

A RE AGENG SOCIAL DIALOGUE FORUM



BBBEE SECTOR CHARTERS INDABA 2006 “FROM DIALOGUE TO DELIVERY”



6 & 7 June 2006

Rustenburg Civic Centre

i. EXECUTIVE SUMMARY

The sector Indaba's guiding principle was informed by the vision of the Province; namely **"To build a truly united, non-racial, non sexist, democratic and prosperous society that is jointly focused to deliver on key priorities aimed at growing the economy."**

It is against this background that the A Re Ageng Forum had set the platform of debate to interrogate the Broad Based Black Economic Empowerment (BBBEE) strategy documents across sectors.

A Re Ageng as the convener of Indaba invited SMMEs from across the Province as well as key government departments, private sector and other stakeholders to interact and dialogue on development issues facing the Province. The participants came from diverse backgrounds and had different expectations on the outcome of the workshop. The expectations came out clearly during the workshops deliberations.

The point of departure for the workshop was to critically diagnose the provincial growth and development strategy and how that would help shape and strengthen the BBBEE initiatives in all the districts of the Province. The selection on the topics for presentations and discussions were based on the key growth sectors of the Province thus the need to involve every business from survivalist to big business to share in the discussions.

The following growth and economic sectors were identified to form the bases for dialogue among delegates,

- Tourism
- Mining
- Construction
- Agriculture and
- Growth and Investment

Workshops were held to discuss the charters of the above sectors thoroughly to make sure that the Indaba yields the results that could build a sustainable economy of the North West Province.

The outcome of the Indaba had to form a symbolic relationship with the guiding principles within the Provincial Growth and Development Strategy (PGDS).

Of the key outcomes identified was the role of government in ensuring the usage of existing legislative procurement framework to promote BBBEE in support of Small Micro and Medium Enterprises/Historically Disadvantaged South Africans. The Private sector's role was identified as that of joint investment initiatives and driving Public-Private Partnerships (PPP), while the civil society was to make input into the development agendas of their localities.

The success of the above depends mainly on cooperation between the PPP initiatives that will drive BBBEE across targeted sectors in the Province.

Delegates hold the view that Government's commitment to recommendations from the Indaba could see the BBBEE succeeding. It was also recommended that Research and Development (R&D) institutions should play a key role in monitoring and evaluation progress and impact made and set up benchmark performances against the codes as detailed in each sector. The success of this Indaba depends on A Re Ageng's ability to implement the resolutions which were adopted by each sector and recommendations from the broader participants. Failure to do so will result in the whole initiative being seen as a talk shop.

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1. INTRODUCTION

The two day Indaba was coordinated by the A Re Ageng Forum, a provincial consultative and advisory body, whose purpose is to coordinate multi-sectoral development and the creation of a platform whereby stakeholders can actively participate in the development of policies that promotes sustainable socio-economic development in the North West Province.

The Mandate of the sector Indaba:

- To shape the future of Broad-Based Black Economic Empowerment (BBBEE) in the North West Province
- To enhance the PGDS, ASGISA & Economic Transformation
- To review the five Sector Charters that include Finance, Mining, Agriculture, Tourism and Construction

In her opening remarks, the chairperson of the A Re Ageng Forum Cynthia Chisimba explained that the meeting was expected to elicit critical viewpoints on the impact of the BBBEE as a transformation mechanism. The BBBEE Act of 2003 came into operation in April 2004 in order to establish a legislative framework for the promotion of black economic empowerment. The Minister of Trade and Industry issued the first phase of codes of good practice which were revised in December 2005 and the final codes are expected to be promulgated in January 2007. However, some of the sectors have already developed their own charter to guide them in dealing with BBBEE issues. The mining charter was the first charter to be established and an Act was developed as such. The law recognises that the country's economy performs well below its potential because of the low level of income earned and generated by the majority of its people.

Some of the specific objectives of the Indaba were to give inputs into the drafting of the North West BBBEE Strategy and to encourage partnerships in the business sectors that would lead to black economic empowerment. The Indaba also sought to ensure that there was a clear understanding of the law among the stakeholders in terms of economic transformation.

The five sectors which have been selected (Finance, Mining, Agriculture, Tourism and Construction) characterises the North West economy, with mining being the main driver, as demonstrated in **Figure 1.1**, data presented by Invest Northwest.

