programmes that support twilight operators, information and training on pole selection and standards for contractors
- Charcoal producers: Establishment of representative charcoal producer's organisation and support to its programmes aimed at empowering emerging charcoal producers

Sector Scorecard: Industry Specific Initiatives, cont.

- Six bonus point in sub-sector scorecard allocated to support industry specific BBBEE priorities:
 - Growers: Additional contributions to enterprise development, sale of timber to black enterprise and access by local communities to non-timber forest products
 - Forestry Contractors: Additional contributions to industry specific initiatives, initiatives to empower black women and benefiting worker's living conditions.
 - Fibre producers: Additional contributions to skills development and industry specific initiatives & compliance with Code of Good Practice for small grower contracting schemes

Sector Scorecard: Industry Specific Initiatives, cont.

- Bonus point allocation (continued):
 - Sawmillers: points for achieving the higher ownership targets, enterprise development that improves utilisation rates by sawmillers and additional contributions to corporate social investment
 - Pole producers: points for achieving higher ownership targets for black workers, additional contributions to industry specific initiatives and initiatives that benefit local communities
 - Charcoal producers: points for equity shareholding by black small charcoal producers, additional capacity building and training support to small charcoal producers and additional contributions to industry specific initiatives

Instruments to Support Ownership Targets

- Funding facility for BBBEE transactions and forest enterprise development:
 - Negotiate framework agreements with public funding and private banking institutions (*Government and Industry*)
 - Create a Forest Enterprise development Fund to fund and/or subsidize interest burden for emerging growers (*Government*)
 - Secure affordable fire insurance for small growers (*Industry and Government*)
- Tax exemption to support equity transfer in family owned businesses (*Government*)

Instruments to Support Ownership Targets

- Restructuring of state forest assets (*Government*):
 - Consider possible role for SAFCOL in forestry development
 - Restructure remaining DWAF plantations in accordance with pro-poor agenda
 - Confirm land holding rights and establish land holding structures for communities

Instruments to Support Skills Development Targets

- Skills development strategy and programme (*FIETA, Industry and Government*):
 - Strengthening the national framework for sector skills development (skills needs analysis, develop Unit Standards, registration of qualifications with SAQA etc)
 - Skills development plan for youth and new entrants
 - Skills development plan for advancement of employees within established enterprises
 - Strengthen sector capacity for skills development delivery

Instruments to Support Preferential Procurement Targets

- Develop Codes of Good Practice on Contracting and employment: (*Industry and Labour*):
 - Forestry Contracting industry
 - Small grower Contracting Schemes
 - Charcoal industry

Instruments to Support Enterprise Development Targets

- Funding facilities for forest enterprise development (*Government and Industry*)
- Service delivery agreements for forest enterprise development support with existing enterprises and development agencies (*Government*)
- Streamline and expedite afforestation and mill licensing procedures (*Government*)
- Secure land rights and land holding structures on communal land for afforestation and restructuring of state forest assets (*Government*)
- Ensure appropriate forestry certification methodologies for emerging growers (*Industry*)
- Policy and information services to facilitate raw material supply to small scale charcoal producers (*Government*)
- Sawlog supply strategy (*Government and Industry*)

Instruments to Support Industry Specific Initiative Targets

- National Sawlog Growing Strategy and Programme (*Government and Industry*)
- Tightening anti-dumping measures in pulp and paper products (*Government*)
- Road infrastructure development support for forestry development (*Government*)
- Forest Sector Research & Development Strategy and Programme (*Government and Industry*)
- Memorandums of Understanding between Land Claims Commission and Industry & DWAF for settling land claims on forestland
- Strengthening and/or establish representative organisations for contractors, emerging growers, sawmillers, charcoal producers and forest sector workers
- Review levying of Property Rates in Forest Areas

Agenda



Background and Overview of the Process



**Vision and Objectives of the
Forest Transformation Charter**

**Sub-sector Forest BEE Scorecard
(Targets, Weightings, and Elements)**



**Establishment of Sector Charter Council and Gazetting
of the Charter in terms of section 12 & 9 of the BEE Act**

Wayforward and Concluding Remarks

Instruments to oversee Charter Implementation

- Establish Forest Sector Charter Council:
 - Function is to monitor, review and facilitate the implementation of the Charter.
 - Council reports to BEE Advisory Council and Ministers of Trade and Industry & Water Affairs and Forestry
 - 15 Members nominated by stakeholder groups. There must be an equitable composition of stakeholders in the Charter Council
 - Core staff to administer the Council
 - Co-funded by Government and Industry
 - Mandate and powers of the Charter Council must be set out in consultation with the dti.
 - Good corporate governance principles must be applied in the daily function of the Charter Council



Way Forward and Concluding Remarks

- The dti would like to see the formulation of the charter to be complete before the end of September 2006 and ready for gazetting under section 12 of the BEE Act.

Way Forward and Concluding Remarks

- Update Charter based on finalised Codes of Good Practice
- Submit draft final Charter to Cabinet and then Minister of Trade and Industry for approval and gazetting in terms of section 12 and 9 BEE Act.
- Under section 9, the charter will be converted into Sector Code, giving it the similar status with the Codes of Good Practice. As a sector code, organs of state and other enterprises must take into account the sector code with respect to the BEE status of company when transacting or interacting with the enterprise from the sector.
- An analysis of the draft Charter by an independent party should be conducted and submitted to the Minister of Trade and Industry when applying for section 9 of the BBBEE Act.

THANK YOU

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