

## **Charter Council**

Par. 16.1 of the Charter contains the undertaking to establish a Forest Sector Charter Council that will oversee and facilitate the implementation of the Charter. The functions, composition, constitution and funding arrangements for the Council are outlined hereunder:

### **(a) Functions**

- a. Monitor the implementation of the Charter and review the Charter as outlined in par. 16.2 of the Charter.
- b. Provide interpretation and guidance with respect to the Charter.
- c. Facilitate the communication and popularisation of the Charter.
- d. Facilitate cross-industry and government negotiations to promote the application and implementation of the Charter.
- e. Provide guidance on sector-specific matters affecting B-BBEE in entities within the Sector.
- f. Share information with the national monitoring mechanism and approved accreditation agencies that are relevant to the Sector.
- g. Implement programmes to ensure that sufficient independent capacity of verification agencies exist to support the Charter.
- h. Initiate procedures to convert the Forest Charter into Sector Codes.
- i. Issue guidelines for sector-specific enterprise development and socio-economic development contributions under the Scorecard.

### **(b) Composition**

- a. The Council shall consist of 19 members, with the following composition:
  - o A Chairperson, who shall be an independent person, appointed by the Minister of Water Affairs and Forestry in consultation with stakeholder constituencies.
  - o A Chief Executive Officer, who shall be responsible for the daily administration and operations of the Council and serve on the Council in an ex-officio capacity.
  - o Nine (9) members representing industry, appointed from the various sub-sectors in the Forest Sector.
  - o Two (2) members representing organised labour.

- Three (3) members representing broader stakeholders assigned by the Minister of Water Affairs and Forestry in consultation with the stakeholder constituencies.
- Three (3) members representing government, one each from the Departments of Water Affairs and Forestry, Trade and Industry, and Land Affairs.
- b. The composition of the Council shall fairly reflect the stakeholders in the Sector and be racially and gender representative.
- c. The terms of office for members of the Council shall be 3 years, and members shall be eligible for re-appointment.
- d. The Chief Executive Officer shall be appointed jointly by the parties that fund the Charter Council as outlined in par. (d) below.
- e. The Chief Executive Officers shall make other staff appointments.

(c) Constitution

- a. The Council shall be guided by the following five basic principles:
  - Transparency
  - Fairness
  - Corporate Governance
  - Consultation and inclusivity
  - Socio-economic transformation
- b. Decisions of the Council shall be taken on a consensus basis. If on any issue the Council is unable to achieve consensus, there will be a dispute breaking mechanism as specified in the Constitution referred to in par. e. below.
- c. The Council may create sub-committees to deal with specific matters as and when required.
- d. The Council may co-opt experts to serve on or advise sub-committees as contemplated above.
- e. A Constitution of the Council shall be tabled for adoption at the first meeting of the Council and must be adopted by a two-third majority within 60 working days after the gazetting of this Charter.
- f. The Council may amend the Constitution of the Council from time to time.
- g. The Council shall, in consultation with the BEE Advisory Council and by resolution, formulate rules to further regulate its proceedings.

(d) Funding

- a. The Forest Industry and Government shall fund the Council jointly, with Government contributing 60% and Industry 40% of the budget requirements.
- b. The funding arrangement as outlined in par. a. above is subject to agreement between these parties on the initial budget requirements for the Council and an annual escalation of the budget based on the South African Consumer Price Index, unless otherwise agreed to by the parties.
- c. The Council shall prepare an annual business plan that will include a budget for the work of the Council.