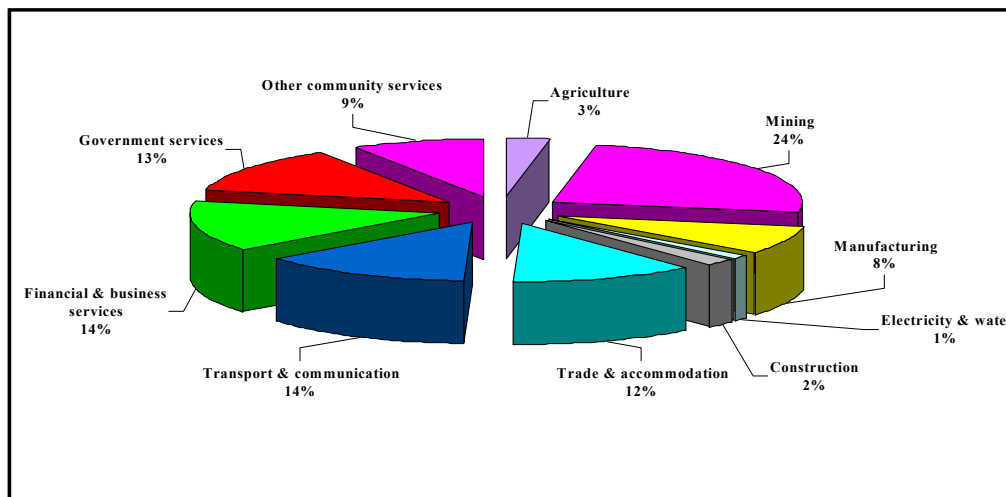


Figure 1.1 Structure of North West Economy

The envisaged growth targets for the North West Province are demonstrated in **Figure 1.2**.

Targeted Growth Areas:

- Mafikeng Biodiesel project
- Mafikeng Mineral cluster projects
- Cattle beneficiation project
- Platinum jewellery manufacturing
- Tourism
- Automotive sector

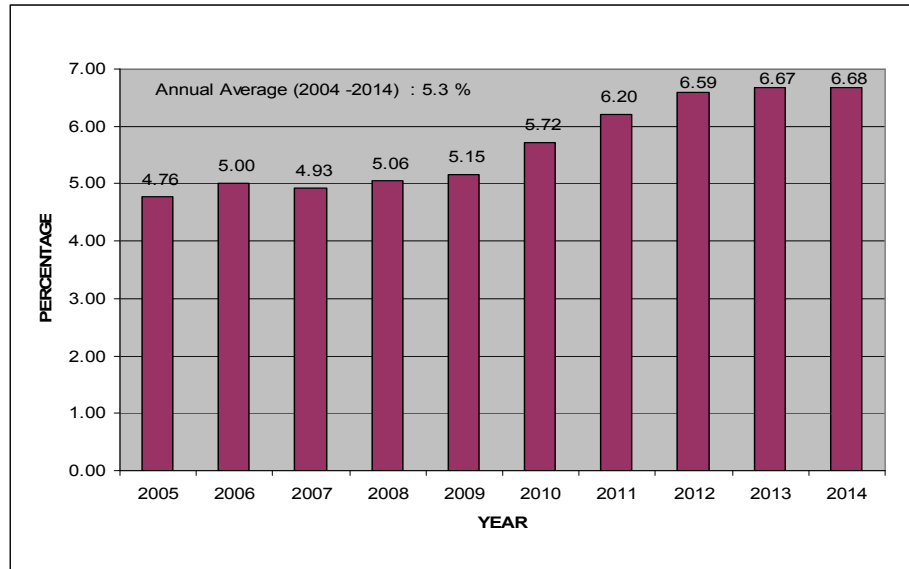


Figure 1.2 *Envisaged Growth Targets to 2014 for North West*

Core elements of BBBEE:

- Increase the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets and by communities, workers, cooperatives and other collective enterprises;
- Human resource and skill development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement and Investment in enterprises that are owned or managed by black people.

2. PRESENTATIONS

2.1. Broadening Understanding on PGDS & ASGISA

The role of Government in South Africa’s ASGISA and North West Province PGDS is to **establish a legislative framework** for the promotion of black economic empowerment, as well as to **promote the achievement of the constitutional right** to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, increased employment and more equitable income distribution, and to **establish a provincial policy on broad-based economic empowerment** so as to promote the economic unity of the Province, protect the

common market, and promote equal opportunity and equal access to government services.

Salient features of NW PGDS:

- Spatial Development Framework:
 - 3 corridors identified (refer **Figure 2.1**)
- 5 Key industries for investment and economic growth:
 - Agriculture and rural development
 - Mining and energy
 - Tourism
 - Manufacturing and Trade
 - Infrastructure and construction
- 2 Transversal pillars to complement key industries
 - SMME Development
 - Training and Skills Development

