



Namibia

Oil and Gas Conference

Human Resources Development:
Requirement of
Social and Labour Plans
in Support of Oil and Gas
Production Rights in RSA

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Presentation Outline

- 1 The Legal Framework Governing SA's Social and Labour Plan (SLP)
- 2 Human Resource Development Requirements of the SLP
- 3 Building Capacity Through the Upstream Training Trust
- 4 Leveraging the SLP to Develop Local Educational Infrastructure
- 5 Conclusions

The Social and Labour Plan: Oil and Gas Production Rights in South Africa



The SLP Derives from the Following Legal Framework

- The Mineral and Petroleum Resources Development Act, No 28 of 2002 (MPRDA)
- The Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (the Charter)
- Upstream Petroleum Resources Development Bill, 2021 once enacted into law

Objects of the MPRDA in relation to the SLP



- To ensure equitable access to the nation's petroleum resources by South Africans
- Substantial and meaningful expansion of opportunities and benefits for HDSAs (including women) in E&P, and across the petroleum industry value chain
- Economic growth and petroleum resources development in RSA
- Employment of and advancement of the socio-economic welfare of South Africans
- To ensure that production right holders contribute to the socio-economic development of the areas in which they operate, and labour-sending areas

Applicability of the SLP



- To ensure effective transformation, the MPRDA requires the submission of the SLP as a pre-requisite for the granting of a production right/license
- The SLP is formulated in consultation with local communities, local municipality, and all other relevant stakeholders
- The SLP is valid until the cessation of operations/a closure certificate has been issued, and is reviewed every 5 years
- Holders of production rights are required to report on compliance with the SLP and the Charter for Minerals and Mining Industry annually



Elements of the SLP

- Comprehensive Human Resources Development Programmes.
- Host community-Local Economic Development (LED) projects, in line with the Integrated Development Plan (IDP) of the relevant local municipality and community needs.
- Procurement and Enterprise Development.
- Housing and Living Conditions Plan – for employees living on site.
- Measures to manage downscaling and retrenchments – to minimize the impact of cessation of operations.

Objectives of the Human Resources Development Programme



- To ensure the development of core and critical skills required to support the upstream petroleum industry
- To promote employment equity (target is 40% participation by HDSAs across all levels of management & 10% women participation)
- These objectives can be achieved through:
 - ✓ Tailored skills development/training programmes
 - ✓ Bursary schemes
 - ✓ Learnerships and artisanal training
 - ✓ Internships
 - ✓ Career progression and mentorship programmes aimed at HDSAs



Building Capacity through The Upstream Training Trust

The Upstream Training Trust

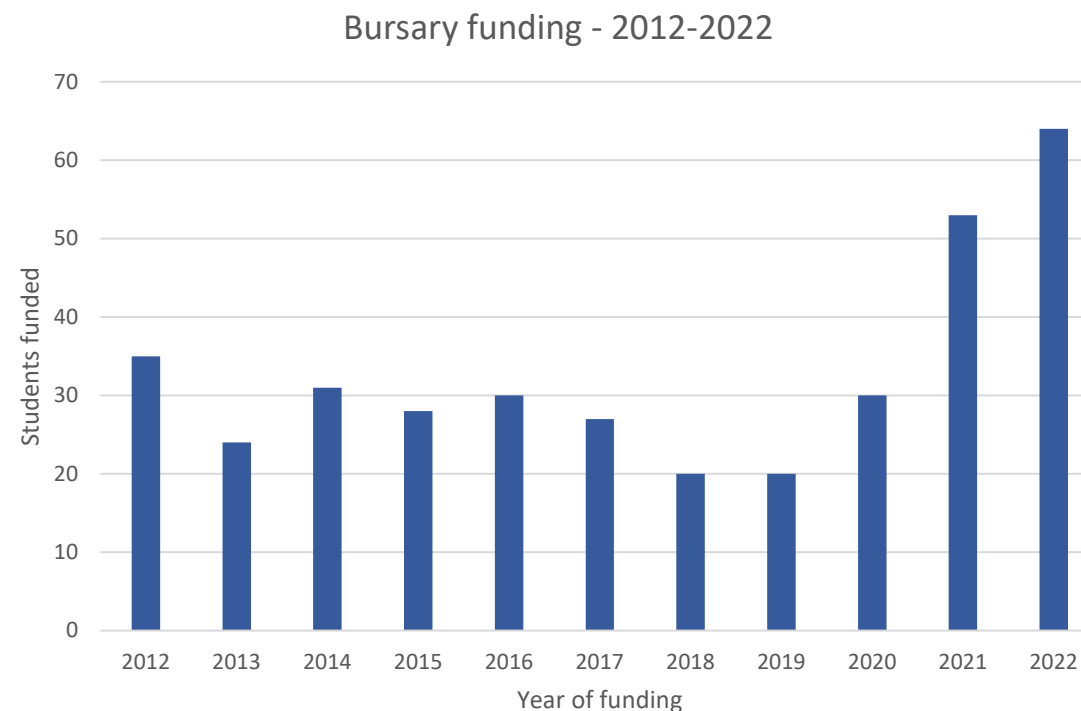


- Was established in 1997 by the Petroleum Agency SA and upstream operators
- Is a public benefit organization that is governed by a Trust deed registered in terms of the Trust Property Control Act of 1988, and is administered by the Petroleum Agency SA
- Petroleum right holders pay an annual fee towards skills development for the sector as a license condition, these fees are allocated to UTT.
- UTT's Mission is to work with the upstream petroleum sector and other partners to help South Africans from disadvantaged backgrounds acquire the skills, experience, and expertise to find decent employment in the upstream petroleum industry
- 362 students received full bursaries from UTT over the last 10 years for studies in geosciences, environmental science, engineering, computer science, and related fields.

