

Framework for the Forest Sector Charter document

1. Minimum requirements

In terms of par. 27 of the Code of Good Practice for Transformation Charters, Sector Charters should incorporate the following:

- (a) The BEE challenges in that sector.
- (b) The sector's vision for achieving BEE targets and timetables.
- (c) The specific instruments to be used to achieve BEE targets, including financial instruments, skills development and employment equity, preferential procurements and enterprise development, as well as any other additional mechanisms appropriate to the specific sector.
- (d) An assessment of the financing required funding BEE transactions.
- (e) Institutional and management arrangements to coordinate, facilitate, monitor and evaluate the implementation of the charter.
- (f) Any other relevant issues and commitments relevant to the sector, in order to enable its participants to advance the objectives of broad-based BEE.

Sector Charters also need to include the broad based BEE Scorecard, which consists of the following core components:

- (a) Direct empowerment through equity ownership and management;
- (b) Human resource development through employment equity and skills development; and
- (c) Indirect empowerment through preferential procurement, enterprise development and industry specific initiatives.

Indicators, weighting and targets must be included for each of the core components

The format for Sector Transformation Charters is not prescribed and each sector can decide on what is appropriate as long as it covers the abovementioned elements.

2. Proposed Charter Framework

An overview of Transformation Charters in other sectors, as well as an analysis of the requirements listed above, points to the following framework:

1. Preamble (statements to what the parties to the Charter accept and commit themselves)
2. Executive summary
3. The Charter process (outline of the participation and consultation process)
4. Scope of application (sector delineation)
5. Interpretations (definitions & meanings)
6. Legislative framework (related to BBBEE and the sector)
7. Key principles of the Charter
8. Current situation (status of empowerment in the sector)
 - a. Equity ownership
 - b. Management
 - c. Employment equity

- d. Skills development
 - e. Preferential employment
 - f. Enterprise development
 - g. Industry specific initiatives
 - h. Corporate social investment
9. Vision for the sector
- a. Equity ownership
 - b. Management
 - c. Employment equity
 - d. Skills development
 - e. Preferential employment
 - f. Enterprise development
 - g. Corporate social investment
10. Challenges facing the sector & recommended solutions
- a. Equity ownership
 - b. Management
 - c. Employment equity
 - d. Skills development
 - e. Preferential employment
 - f. Enterprise development
 - g. Corporate social responsibility
11. Objectives for the sector (BBBEE targets and timetable linked to scorecard)
- a. Equity ownership
 - b. Management
 - c. Employment equity
 - d. Skills development
 - e. Preferential employment
 - f. Enterprise development
 - g. Industry specific initiatives
 - h. Corporate social responsibility
12. Instruments for achieving BEE targets
- a. Financial instruments
 - b. Skills development
 - c. Employment equity
 - d. Preferential procurements
 - e. Enterprise development
 - f. Corporate social investment
 - g. Land Reform
 - h. Restructuring of state forest assets
 - i. Issuing of licenses, concessions or other authorisations
 - j. Others
13. Undertakings/commitments
- a. Sector
 - b. Industry
 - c. Government
 - d. Labour
14. Financial requirements (to fund BEE transactions)

15. Institutional arrangements (to coordinate, facilitate, monitor and evaluate the implementation of the charter)
 - a. Charter Council
 - b. Monitoring evaluation and reporting
16. Signatories to the Charter

3. Data collection and analysis

The circumstances in various sub-sectors in the Forest Industry is sufficiently different and unique to justify the analysis of the information under items 8 to 11 per sub-sector, namely:

- a. Grower sub-sector
- b. Contractor sub-sector
- c. Pulp and paper sub-sector
- d. Board production sub-sector
- e. Chip export sub-sector
- f. Sawmilling sub-sector
- g. Mining timber sub-sector
- h. Pole treatment sub-sector
- i. Charcoal production sub-sector

The data fields to be collected for each of these sub-sectors is presented in the table below:

BBBEE element	Current situation	Vision	Challenges & Recommendations	Objectives
a. Equity ownership				
b. Management				
c. Employment equity				
d. Skills development				
e. Preferential employment				
f. Enterprise development				
g. Industry specific initiatives				
h. Corporate social investment				