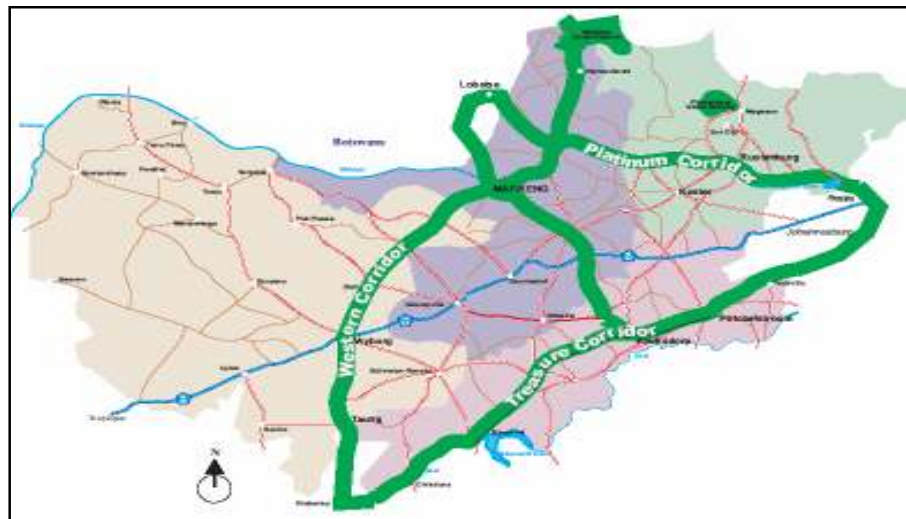


Figure 2.1 NW Spatial Development Framework

It is critical to develop solid SMME and BEE companies in each of the SDI's, which would take advantage of economic development opportunities, as well as develop BBBEE and SMME capacity within each SDI to create access to new opportunities. Each SDI route that has been identified has specific economic activities identify which is in line with the area's resources and infrastructure; therefore it is incumbent upon the BEE and SMMEs to develop their plans and businesses in line with the provincial strategy.

2.2. The role of Provincial Government in driving BBBEE

The proposed North West BBBEE implementation strategy by the Department of Economic Development and Tourism, will not duplicate individual departmental implementation strategies, but rather compliment and strengthen them. Business and civil society in the Province should within the context of the PGDS and other sector transformation charter agreements assist the NWPG towards the achievement of BBBEE objectives in the Province.

The PGDS is guided by the following laws, policies, and regulatory provisions:

- Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and Codes of Good Practice issued in terms of it.
- Cooperative Bill, 2002.
- Integrated Plan for Sustainable Development in the NW Province (NW2012), 19 September 2003.
- Public Private Sector Partnership Guideline, 2004.
- The Draft Codes of Good Practice.
- Skills Development Act, No. 97 of 1998.
- The National Empowerment Fund Act, No. 105 of 1998.
- Sector Charters issued in terms of section 12 and section 9 of the BBEE Act.
- South Africa's Economic Transformation: A strategy for Broad-Based Black Economic Empowerment Act, 2003.
- The Constitution of the Republic of South Africa, Act 108 of 1996.
- The National Small Business Act. No. 102 of 1996, as amended.
- The Preferential Procurement Policy Framework Act, No. 5 of 2000 and Regulations.
- Integrated strategy for Youth Employment and Entrepreneurship.
- North West Provincial Growth and Development Strategy, 2004.

The following elements have been identified as crucial to achieving BBEE in the Province:

- **Enterprise Development** – encourage investment in black-owned enterprises and help with capacity building;
- **Preferential Procurement** – ensure implementation of targeted Procurement strategies,
- **Mining** – ensure compliance with Mining Charter and establish clusters in higher value-added industries from which there will be some beneficiation opportunities,
- **Tourism** - promote domestic tourism to promote local communities and to establish a database of black-owned tourism enterprises to enable government to meet its change and growth targets;
- **SMME Development** - SMMEs are important in redistributing wealth within the Province and they are essential in creating job opportunities for the unemployed. The DEDT provides effective strategic leadership, direction and coordination in business support services and SMME development programmes;
- **Agriculture and Rural Development** – NWPG will put in place policy frameworks and programmes that specifically target the subsistence and emerging sector with assistance to meet food security needs, to market surplus production, and ultimately to claim an equitable market share in all agricultural products and their value chains;
- **Investment and Target Economic Sectors** - identify critical challenges facing the sector and to examine how the state resources can be used as an instrument to drive developmental priorities;
- **Restructuring and PPPs** - transfer or sale of an equity stake in a state-owned enterprise (SOE) to black enterprises, as well as facilitate upstream and downstream business linkages between existing businesses, with a proven track record and BEE enterprises;
- **Role of Stakeholders** – participating actively in the multi-sector structures and in PPPs to ensure that the PGDS programme of action is implemented. Meaningful partnerships between civil society and organizations (private sector) need to be developed;

- **Monitoring, Evaluation, and Reporting** – a “balanced scorecard” shall measure the three core elements of BBBEE
 - ◆ *Direct empowerment through ownership and control of enterprises and assets.*
 - ◆ *Human resource development and employment equity.*
 - ◆ *Indirect empowerment through preferential procurement and enterprise development.*

2.3. The role of SEDA

SEDA’s mission is “to promote, develop and support small enterprises to ensure their growth and sustainability”.

It is important to take note of SEDAs strategic objectives (**Table 2.1**), in order to understand how this could enhance the SMME development in the Province.

