



REPUBLIC OF SOUTH AFRICA



OCEANS ECONOMY

REVIEW WORKSHOP HELD ON 15 OCTOBER
2015

SUMMARY REPORT OF OUTCOMES

22 February 2016

INTRODUCTION

- On 15 October 2015 the Operation Phakisa: Oceans Economy Review Workshop took place in Cape Town including over three hundred (300) participants.
- the objectives of the Oceans Economy Review Workshop were to:
 - Share an honest representation of progress of the focus areas and cross cutting issues;
 - Identify key constraints and opportunities to accelerate impact and propose specific actions;
 - Assess the effectiveness of the institutional arrangements and identify opportunities for improvement; and
 - Renew sectors' commitment to move forward together.
- One year after implementation phase was kicked off during an Open Day in Durban in October 2014, relevant progress has been made in executing the three feet plans, and impact is already visible in several areas.
- The first year's implementation activities have been largely focused on creating an enabling environment for the Ocean Economy.
- There are still opportunities to further accelerate impact, including:
 - Some of the major growth and job creation roadblocks have not been unlocked;
 - In some cases, engagement with stakeholders has lost momentum;
 - Outcomes are still far away from the 2033 aspirations; and
 - Effectiveness of the institutional arrangements is variable across sectors.

OVERVIEW OF RECOMMENDATIONS

Across the focus areas, several cross-cutting themes emerged during the workshop – all of which require a leadership intervention to expedite progress of the Oceans Economy Phakisa. These themes, and associated recommendations, include:

- **Speed up policy decisions.** Progress in several focus areas has been held up due to slow policy development and/or Ministerial decision-making. These focus areas have made strong requests to the political principals to support the fast-tracking of key policies.
- **Deepen leadership involvement.** Implementation of the three feet plans developed through Operation Phakisa requires strong interdepartmental collaboration, with the result that responsibility for implementation is typically shared across different departments. However, workshop participants noted that in some cases the required interdepartmental collaboration has been lacking – and that strong leadership is needed to proactively address challenges and coordinate the implementation of solutions. There was a strong sense that senior government leaders need to renew their commitment to Operation Phakisa, and drive more effective decision-making.
- **Improve access to opportunities.** Access to opportunities should be improved by creating linkages with other African countries and strengthening communication. A further specific suggestion was to develop an online platform to better coordinate supply and demand of training and of job posts in the focus areas of the oceans economy.

OVERVIEW OF RECOMMENDATIONS

- **Secure effective institutional arrangements.** While progress has been made in the set-up of the Operation Phakisa Delivery Units, the general perception is that there is substantial room for improvement in this area. Institutional arrangements need to become operational with urgency, including steering committee meetings, appropriate capacity and funding for Operation Phakisa, and dedicated resources for the Delivery Units. Some Delivery Units appear to be severely understaffed, with as little as one full-time equivalent (FTE) staff member. It should be noted that if a Delivery Unit is understaffed, there is a risk that a lack of capacity may result in the data from that Delivery Unit being inaccurate.
- **Strengthen communications and transparency.** All the working groups raised concerns regarding the lack of sufficient communication to different groups of stakeholders (including the private sector, communities, etc.). Accordingly, the stakeholder engagement process must be enhanced through a coordinated effort between the Operation Phakisa Unit at the Department of Performance Monitoring and Evaluation (DPME), the Oceans Economy Secretariat and the Delivery Units. Specific communication plans must be defined for each of the focus areas and implemented in the shortest period possible.

OVERVIEW OF RECOMMENDATIONS

- The Operation Phakisa: Oceans Economy Review Workshop discussed progress in the following focus areas:
 - Marine Transport and Manufacturing;
 - Offshore Oil and Gas Exploration;
 - Aquaculture;
 - Marine Protection Services and Ocean Governance;
 - Small Harbours Development; and
 - Coastal and Marine Tourism.
- The full presentations on progress, and outcomes of the workshop include a number of recommendations to ensure delivery and are all available on <http://www.operationphakisa.gov.za/operations/oel/pages/default.aspx>