UTT Bursary Funding (2012-2022)



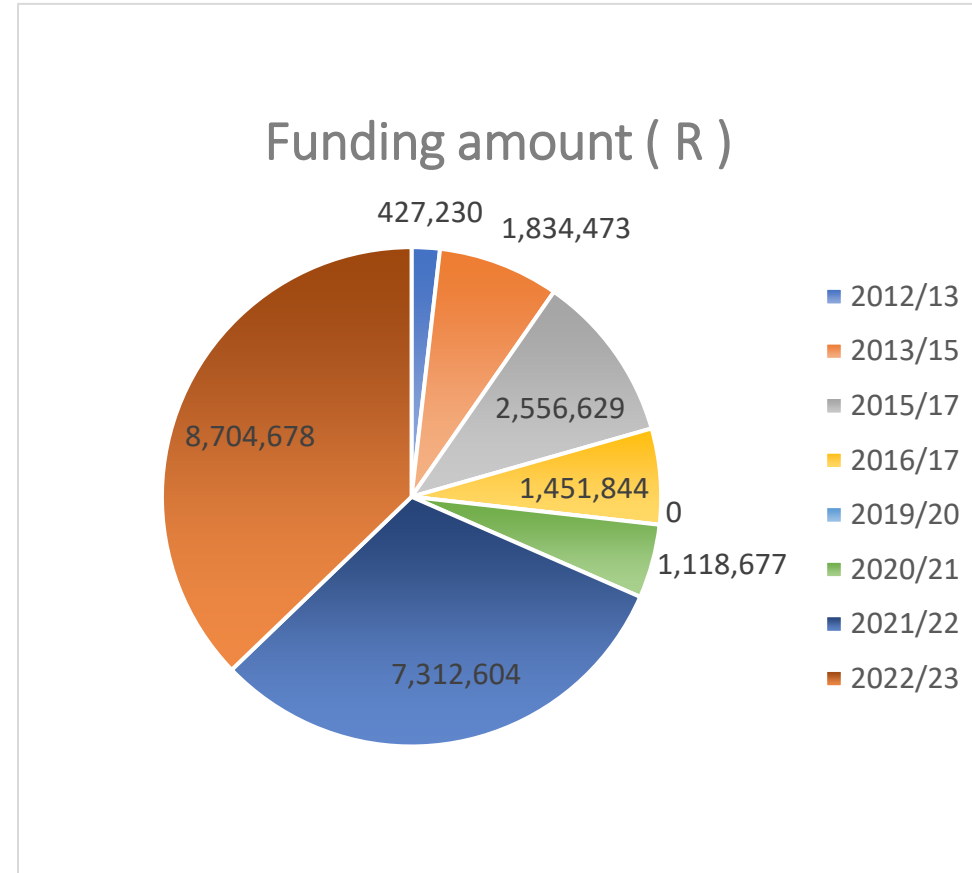
Academic year	Number of students funded	Total Bursary Amount(R)
2012	35	2 275 000
2013	24	1 560 000
2014	31	2 015 000
2015	28	1 820 000
2016	30	1 950 000
2017	27	1 755 000
2018	20	1 300 000
2019	20	1 040 656
2020	30	1 849 011
2021	53	4 770 000
2022	64	7 680 000
2012-2022	362	R28 million



UTT - STEM Projects Funding (2012-2022)



Year of funding	Number of projects funded	Total Project funding amount (R)
2012/13	2	427 230
2013/15	9	1 834 473
2015/17	8	2 556 629
2016/17	8	1 451 844
2019/20	0	Due to covid
2020/21	6	1 118 677
2021/22	9	7 312 604
2022/23	10	8 704 678



Total Funding
R23 million

UTT Projects Funding Cont...



Organisation name	Project name	Funding for 2022/23
1. Ikamva Youth	Maths and science learner tutoring and support program	R3 000 000
2. University of KwaZulu Natal	Mobile Science Lab	R953 016.30
3. University of KwaZulu Natal	Lab equipment for engineering and science (Centre for Academic Success in Science and Engineering) CASSE programs	R193 938.00
4. University of KwaZulu Natal	Science Lab equipment- School of education	R344 815.00
5. Fort Hare University	Workstations for Petroleum Geology Lab	R930 442.29



Leveraging the SLP to Develop Local Educational Infrastructure

Siyanithanda Centre for Children with Disabilities, KwaNonqaba



Before Construction



After construction



GrootBrak Youth Development Centre



Emaseleni Primary School, eDutywa, EC



Before



After





Conclusions

- Developing the core and critical skills required to support the upstream petroleum industry (geoscientists, petroleum engineers, petroleum economists, lawyers formally qualified in petroleum law etc) could maximize the benefits to the local people/nationals.
- Over time, local people could lead not only the NOC, and Petroleum Regulator, but the local subsidiaries of IOCs, TotalEnergies, Shell etc, recruited by these entities based on merit and demonstrated competencies.
- Collaboration between local universities, and universities from more mature petroleum jurisdictions already offering the requisite qualifications will be key.
- Skills development must be supported by substantial funding into bursary schemes, scholarships, and secondments to the operating companies in country or at their international operations.

Thank You



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