SEDA Strategic Objectives
To design, source and package <i>needs based</i> products and services that will enhance the competitiveness and capabilities of small enterprises
To conduct and commission research studies to provide a credible basis for product development and interventions
To enhance the skills of business advisors in every SEDA branch to deliver products and services to small enterprises
To establish effective partnerships with relevant public and private sector institutions for programme, product and service development and production

Table 2.1 SEDA Strategic Objectives

Approximately 20% of SEDA’s focus will be on the small to medium market, while the small micro informal cooperatives would get 80% of SEDAs attention.(refer **Figure 2.2**).

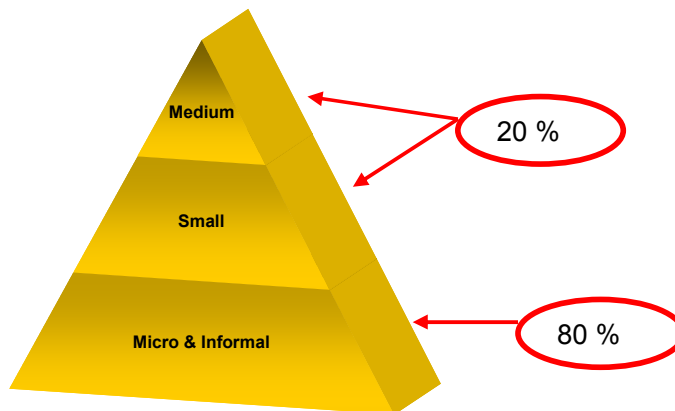


Figure 2.2 SEDA Target Market

The four main categories focus areas are:

- Pre start-up
- Start-up
- Growth
- Turn around

SEDA’s value proposition comprises of four areas:

- 1. Enterprise development and support
- 2. Entrepreneurship
- 3. Capacity Building and
- 4. Research and Information

The most important thing to note is that SEDA does not provide funding of projects or business deals but could refer a client to relevant partners. Specific products and services will be made available to each of the focus areas to ensure relevant assistance and growth to all small enterprises.

2.4 Mining Charter

The Province participates in initiatives such as the South African Mining Preferential Procurement Forum, (SAMPPF) whose aim is to warehouse a database for the mining industry. The primary objective being to establish a combined front amongst the mining houses and the Province; wherein policies relating to BEE/HDSA businesses are used as a vehicle for preferential procurement lobbying in favour of the growth and development in the Province.

The objectives of the mining charter as extracted from Mineral and Petroleum Resources Development Act; are to:

- Promote equitable access to the nation’s mineral resources to all the people of South Africa
- Substantially and meaningfully expand opportunities for HDSAs to enter the mining and minerals industry and benefit from exploitation of those mineral resources
- Utilise existing skills base for the empowerment of HDSAs;
- Promote beneficiation of South Africa’s mineral commodities;
- Promote employment and advance the social and economic welfare of the mining communities and the major labour sending areas

The BEE playing field is in process of changing from the one prescribed by the DTI codes of good practice to that envisaged by the mining charter, as implemented by DME (refer **Figure 2.3**).

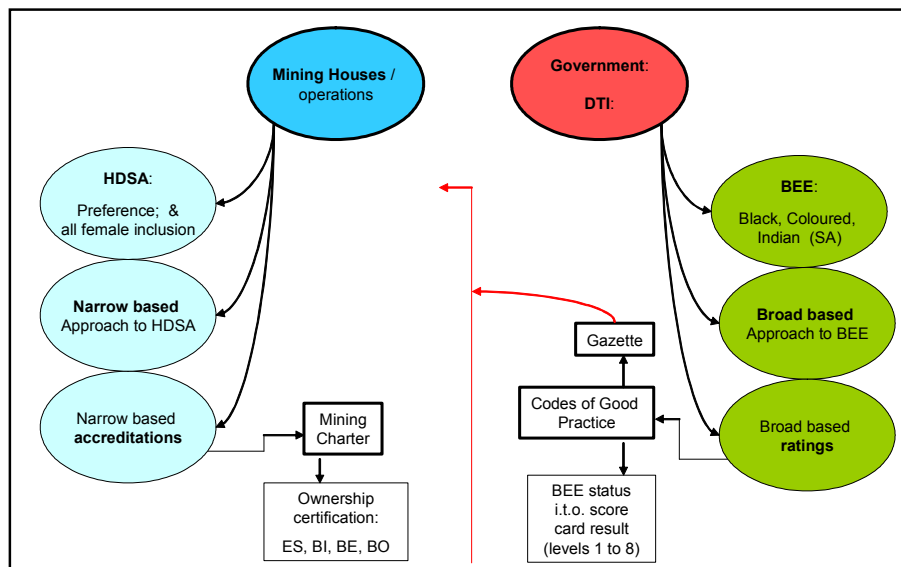


Figure 2.3 The “challenges” in the BEE playing field in Procurement

All stakeholders have undertaken to create an enabling environment for the empowerment of HDSAs by subscribing to the following:

- Human Resource Development
- Employment Equity
- Migrant Labour
- Housing and Living Conditions
- Procurement
- Ownership and Joint Ventures
- Beneficiation
- Exploration and Prospecting
- Licensing
- Financing mechanism
- Regulatory Framework and Industry Agreement and
- Consultation, Monitoring, Evaluation and Reporting

2.5 Finance charter

Empowerdex summarised the codes of good practice by focusing on Phase 1, which dealt with ownership and control elements, while Phase 2 is dealing with employment equity, skills development, preferential procurement, enterprise development and CSI (Residual element). It must be kept in mind that the ultimate result with BEE, is to move people away from the second economy into the main stream economy.