1



Marine Transport and Manufacturing

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
MARINE TRANSPORT AND MANUFACTURING	1	<p>Enabling policies delayed</p> <ul style="list-style-type: none"> The lack of a clearly defined maritime transport policy is holding back the growth of the industry. Of particular concern is Initiative 18 of the MTM lab, focusing on the growth of the South African ship registry 	<p>Fast-tracking the maritime transport policy:</p> <ul style="list-style-type: none"> The Presidency should request all relevant Cabinet clusters to meet in parallel to the policy being drafted The DoT should expedite definition of the marine transport policy by the end of October 2015, and have the draft policy document ready by the end of November The DoT should share the draft policy with all key stakeholders and provide an e-mail address to which stakeholders can send their comments while the policy is being finalized
	2	<p>Involvement by private sector and SOCs:</p> <ul style="list-style-type: none"> Investments have been delayed, driven in part by the decline in the oil price Private sector and SOCs showing limited commitment towards localization Lack of visibility over the capex plan for procuring entities makes it difficult for the local industry to prepare to respond to tenders 	<ul style="list-style-type: none"> The DTI should provide greater clarity on the requirement for localisation. If this requirement applies only to material costs, the industry perceives it as unattainable for now A degree of flexibility was suggested over the 60% requirement. This would allow the industry to operate even without 60% local content when the preconditions for meeting the requirement are not in place in South Africa – provided a plan was presented for attaining 60% local content in the foreseeable future Links with other countries should be reinforced; this would enable South African industry to respond more effectively to international tenders The Delivery Unit should improve the communication of progress and stakeholder engagement throughout the year

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
MARINE TRANSPORT AND MANUFACTURING	3	<p>Capacity building:</p> <ul style="list-style-type: none"> Limited availability of approved workplaces to accommodate learners seeking work experience training Need for greater visibility of projects (i.e., a list of concrete projects), which could improve skills development planning and funding through the SIPs methodology Infrastructure and capacity for training (e.g. facilities, teachers) needs improvement as well as coordination between stakeholders 	<ul style="list-style-type: none"> It was suggested that a platform be developed to match demand and supply of training as well as demand and supply of jobs The industry should be more heavily involved in skills and capacity building. Two opportunities were identified: (i) greater involvement by the industry in the design of training programs of TVET colleges, and (ii) greater focus by the industry on communicating their project pipeline, so allowing for more focused training on the skills requested by the projects The lack of training berths available in South Africa was highlighted as a significant blockage; a greater number of such berths should be created It was suggested that TVET colleges should be encouraged to specialise, to avoid duplication It was suggested that multi-skill profiles be developed for different jobs in the oceans economy
	4	<p>Institutional arrangements and delivery model:</p> <ul style="list-style-type: none"> Lack of dedicated budget for Operation Phakisa and lack of dedicated resources in the Delivery Unit Delivery Unit not yet functioning well, leading to limited support to the working group The approved Phakisa MTM steering committee has not been meeting Inadequate reporting (e.g. lack of consolidations, tools, tracking of key performance indicators) 	<ul style="list-style-type: none"> The group recommended that dedicated resources and budget are allocated for Operation Phakisa; that the Steering Committee becomes operational; that monitoring activities start; and that issues are discussed frequently. The group also recommended that activity of Operation Phakisa should be linked to performance agreements, thus increasing accountability

2



Offshore Oil and Gas Exploration

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
OFFSHORE OIL & GAS EXPLORATION	1	Infrastructure <ul style="list-style-type: none"> • Slow approval process within institutions 	Activation of the executive deadlock breaking mechanism to break institutional deadlocks. Since the Ministerial Management Committee is made up of Ministers only, directives amongst the Ministers tend not to be enforced and there are no consequences for non-execution. The Delivery Unit has suggested executive deadlock breaking mechanism (the Presidency and the Deputy President) be resuscitated to play a more active “apex” role in Operation Phakisa to break through such deadlocks.
	2	Environment <ul style="list-style-type: none"> • Lack of ownership of “3 foot” plans • Non-participation of some stakeholders, especially PASA and National Disaster Management • Following the downturn in market prices for petroleum, private sector engagement has slowed 	
	3	Localisation of Supply Chain <ul style="list-style-type: none"> • Private sector organisations have not provided full disclosure of information around supply chain to the Delivery Unit as it tries to understand their operations • “3 foot” plans did not provide sufficient detail 	

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
OFFSHORE OIL & GAS EXPLORATION	4	<p>Capability Development</p> <ul style="list-style-type: none"> • The establishment of university chairs takes too long • There is no vessel available to undertake capability research; and ownership of such a vessel is contentious • Cost-benefit analysis of capability development is difficult as stakeholders deem such information as proprietary 	<p>Skills and capacity within the oil and gas industry: An open platform is needed between the private and public sectors to identify the skills required within the industry. Learning institutions such as universities should be open to embrace the teaching of these skills and develop a competent faculty that can deliver the relevant training.</p>
	5	<p>Institutions</p> <ul style="list-style-type: none"> • Not all industry stakeholders are represented • Communication between ministers is lacking 	<p>Eliminate working in silos and make Phakisa a priority for stakeholders: Successful implementation of Phakisa requires that stakeholders are open with each other and work together to achieve delivery of the initiatives. The public sector has to understand the needs of private sector and make offerings that appeal to private companies. The companies, in turn, need to provide support when called upon by the public sector in terms of time, information and investments required in the initiatives. To achieve success, all stakeholders need to commit to and prioritize the activities outlined.</p>

