



REPUBLIC OF SOUTH AFRICA



# OCEANS ECONOMY

Draft National Maritime Road Map/Oceans Economy  
Lab Coordination Strategy Session

**25 – 28 January 2016**

**Mr André Share - Ms Melinda Swift - Ms Sandra Zaccheo**  
**Oceans Economy Secretariat**

# **Content...a fast tour of...**

1. Summary of the Operation Phakisa: Oceans Economy Lab Process
2. Governance Structure
3. Overview of the Operation Phakisa: Oceans Economy Focus Areas
4. Marine Transport and Manufacturing: Potential, Initiatives, Progress
5. Offshore Oil and Gas: Potential, Initiatives, Progress
6. Aquaculture: Potential, Initiatives, Progress
7. Marine Protection Services and Ocean Governance: Potential, Initiatives, Progress
8. Small Harbour Development: Potential, Initiatives, Progress
9. Coastal and Marine Tourism: Potential, Initiatives, Progress
10. Skills and Capacity Building: Progress
11. Conclusion
12. Operation Phakisa: Oceans Economy Links to the Research, Innovation and Knowledge Management Road Map for the South African Maritime Sector

# Operation Phakisa was first publicly mentioned in the State of the Nation Address response...

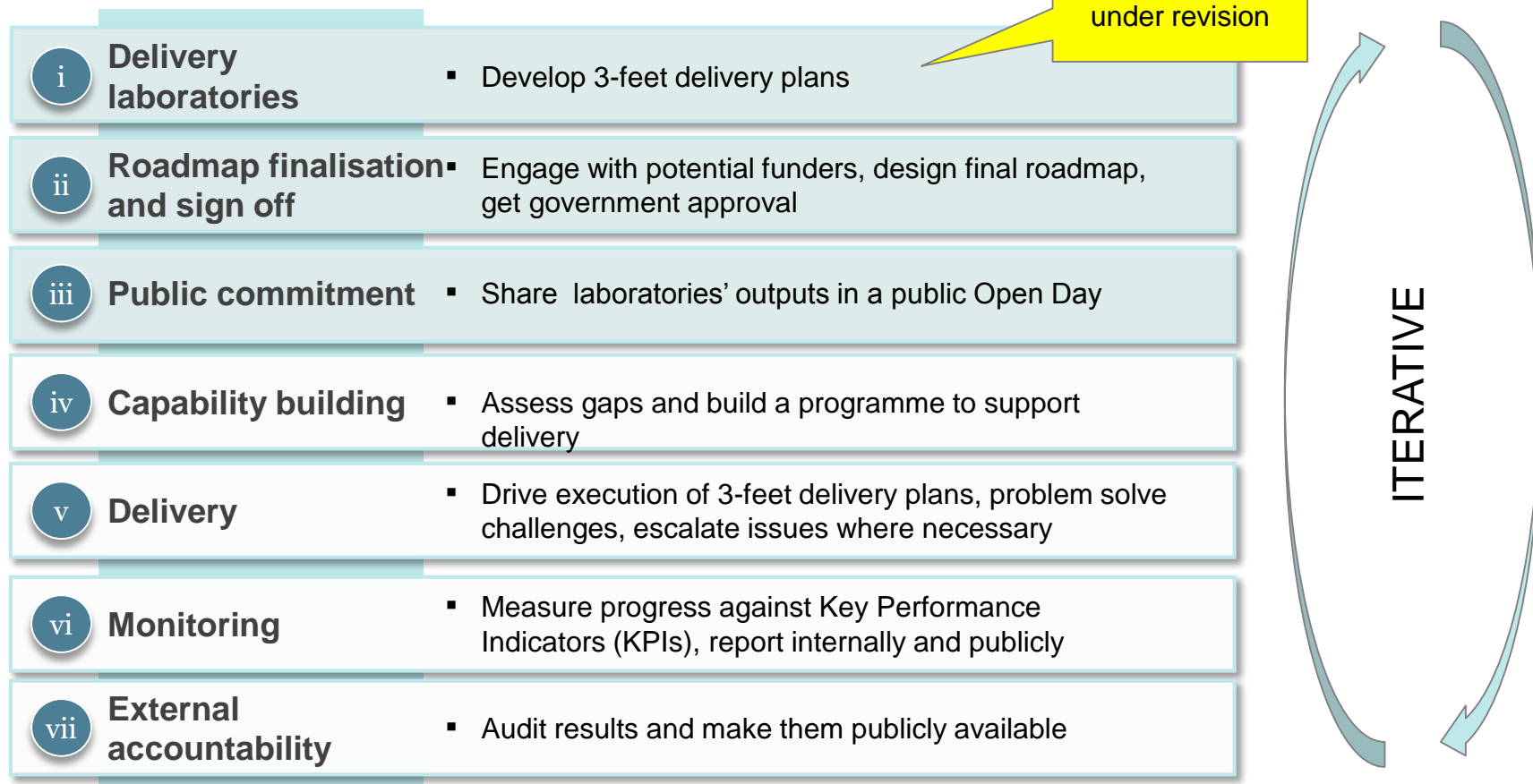
“

*The first implementation of Operation Phakisa will be led by the Department of Environmental Affairs. It will focus on unlocking the economic potential of South Africa's oceans, which are estimated to have the potential to contribute up to one hundred and seventy seven billion rand to GDP by 2033 compared to fifty four billion rand in 2010.”*