The seven elements of BEE, as per the Strategy and generic scorecard contained in the Codes are reflected in **Figure 2.4**.

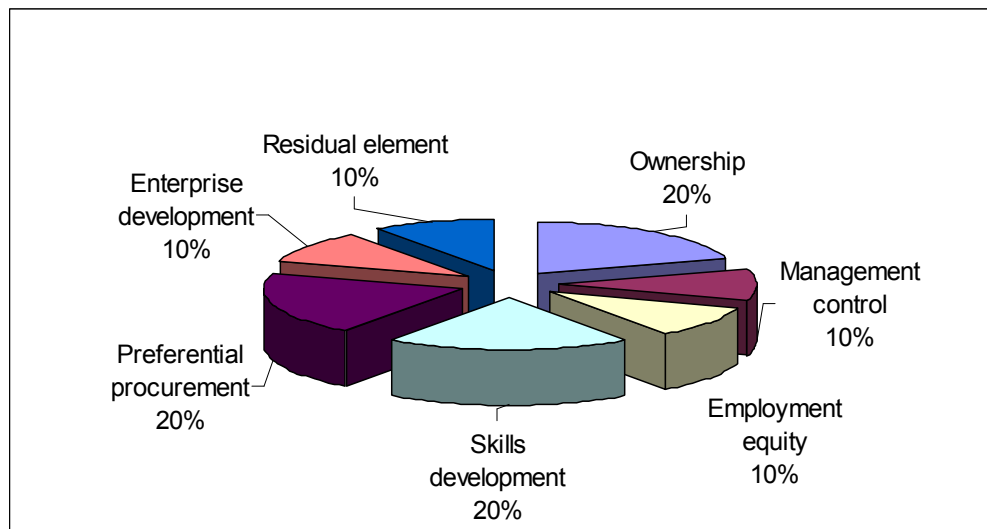


Figure 2.4. Seven elements of DTI BEE scorecard

DTI is allowing small SMMEs to choose five from the seven elements, which they will be scored on out of 100, for BEE status.

It is important for each sector that is implementing the BEE codes, to ensure that fronting does not happen. The rating agencies are obliged to report fronting to the DTI, after a company has failed to rectify the situation, within the required period.

The financial sector codes looks at the following aspects:

- Voting rights
- Net equity interest
- Repayment period
- Issues of restriction on the shares
- Ensuring the value of the benefit does filter through to black ownership
- Ensuring loan repayments are done within 10 years
- Warehousing – if a BEE investor wants to leave, that shares could be warehoused for up to three years, to obtain another BEE investor
- Flow through principle are calculated correctly

The financial sector should move from a narrow base rating to a broad base rating in the future, once verifying agencies have the ability to do the more in depth rating.

Banks have been asked to focus on recoverable and non-recoverable spending. Recoverable spending will be something where a bank gives you a loan at a discounted rate, while non-recoverable spending for example would be the Bank Manager mentoring you in your company.

ABSA aims to play a meaningful role in South African transformation and the black empowerment process to ensure sustainable future market growth and profitability. The growth of the South African economy will largely depend on the extent to which black South Africans participate. ABSA aims to facilitate increased participation by enhancing its engagement with black individuals and black owned business as shareholders, customers, staff, suppliers and the community. The bank has introduced two new shareholder groupings consisting of:

- broad-based black economic empowerment groupings ("BEE groupings") which between them subscribe in cash for new shares representing 10% of the enlarged issued share capital of ABSA ("the BEE ownership transaction")
- a once-off ABSA employee share ownership programme ("ESOP") which through a trust ("the new ABSA ESOP Trust") subscribe in cash for new shares representing up to 1% of the enlarged issued share capital of ABSA ("the ABSA ESOP transaction")

2.6 Opportunities in the Tourism sector

The opportunities in Tourism varies over a wide range of activities from accommodation and dining, entertainment, shopping, sightseeing, tour guiding, translation services, gifts, manufacturing and processing, transportation services, laundry services, photography, health and beauty services etc. Over the next four years the Province will give special attention to opportunities around the 2010 FIFA World Cup. This will also have an influence in other sectors, like construction, communication, agriculture, financial services and transportation.

Tourism in the North West Province develops, thrives and grows in an enabling environment conducive to sustainable environment, which improves the quality of life, contributes to the economic and social landscape of the Province (*Tourism Master Plan of the North West*). The North West has an annual visitation rate of around 780 000 tourists entering the Province, and the Province seeks to grow this figure to 1 million tourists per annum in 2007. There are currently 69 000 jobs sustained by the sector, and it is the intention of the Province to take this figure to 100 000 jobs.