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
OFFSHORE OIL & GAS EXPLORATION	6	<p>Legislative</p> <ul style="list-style-type: none"> • Bills in Parliament are beyond the Delivery Unit's control • Some stakeholders feel excluded, as not all work is done within the work groups • A "3 foot" plan is lacking • Questions were raised about the credibility of work presented as progress, resulting from engagements between DMR and OPASA 	<ul style="list-style-type: none"> • Parliament to expedite the finalisation of the MPRDA • Department of Trade and Industry to facilitate the transfer pricing finalisation
	7	<p>Cross-cutting issues</p> <ul style="list-style-type: none"> • There is a lack of sufficient surveillance on the achievement of initiatives from senior government leadership • For all initiatives, there is a lack of committed resources – particularly finances and human resources 	<p>Dedicated resources for the Delivery Unit: The Departments are requested to provide finances and dedicated human resources to run the Delivery Unit and implement the initiatives agreed upon.</p>

3



Aquaculture

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA – LESSONS LEARNT BY THE DELIVERY UNIT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
AQUACULTURE	1	Funding	<ul style="list-style-type: none"> • Prioritise Aquaculture Development Fund • Provide feasibility studies by species (failures & successes) • Create awareness in private sector financial institutions and government funding agencies • Ensure up-skilling occurs to improve the use of funds
	2	Transformation	<ul style="list-style-type: none"> • Involve the youth in the sector • Understand existing global community based models and pilot models appropriate for each area • Involve communities in development of the sector
	3	Skills	<ul style="list-style-type: none"> • Introduce the subject of Aquaculture in the school curriculum as early as possible in rural areas • Launch quick wins in skill development (i.e. international training)
	4	Communication & awareness	<ul style="list-style-type: none"> • Develop relevant communication strategy for each group of stakeholders • Create awareness for funders, communities and consumers • Information sharing with small scale farmers • Ensure transparency on decision making processes
	5	Capacity	<ul style="list-style-type: none"> • Capacity within DAFF • Limited support capacity within government

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
AQUACULTURE	1	Legislative reform to promote Aquaculture development	<ul style="list-style-type: none"> • Department of Agriculture, Forestry and Fisheries to expedite the finalisation of the Aquaculture Act
	2	Investment and funding	<ul style="list-style-type: none"> • Prioritise the setting up of the Aquaculture Development Fund • Develop and facilitate access to feasibility studies by species (including lessons learnt from failures and successes to date) • Create greater awareness in private sector financial institutions and government funding agencies to increase the inflow of resources into the aquaculture sector • Work on upskilling of entrepreneurs to improve the use of existing funds and the success rates of the business ventures (clearly indicated various funding models available)
	3	Transformation	<ul style="list-style-type: none"> • Understand existing community based models in other countries and pilot models appropriate for each area/region • Develop a plan to involve the youth in the aquaculture sector • Develop a framework and find mechanisms to engage and involve communities in the growth of the sector
	4	Skills	<ul style="list-style-type: none"> • Introduce the subject of Aquaculture in the school curriculum as early as possible in rural areas • Launch quick wins in skill development (i.e. international training while national vocational skills programmes are developed)

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
AQUACULTURE	5	Communication and awareness:	<ul style="list-style-type: none"> • Develop a relevant communication strategy for each group of stakeholders • Create awareness for funders, communities and consumers • Strengthen information sharing with small scale farmers (e.g. through the development of an sms system)
	6	Capacity and other issues:	<ul style="list-style-type: none"> • Resolve operations capacity within DAFF by filling operational positions left open by current Delivery Unit members • Increase support capacity within government • Marine protected areas (MPAs) need to be mapped out carefully so as not to affect other sectors • Promote inter-lab syndications of proposed policies and plans for each sector

4



Marine Protection Services and Ocean Governance

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
MARINE PROTECTION SERVICES AND OCEANS GOVERNANCE	1	<p>Communication and synergies</p>	<ul style="list-style-type: none"> • Improve communication to those expected to assist with implementation. Some stakeholders felt strongly about the fact that since Phakisa was launched last year they have not been regularly updated on progress in all MPG initiatives. There was a feeling that they should constantly be kept informed of progress as they were also part of the Ocean Economy LAB. • Improve communication inter and intra labs and external stakeholders: There is a need for cross syndication between LABS to discuss progress. This will further unlock the blockages which might be common between LABS and initiatives. Examples provided included MPAs, EBSAs and Oil and Gas. • Include private sector and civil society stakeholders into work streams at early stages e.g. Oil and Gas industry, MPA and MSP processes – if possible communication should occur prior to Gazetting. The 21 network of MPAs and the MSP process are the most important initiatives in this LAB. Stakeholder Consultation in MPAs was raised as a concern, with confusion over declaring of new MPAs and opening of existing ones like DWESA CWEBWE and TSITSIKAMA MPAs. • All Phakisa initiatives need to be subjected to the same testing process – be careful of something being slipped into Phakisa processes but not being properly tested.

