

SECTOR CHARTER COUNCILS

2018

GAZETTED AMENDED SECTOR CODES

AMENDED SECTOR CODES GAZETTED UNDER SECTION 9.1

- Tourism Sector Code
- ICT Sector Code
- MAC Sector Code

- Forestry Sector Code
- Property Sector Code

- Construction Sector Code
- AgriBEE Sector Code
- Financial Sector Code

STILL TO BE GAZETTED

- Chartered Accountants Sector Code
- Transport Sector Code

OTHERS

- Defense (Gazetted Under section 9.5)
- Petroleum Liquid fuel (Draft Stage)

PURPOSE OF SECTOR CHARTERS

ENHANCE TRANSFORMATION using UNIQUE KNOWLEDGE AND CHARACTERISTICS of the Sector to DEEPEN MEANINGFUL PARTICIPATION in the main stream of the SA Economy;

To actively promote TRANSFORMED, VIBRANT AND GLOBALLY COMPETITIVE SECTORS that reflects the demographics of SA & contributes to the establishment of an EQUITABLE SOCIETY:

- ❖ To ADD VALUE to the sector by providing the much needed GUIDANCE towards transformation
- ❖ To ASSIST THE STAKEHOLDERS of the sector on their TRANSFORMATION JOURNEY as outlined in the sector Codes
- ❖ To BREATH LIFE into the Sector Charter process
- ❖ Develop SECTOR SPECIFIC INTERVENTIONS

ROLE OF SECTOR COUNCILS

Empowered to act with executive AUTHORITY in providing necessary GUIDANCE on sector specific matters affecting B-BBEE to entities within sector

EVALUATE AND MONITOR transformation progress in line with the gazetted Sector Code

- Solicits progress & performance reports from the private sector & Government on sector code obligations – 7 elements in the codes

REPORTING of transformation progress of the sector

- Annual reporting
- Working together with Commission and VAs- streamlining only one submission – but in mean time need cooperation
- Stakeholders
 - Presidential BEE advisory Council
 - Minister of Trade and Industry
 - Line Ministry
 - Sector Participants

ENCOURAGE, SUPPORT AND FACILITATE the implementation transformation in line with the SECTOR CODE TARGETS

- Review Yearly priorities
- Identify new activities
- Define work programmes & roles of task teams
- Prepare and review business plans & budgets highlighting prioritised activities

OTHER - ROLES OF SECTOR COUNCILS

- **Making alignment/Amendments**
 - Alignment and/or Amendment in line with revised BBBEE legislation and requirements
- **Training and Education**
 - Training and education of all relevant stakeholders -transformation of the sector
- **Communication and Awareness**
 - ✓ Communicates on any legislation/changes/practice notes that impacts on transformation of the Sector
 - ✓ Provide any updates that impact transformation of the sector
- **Interpretive Guide and Support**
 - ✓ interpretation of the legislation in accordance to objectives of transformation of the sector.
 - ✓ Providing interpretation for entities in the sector
 - ✓ Providing interpretation for professional in the BBBEE environment
- **Facilitating Intervention Programmes**
 - With the aim to close the gap between targets and actuals
- **Initiate & facilitate Strategic Projects**
 - Projects that drive sector transformation

REQUIRED SUPPORT FROM GOV, PRVT SECTOR & BBBEE PROFESSIONALS

REQUIRED SUPPORT FROM GOVERNMENT

- Government needs to take an **ACTIVE LEAD** in transformation at all tiers of government (without compromise)
- Government to make **SKILL DEVELOPMENT** the **CORE OF ECONOMIC DEVELOPMENT PLAN** of the Country (not left to SETAs & only certain departments)
- **SUPPORT FUNDING OF B-BBEE** by Government through **DFIs** and commitment & achievement thereof be monitored through **REPORTING** on B-BBEE support as key indicator of measurement
- **ALIGNMENT** of the **VARIOUS LEGISLATIONS** in support of B-BBEE specifically PPPFA
 - ✓ Seen initial efforts with the 20th Jan 2017 PPPFA legislation
 - ✓ An overhaul was still to be worked on
- **TIMEOUS PAYMENT** to **SMMES** by Government