The main thrust of this vision is aimed at the:

- Creation of an enabling environment.
- Advocating for sustainable and responsible development.
- Improving the quality of life of the people of the Province.
- Improving the economic and social landscape.

Key Themes and issues of Tourism in North West

- Raising the profile of tourism: demonstrating its importance to the future success of the North West
- Partnerships with key stakeholders
- Delivering a 'Quality Experience' / Local Distinctiveness
- Investing in Product development
- Stimulating enterprise development and generating employment
- Developing a more sustainable and responsible approach to tourism development
- More effective marketing
- Improved market intelligence and research

Focal points for Tourism Development in the Province

- The N12 Treasure Route – Bloemhof to Gauteng along and the periphery of the N12 including Merafong
- The Western Frontier SDI – Lichtenburg to Vryburg
- Heritage Route (Platinum SDI) – Hartebesspoort dam to Zeerust

Existing support Structures

- Dept. of Economic Development and Tourism
- North West Parks and Tourism Board
- SEDA
- DTI
- Umsobomvu
- IDC
- Financial Institutions e.g. ABSA

Challenges of the sector in North West

- Barriers to entry due to transformation imperatives
- Adequate funding by the public sector
- Market accessibility
- Competition
- Seasonality
- Regulations
- Skills training and development
- Perceptions about emerging businesses
- Quality assurance/diversification of the tourism product

2.7. The state of the SMMEs in the North West

The SMME sector has a potential of contributing meaningfully to the main challenges confronting South Africa currently, namely: reducing the level of unemployment significantly, drastically alleviating poverty and eliminating psychological misery in general. The North West as one of the predominantly rural Provinces in the country is no exception to the dilemma highlighted. The SMME sector is seen as a vehicle through which economic growth could be delivered to the people and thus the need to grow and strengthen it.

The government developed several policy documents aimed at addressing the issues of this sector, but the level of unemployment, poverty and misery still remains high. Hence, the White Paper on National strategy for the Development and Promotion of Small Business in South Africa (Notice 213 of 1995) and the National Small Business Act (Act No. 102 of 1996). These pieces of legislation seek to contribute positively in the stimulation of small, micro and medium enterprises in South Africa.

The number of economically inactive people is high and the sustainability of the SMME sector is a major concern for the country. The government has to play a leading role in the creation of an enabling environment for the SMME sector to thrive. The Province is targeting between 60%-80% SMME future activities across the sectors, and this can be achieved through collaborative and integrated strategies. The snap survey undertaken by the department prior to the Imbizo clearly indicates that the majority of the SMME sector is survivalist in nature.

There is a dire need for the Department of Economic Development and Tourism to make strides in dealing with the above-mentioned challenges. There is also a need to have an insight into the state of the SMME sector in the Province. The Department should thus generate and consolidate comprehensive information on all critical aspects of the SMME sector, in order to formulate and effectively implement a well researched intervention strategy to enhance the economic performance of the Province.

In an effort to intervene in the development of the SMME sector, the Department embarked upon a programme of SMME Imbizo's in the Province during the months of May and June 2005. The purpose of these Imbizo's was to gather first hand information from the SMMEs pertaining to their concerns and difficulties. The process later culminated into a SMME Summit towards the end of July 2005.

A snap survey was conducted by the North West Department of Economic Development and Tourism. The purpose of the snap survey was to provide an overview of SMME in the North-West and to check the following:

- The location of most SMMEs in the Province
- The dominant sector that SMMEs are operating
- Their average monthly turnover and average age
- The average number of employees in the SMME sector
- The registration status of SMMEs
- Membership in business associations
- Profile of entrepreneurs in terms of gender, race, disability and literacy levels
- General problems experienced by SMMEs

The snap survey confirmed that unemployment is rife especially amongst the youth. On the positive note it found out that literacy level of most SMMEs is on average, at acceptable levels. In terms of the sector, retail is found to be dominant.

Other observations from the survey are that:

- More SMMEs are emerging and are based in townships and rural areas.
- More SMMEs are not formally registered, are survivalists with an average turnover of R10 000 per month. Majority of these SMMEs do not belong to business associations.
- Their urgent needs include funding, business premises and assistance with business management and financial skills.
- The snap survey have also found out problems facing SMMEs is not different from what are commonly known such as lack of finance, lack of access to markets and premises and lack of business skills.