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
MARINE PROTECTION SERVICES AND OCEANS GOVERNANCE	1	Communication and synergies, continued	<ul style="list-style-type: none"> • Participate in cooperative fora – e.g. SAMREF to seek synergy. • MPA implementation must be linked to Provincial inputs re proclamation and subsequent enforcement. • Provide regular feedback to all around the details of progress on each specific initiative. • Enable coordinated research efforts top down i.e. do we know what research (research topics) are needed and how we can best coordinate research data sharing between state, universities, CBOs and private sector. • The Ocean economy is a 10-15 year (and ongoing) project – must be realistic in expectations and maintain perspectives. • Consider the introduction of an e-mail newsletter (quarterly) to communicate progress to all Phakisa stakeholders – In this regard participants requested copies of Delivery Unit Presentations.

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
MARINE PROTECTION SERVICES AND OCEANS GOVERNANCE	2	Budget	<ul style="list-style-type: none"> • National organ of state activities without secured budget must be removed or reviewed. • Consideration should be given to funding support to municipalities / provinces to underpin implementation of various initiatives where appropriate – be careful of unfunded mandates.
	3	Flexibility of planning	<ul style="list-style-type: none"> • Provide for flexibility in relation to 3 foot plan activities and timelines adaptations – not all plans were done at the same detail / level.
	4	Assessment	<ul style="list-style-type: none"> • Interaction between labs and initiatives should be encouraged and scored positively. • Need to introduce a qualitative aspect to assessment.

5



Small Harbours Development

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
SMALL HARBOURS	1	Broader stakeholder engagement including: <ul style="list-style-type: none"> • SMME • Fishing Communities • All three spheres of government • B-BBEE 	Take into consideration at Tune-up Lab
	2	Promote stakeholders' participation: <ul style="list-style-type: none"> • With clear and transparent processes; and • With plans 	Take into consideration at Tune-up Lab
	3	Clear opportunity for Small Harbours to unlock social & economic potential: <ul style="list-style-type: none"> • Regional priorities • Existing versus new Small Harbours • Linkages with other economic and social development initiatives important to achieve full benefit 	Take into consideration at Tune-up Lab

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
SMALL HARBOURS	4	Governance important: <ul style="list-style-type: none"> • Structures • Transparency • Bottom up interest 	Take into consideration at Tune-up Lab and Delivery Unit
	5	Consider maintenance, development and operation: <ul style="list-style-type: none"> • Multiple role-players • User committees • Management structures • Constitutional / mandates issues to be clarified 	Take into consideration at Tune-up Lab and Delivery Unit
	6	Must spend available budgets on priorities harbours: <ul style="list-style-type: none"> • Identify funded priorities • Launch detailed planning and implementation • In consultations with users and affected parties 	Take into consideration at Tune-up Lab and Delivery Unit
	7	Proclaimed fishing harbours development	Establishment of a Small Harbour Development Agency to improve institutional capacity.

6



Coastal and Marine Tourism

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
COASTAL AND MARINE TOURISM	1	<p>Acknowledge that:</p> <ul style="list-style-type: none"> • There is merit in investigating marine and coastal tourism. • Need to be clear about the tourism growth and potential (aspirations). • This is not business as usual. • Must identify high impact catalytic coastal tourism initiatives, interventions and projects. 	<p>Next steps:</p> <ul style="list-style-type: none"> • National Department of Tourism (NDT) will act as business delivery head • NDT to develop TOR for a research study to identify the highest potential, sustainable growth generators in the coastal and marine tourism sector • Circulate TOR to stakeholders for comments • The study will be based on existing economic, social, spatial, environmental information • Stakeholders commit to avail the existing research information • NDT to circulate the research output to stakeholders for comments • A stakeholder meeting to identify the catalytic projects and develop implementation plans (i.e. our LAB, but informed by researched opportunities)

7



Skills Development and Capacity Building

REVIEW WORKSHOP HELD ON 15 OCTOBER 2015

FOCUS AREA OUTCOMES REPORT

TITLE	No	ISSUES RAISED	DELIVERY UNIT PLAN
SKILLS DEVELOPMENT AND CAPACITY BUILDING	1	South Africa no longer able to offer cadetship training to graduates	Inter Ministerial meeting to be arranged to discuss: <ul style="list-style-type: none"> • Comprehensive and coordinated strategy for the development of seafarers through a coordinated approach between the relevant government departments as well as other vessels • Support for the SA Agulhas as the dedicated training vessel and the authority and funding of this vessel