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B-BBEE explained - The Mining Charter - part 2

The finalised Mining Charter was released for implementation on 27 September 2018. The Department of Mineral Resources (DMR) released a summary document highlighting the most significant changes and/or additions to the Charter. A previous article dated 08 October 2018 dealt with the ownership element (1 of 7 elements in the Charter).

For this article, we will focus on Mine Community Development.

The DMR has identified the Mine Community as:

“Communities where mining takes place, major labour sending areas, adjacent communities within a local municipality, metropolitan municipality or district municipality”.

The requirements for a Mineral Rights Holder/applicant are:

1. A mining right holder must meaningfully contribute towards Mine Community Development, in keeping with the principles of the social license to operate.
2. The Trust or similar vehicle to oversee implementation of the 5% equity equivalent should have - at minimum—representation from host communities (including Community Based Organisations and Traditional Authorities where applicable) and mining companies.
3. The Trust must identify community development needs and develop a host community development programme (to be published in at least 2 local languages), fund distribution, governance and organisation.
4. Administration costs, project management and consultation fees of the Trust may not exceed 8% of the total budget.
5. Community development programme approved under this element shall not substitute Social and Labour Plan (SLP) commitments.
6. Mining right holders operating in the same area may collaborate on identified projects to maximise the socio-economic developmental impact, in line with their approved SLPs. Approved SLPs must be published in English and a dominant language(s) commonly used within the mine community.

Contact BEE Ratings-SA at your earliest convenience for further detail and an appointment.