The solutions to problems faced by SMME were proposed as follows:

- Financial and non-financial support (establishment of SMME incubator fund in the Province and that SEDA and other agencies assist SMMEs to strengthen their capacity)
- Preferential procurement (which is key to BBEE strategy)
- Training and skills development (the imparting of targeted and interventionist business skills to individuals in the SMME sector and relevant SETAs should be brought on board)
- Creating a favourable policy and legislative environment
- Infrastructure and resource allocation (land and business premises)
- Sector prioritization and SMME participation
- Monitoring and continued support (establishment of a dedicated support)

2.8 Construction

The strategy is to identify critical challenges facing the construction and infrastructure sector and assess how Government resources can be used as an instrument to drive developmental priorities. The construction charter has not been finalised and in the process the Province has established a Construction Industry Development Board (CIDB) which acts as a monitoring tool for the Province in this sector. However, in the bigger municipalities of the Bojanala district like Rustenburg and Madibeng, the CIDB is already in force, but in the smaller municipalities, Moses Kotane, Moretele, Ketleng, it hasn't been applied yet.

In this sector training of BEE and SMMEs contractors is critical to enable them to manage their businesses as well as adhere to the quality standards set out by the industry.

Empowerment portfolio instruments, i.e. public sector procurement process, Broad Based Black Economic Empowerment, Contractor Development Programmes, Spatial Development Initiatives, and Semelela Expanded Public Works Programme can be used to implement construction charter effectively.

Summary of Key economic challenges

Key economic challenges for the Province:

- Low attractiveness of the rural parts of the Province (more than 65%) to investors, given that there is no ease of reach;
- Inadequate air routes to access the Province;
- Low levels of skills creating continued increase in unemployment;
- Relatively inadequate infrastructure (rail and road), especially in remote rural areas. The Province is conducting research on the impact of the absence of rail infrastructure on economies of small towns;
- An inherited backlog in basic service delivery and infrastructure maintenance that will take time to eradicate.

3. WORKSHOP DELIBERATIONS

3.1. Financial Charter

Key Issues discussed:

- The Financial Services Charter was launched in January 2004.
- The point of departure for the framework was to focus on employment equity, procurement and ownership. (The DTI framework, which is generic, do not fulfil in all the requirements of the financial charter.) The financial sector added two requirements, which is relevant to the sector, namely, access to financial services (taking banking out to previously unrepresented areas) and empowerment financing.
- One of the early deliverables of the banking sector was the opening of the national bank account, later rebranded as Mzansi. ABSA alone has over 680 000 Mzansi accounts, which was opened since October 2004.
- The financial charter needs to be harmonized with the codes of good practise.

3.1.1. Resolutions:

- Delegates recommended that Government should reinforced commitments made by financial institutions in supporting businesses led by HDSAs
- Response time from State supported institutions such as the National Empowerment Fund be reviewed
- Tendering procedure be transparent and create room for new entrants

3.2. Mining Charter

Key Issues Discussed:

- Mining companies reluctant to make Procurement opportunities open to the HDSA
- Preferred suppliers to the mining companies reluctant to transact with BEE companies
- No monitoring of compliance of the mining companies and their suppliers in place
- There is confusion between the Mining Charter and the Codes of Good practice, and delegates needed more clarity.

3.2.1. Resolutions:

- Debates centred around maximum benefit of HDSA's from the Mining Charter
- Delegates recommended that a Working Forum be formed to follow-through all the commitments that Mining companies operating in the Province made for immediate implementation
- A dialogue was created to explore synergies between the Mining Charter and the Codes of Good Practice
- Province must lobby the national department to be biased towards NW-BBEE initiatives

3.3 Construction Charter

Key Issues Discussed:

- Tendering process should be fair and create room for new entrants
- Systems set by the CIDB (Construction Industry Development Board) for accreditation of contractors should be user friendly for SMMEs
- Big tenders be shared amongst the developed and SMMEs for skills transfer

- A concern was raised that mining contracts are being given to big business and small companies do not benefit from their own resources
- The role of civil society needs to be elevated in order to protect the interest of the defenceless and the voiceless.
- Bigger municipalities are the only ones where CIDB is operational and smaller ones are disadvantaged.

3.3.1 Resolutions:

BEE and SMMEs need to understand the quality systems required by the industry in order to be able to meet the standards

- North West Province should propose that a performance audit for big contractors be undertaken to look at issues such as skills transfer to local SMMEs, etc. This audit should be done by the Public Works department
- CIDB not a good measure for monitoring as it has stringent requirements that make it difficult for SMME and BBBEE to comply.

3.4 Tourism Charter

Key Issues Discussed:

- Mushrooming of Bed and Breakfast facilities, some not graded
- Opportunities are given to the same people
- More clarity needed regarding 2010, and how it will benefit Tourism
- Road and IT infrastructure in rural communities makes it impossible for the Tourists to use their facilities and as such loose out
- Communication does not filter to all operators

3.4.1 Resolutions:

- Opportunities to be published for SMMEs
- Need to understand the Tourism Grading system
- Need more clarity of 2010 opportunities
- Road and IT infrastructure needs to be improved
- Effective communication needs to be put in place, and be user friendly to operators in the industry

3.5 Agri-BEE

Key Issues Discussed:

Agriculture from the North West accounts for 8% of GGP and supports commercial food processing, the largest sub-sector in manufacturing in the North West. Practically every type of animal, crop, fruit, and vegetable production is common in the Province.