REQUIRED SUPPORT FROM GOV, PRVT SECTOR & BBBEE PROFESSIONALS

■ REQUIRED SUPPORT FROM GOVERNMENT

- Government to have **COMMON UNDERSTANDING & APPROACH** of transformation in order to align expectations of the outcomes of the process
- **CONSISTENT APPLICATION** of relevant Sector codes by all tiers of Government departments & SOE
 - Relevant Government (covered in the scope) to acknowledge that they need to comply and achieve sector code targets
- **COMMUNICATE MORE, THE BENEFITS** of successful implementation of B-BBEE that would result in a transformed **EQUITABLE SOCIETY**

REQUIRED SUPPORT FROM GOV, PRVT SECTOR & BBEE PROFESSIONALS

REQUIRED SUPPORT FROM PRIVATE SECTOR

- Embrace transformation as a **KEY IMPERATIVE** to the business
- **COOPERATION** from business to **PROVIDE INFORMATION** in order to report on sector transformation progress
- Willingness to form **PARTNERSHIP/COLLABORATE/SYNERGETIC RELATIONSHIP** with government to drive transformation and **UNLOCK OPPORTUNITIES**
- Need more **MEANINGFUL COLLABORATION** between business and beneficiaries for **SUSTAINABLE B-BBEE PARTNERSHIPS** to drive greater and deeper impact
- **COMMITMENT & SUPPORT** to making Sector Charter/Codes successful by **MAKING RESOURCES AVAILABLE**
- Realisation by business that there **is more to B-BBEE than scorecard** i.e. transformation will result in **SOCIAL CHANGE** that will bring about:
 - Economic Growth, Profitability, Global Competitiveness, Innovativeness, productivity etc

REQUIRED SUPPORT FROM GOV, PRVT SECTOR & BBEE PROFESSIONALS

REQUIRED SUPPORT FROM BBEE PROFESSIONALS

- Professionals to have **COMMON INTERPRETATION** of transformation both generic and sector codes in order to align expectations of the outcomes of the process
- BBEE professional to hold up high the **INTEGRITY of BBEE AND TRANSFORMATION**
- To work in **PARTNERSHIP/COLLABORATE AND COOPERATE** with each other as policy makers, sector council, professionals and commission – with common vision and objectives to drive and achieve the desired outcome of inclusive economic growth through transformation
 - Directly with sector council or Sanas – 3 day lead time
- **COMMITMENT & SUPPORT** to making generic and Sector Charter/Codes successful- without undermining any clause or area/s
- Creating **OPEN COMMUNICATION CHANNEL** in order to assist with Interpretation where necessary and relevant

TRANSFORMATION STATUS AND IMPACT

- Whilst there is progress and/or concerted effort in some sectors, it is **NOT AT THE ANTICIPATED LEVEL** and certainly **SLOW PACE**

- Sectors that have started **MONITORING AND EVALUATION**:
 - **REASONABLE ACHIEVEMENT OF TARGETS** in:
 - ✓ Preferential Procurement;
 - ✓ Enterprise Development;
 - ✓ Socio-Economic Development.
 - **UNDER PERFORMANCE** in:
 - ✓ Management Control;
 - ✓ Employment Equity.
 - **MIXED PERFORMANCE** across various sectors
 - ✓ Ownership
 - ✓ Skill Development

CHALLENGES

- Most sectors still dominated by White male and **VERY SLOW PENETRATION OF BLACK FEMALE AND DESIGNATED GROUPS** – after so many years of gazetting of codes
- Even after sector code is gazetted (section 9.1), some participants within the sector continue to be **USE GENERIC CODE OF GOOD PRACTICE**
 - ✓ Verification Agencies that undermine Sector Codes
- When procuring, government does not always **USE SECTOR CODES** (they use Generic Codes of Good Practice)

CONTACT PERSON

- Contact details:
 - ✓ To be send to all

THANK-YOU

QUESTIONS??