

BEE summit kicks off on today

PRETORIA: 2013 marks a decade of the existence of Black Economic Empowerment (BEE) in South Africa, with the country set to host the first ever summit on BEE this week.



President Jacob Zuma will open the Broad-Based Black Economic Empowerment (B-BBEE) Summit, which kicks off today, Thursday, 3 October, under the theme, 'A Decade of Economic Empowerment (2003 to 2013)'.

Through the hosting of the two-day summit, the Department of Trade and Industry (dti) intends to re-orientate the framework, as well as reposition B-BBEE as a catalyst for economic growth and development. It also aims to demystify the myth of B-BBEE being viewed as non-productive and not growing the economy.

Some of the objectives of government's BEE policy include empowering more black people to own and manage enterprises and to promote access to finance for black economic empowerment.

Tightening BEE policy

This year also marks the sixth anniversary of the Codes of Good Practice for B-BBEE. The summit will also see the unveiling of the amended B-BBEE Act and refined B-BBEE Codes of Good Practice among others.

The measurement of BEE is based on seven pillars (including ownership; management control; employment equity and skills development), each with a relative weighting on a balanced scorecard. This is used to calculate the extent of BEE compliance or status. The scorecard is binding on industries operating within sectors that have no gazetted charters.

In 2011, government embarked on a review of the BEE Act to tighten up the Act and address certain challenges, including malpractices like "fronting".

These interventions resulted in the refinement of the Codes, and the amended B-BBEE Codes of Good Practice were gazetted by Trade and Industry Minister Rob Davies in October 2012. The refined areas are aimed at enterprise

development and for procurement to be elevated, among others.

On 20 June, long-awaited amendments to the BEE Act No. 53 of 2003 were passed by the National Assembly. Among the amendments, the new Act contains a clear statutory definition of "fronting" and criminalises this practice (which essentially entails misrepresentation and falsification of BEE status to benefit from public procurement) and provides a framework for and sets new standards for the BEE verification industry.

The BEE Amendment Bill also makes provision for a B-BBEE Commission with the powers to oversee, supervise and promote adherence to the Act in the interest of the public; strengthen and foster collaboration between the public and private sector to promote and safeguard the objectives of B-BBEE; and investigate complaints relating to B-BBEE.

The summit will take place at Gallagher Estate, Midrand.

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