GENERAL NOTICE

NOTICE 873 OF 2009

Issued in terms of Section 9 (1) of the BBBEE Act 53, 2003

(DEPARTMENT OF TRADE AND INDUSTRY)

CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT

Whereas I, Mandisi Mpahlwa, Minister of Trade and Industry:

- (a) Having issued a DRAFT FOREST SECTOR CHARTER for public comments in terms of **Section 9(5)** of the Broad-Based Black Economic Empowerment (Act No. 53 of 2003) on the **5**th **December 2008** in terms of which;
- (b) the public and interested persons were invited to comment on the draft Sector Charter within a period of *60 days* from the date on which the Draft Sector having been published.
- (c) Now publish the FOREST SECTOR CHARTER as a SECTOR CODE on black economic empowerment in terms of Section 9(1) of the BBBEE Act, 53 of 2003.

This notice is effective from the date of publishing and means that the FOREST SECTOR CODE is binding on all stakeholders operating in the Forest Sector.

MANDISI MPAHLWA

MINISTER OF TRADE AND INDUSTRY

DATE: 04-05-2009

FOREST SECTOR CODE

GAZETTED IN TERMS OF SECTION 9 (1) OF THE BBBEE ACT 53 OF 2003

MAY 2009

Table of Contents

1	Prea	amble	. 1
2	Sco	pe of application	. 2
3		rpretations	
4		ectives	
5		principles	
		B-BBEE is Broad-based	
	2.	B-BBEE is an Inclusive Process	
	3.	B-BBEE and Economic Growth	
	4.	B-BBEE and Partnerships	
	5.	B-BBEE and Good Governance	
	6.	Shared Vision for the Industry	
		tor Challenges	
7		BEE Scorecard for the Forest Sector	
•		Application of the Scorecard	
7. 7.			
		Instruments to Support B-BBEE Targets	
		nership	
8.		Sector Targets	
8.		Additional Instruments	
	8.2.1		
_	8.2.2		
		agement Control	
		Sector Targets	
		ployment Equity	
		Sector Targets	
		s Development	
		Sector Targets	
11		Additional Instruments	
	11.2		IC
		erential Procurement	
		Sector Targets	
12		Additional Instruments	
	12.2	.1 Industry Codes of Conduct for the Forest Sector	11
		erprise Development	
		Sector Targets	
13	3.2	Additional Instruments	13
		.1 Access to funds and financial services for emerging black	
	entre	epreneurs1	13
	13.2		
	entre	epreneurs1	13
	13.2		
	sawr	milling facilities 1	4
	13.2		
	and 1	the restructuring of State forest assets	14
	13.2.	.5 Small grower certification1	15
		.6 Access to raw material supply for small scale charcoal production and	
		estic fuelwood	
		o-economic Development	
		Sector Targets	
		<u> </u>	

15 Industry Specific Initiatives	16		
15.1 Sector Targets	16		
15.2 Additional Instruments	17		
15.2.1 Integrated planning for Forest Sector development	17		
15.2.2 Sawlog growing strategy and programme for South Africa	18		
15.2.3 Forest protection services			
15.2.4 Transport infrastructure development in support of forestry	18		
15.2.5 Anti-dumping measures			
15.2.6 Strategy and programme for Forest Sector R&D in South Africa			
15.2.7 Expediting restitution claims on forest land			
15.2.8 Industry structures			
15.2.9 Review of levying of property rates in forest areas			
16 Institutional Arrangements			
16.1 Charter Council			
16.2 Progress Reports and Review			
17 Signatories to the Charter			
TABLE 1: SCORECARD FOR MEDIUM AND LARGE FOREST ENTERPRISES			
TABLE 2: SCORECARD FOR QUALIFYING SMALL FOREST ENTERPRISES			
ANNEXURE A: EXTRACT FROM THE COMPANION TO THE CHARTER LISTIN			
DETAILED UNDERTAKINGS IN THE CHARTER			
Streamline and expedite afforestation licensing procedures			
Sawlog growing strategy and programme for South Africa			
Forest protection services			
Charter Council	34		

1 Preamble

We, the parties to this Charter, are fully committed to working collectively to ensure that the opportunities and benefits of the Forest Sector are extended to black South Africans previously excluded from meaningful participation in the Sector. In doing so, we recognise that:

- Our sector is still largely white and male dominated and characterised by large disparities in access to opportunities and benefits for black people, especially black women.
- Growth and prosperity in the South African economy and the Forest Sector cannot be realised without meaningful participation of black South Africans, including black women, youth and the rural poor in economic life.
- We have the moral and constitutional obligation to reverse the legacy of inequality in the sector, as well as an obligation to our shareholders and employees to support sustainable growth through transformation in the sector.
- The Forest Sector has specific challenges that need to be addressed in an integrated manner to ensure sustainable equity and growth in the sector.

The Forest Sector believes that a positive and proactive response through the implementation of a Transformation Charter will address inequalities in the sector, unlock the sector's potential and enhance its growth.

The Forest Sector also confirms its role as a high growth potential sector of the economy, which should contribute substantially to the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA) that is set to drive the economy to a higher rate of growth that will optimise broad-based impact.

We hereby commit ourselves to:

- The objectives of the Broad-based Black Economic Empowerment Act No. 53 of 2003 (B-BBEE Act)
- The principles of sustainable forest management, in particular the principle of advancing persons disadvantaged by unfair discrimination, contained in the National Forests Act No. 84 of 1998 (NFA).
- The principles contained in other legislation aimed at addressing the imbalances brought about by the economic legacy of Apartheid.
- The principles contained in labour legislation aimed at protecting the rights of forest workers, and improving the wages and working conditions of those workers negatively impacted upon by outsourcing and casualisation.
- An integrated strategy for transformation and growth in the Forest Sector based on the framework, targets and undertakings outlined in this Charter.
- Working through partnership initiatives involving industry, government, labour and communities in implementing this Charter.