Major crops consist of sunflower seeds, groundnuts, maize, wheat, and the commercial farmers still own the bulk of the land. The participants felt that the land issue was still a major issue which still needs to be resolved by government and commercial farmers.

The Province has intentions of empowering cooperatives and emerging farmers in terms of facilitating markets, however this initiative has still not yielded great results.

Lack of skills development for subsistence farmers who intend moving developing into commercial farmers was a discussed and highlighted as a main concern.

3.5.1 Resolutions:

The NWPG, in line with the Agri-BEE Charter, will therefore:

- Accelerate the Land Reform process
- Ensure compliance with the Agri-BEE Charter
- Put in place policy frameworks and programmes that specifically target the subsistence and emerging sector with assistance to meet food security needs, to market surplus production, and ultimately to claim an equitable market share in all agricultural products and their value chains.
- Make sure that emerging farmers are more firmly in control of the development in their farming enterprises.
- Avail information to the rural poor through the media (press and print) and billboard advertising.
- Avail opportunities for rural communities, especially in agro-Processing and the creation of new markets.

4. CONCLUSIONS

The workshop was attended by various stakeholders ranging from SMMEs, government officials and the private sector. There was broad participation and an extensive coverage of the economic issues facing the development and growth of the province. The major focus of the workshop was on all the charters and experts were called to discuss and clarify the concerns that people had about the charters. It was an enriching and learning environment for a lot of SMMEs. It can be concluded that the objectives of the Indaba have been met, in that:

- A dialogue has been created among Stakeholders in the public and private sector to advance BBEEE.
- A migration path has been triggered from the second economic to the first economy, in order to fast-track sustainable economic transformation.
- Stakeholder participation and commitment has been derived through their involvement in the sector workshops.

5. RECOMMENDATIONS

The following are recommendations from the participants:

- Establish inter-linkages of Database for easier access to SMME.
- Establish coordinated approach to procurement opportunities.
- Position and empower Civil Society as neutral point of access to reaching out to the rural communities of the Province.
- Encourage continuous dialogue amongst Public and Private sectors in addressing socio-economic upliftment of the North West citizens.
- Facilitate Bi-annual seminars to review the status quo of BBBEE in the North West Province.
- Establish a body that would acts a watchdog to oversee commitments from Government departments, Banks, other private sectors operating in the North West Province and Civil Society, to meet their obligations.
- Private sector sharing their experience in their dealings with BBBEE groupings.
- Consolidation of BBBEE groupings per sector for mergers and acquisitions purposes.
- A Re Ageng as a lead organisation need to consolidate all BBBEE related documents and policies within the Province and give an overall provincial perspective.
- A provincial audit of businesses in the Province needs to be conducted, in order for BBBEEs to be realised.

6. GLOSSARY OF TERMS

ASGI-SA	Accelerated and Shared Growth Initiative-South Africa
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CIDB	Construction Industry Development Board
CSI	Corporate Social Investment
DEDT	Department of Economic Development and Tourism
Dept	Department
DME	Department of Minerals and Energy
DTI	Department of Trade and Industry
GDP	Gross Domestic Product
GGP	Gross Geographic Product
HDSA	Historical Disadvantaged South African
IDC	Industrial Development Corporation of SA Ltd
NePAD	New Partnership for Africa's Development
PGDS	Provincial Growth and Development Strategy
PPP	Public Private Partnerships
R&D	Research and Development
SAMPPF	South African Mining Preferential Procurement Forum
SDI	Spatial Development Initiative
SEDA	Sector Economic Development Agency
SEO	Social-economic Object
SETA	Sector Education and Training Authority
SMME	Small, Micro and Medium Enterprises
SOE	State-owned Enterprises

7. GLOSSARY OF USEFUL LINKS

Governmental Links

- [Department of Minerals and Energy](#)
- [Department of Trade and Industry](#)
- [North West Provincial Government](#)
- [Department of the Premier – North West](#)
- [North West Department of Economic Development and Tourism](#)
- [Invest North West](#)
- [National Empowerment Fund](#)

Rating Agencies

- [Empowerdex](#)
- [Decti](#)

Other Links

- [ABSA](#)
- [SEDA](#)
- [South African Mining Preferential Procurement Forum](#)
- [North West Parks and Tourism](#)
- [Policy and Law Online News](#)

APPENDIX A PRESENTATIONS

Purpose and Objectives of BBBEE Sector Charter Indaba Forum	C Chishimba
Partnership with emerging entrepreneurs to enhance the impact of the PGDS & Asqisa	G Tabane
SA Mining Preferential Procurement Forum	J Streuders
SEDA Overview	P Ernest
Tourism Transformation Charter and the Codes of Good Practise – A Comparative Analysis	
South Africa Tourism Indaba 2005 - Summary	
Recap of the Programme	Dr Rabaji
State of SMME Sector in the North West Province	A Tlaletsi
Tourism Opportunities in North West	I Kgokong
North West Proposed Provincial BBBEE Strategy	R Matonkonyane