H.E. President J.G. Zuma,  
July 2014

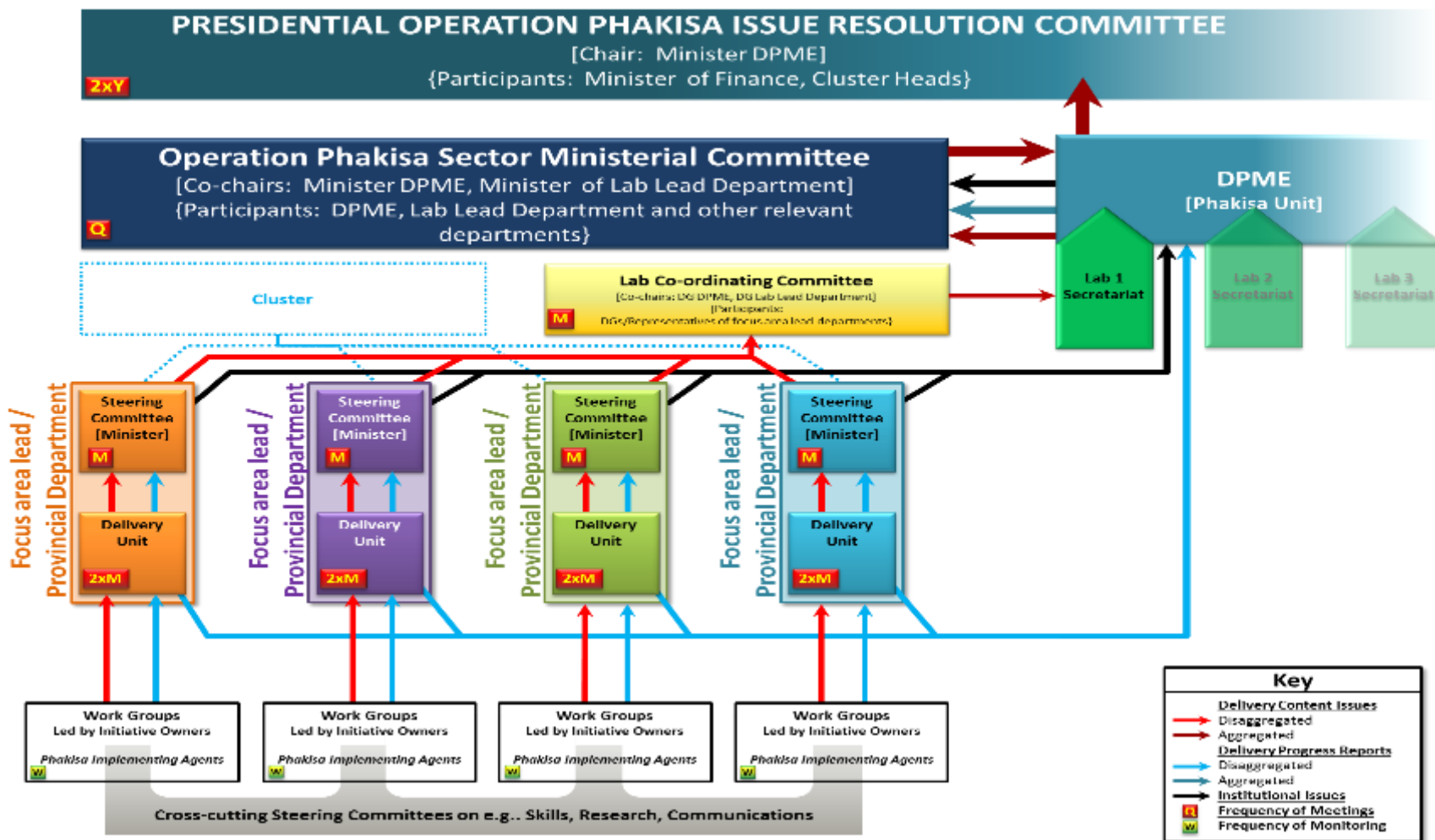


# Operation Phakisa process

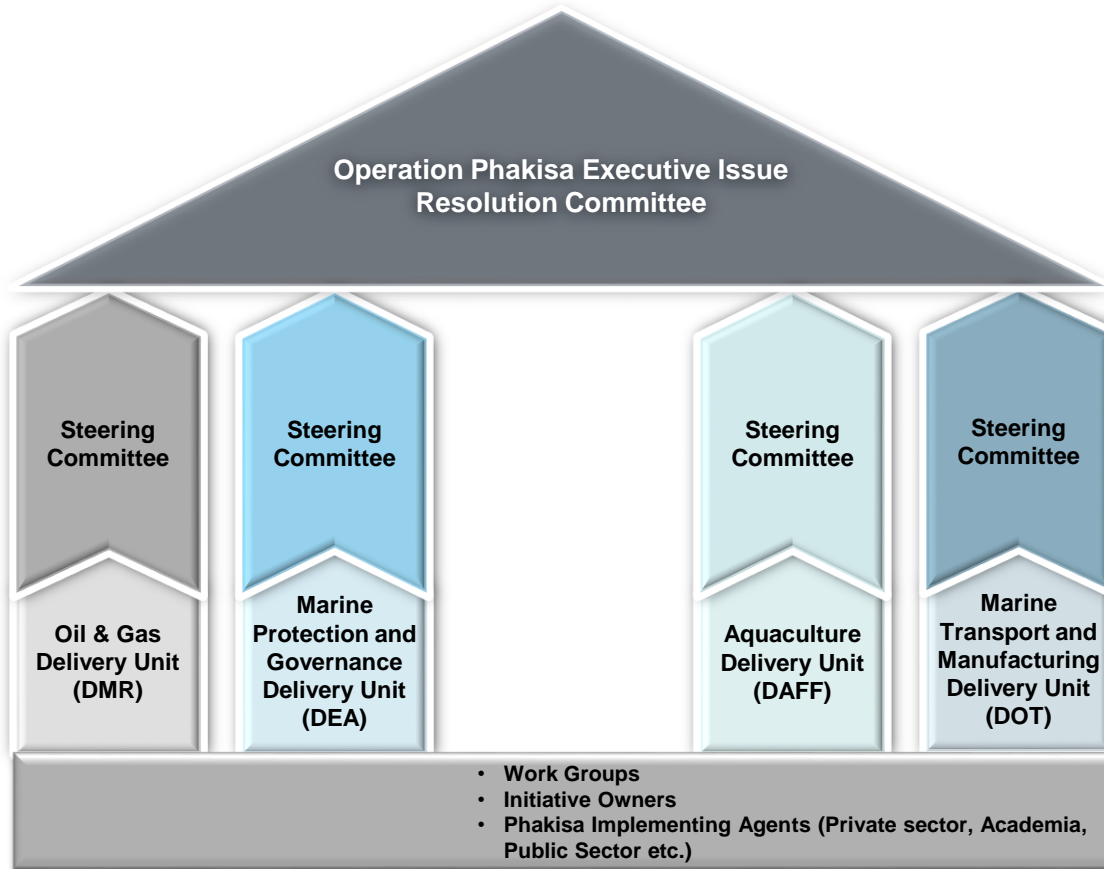


2014 October	Operation Phakisa: Oceans Economy launched
2015/16	Implementation of enabling elements & project implementation
2015 October	Oceans Economy Review Workshop
2016	Revised 3-feet delivery plans to be approved

# Governance structure



# Governance Structure



## Addition of focus areas:

- Small Harbour Development (DPW)
- Coastal and Marine Tourism (Dept Tourism)

**Department of Planning,  
Monitoring and  
Evaluation** Operation  
Phakisa lead and  
monitoring & evaluation of  
plans

**Department of  
Environmental Affairs  
Oceans Economy  
Secretariat** Coordination,  
promotion and assistance  
with implementation of the  
plan content

**All other departments,  
spheres of government,  
sectors delivery units and  
working groups**  
drive implementation

# Issue Resolution and Escalation Principles

Issues that may impact negatively on delivery must be **actively managed**.

Issues must be resolved as **quickly, efficiently and effectively** as possible.

Issues must be resolved at the **lowest level** possible.

**Ownership** of issues at the implementation level.

If issues cannot be resolved at a particular level, it must be **escalated** to and addressed at the level where it can be resolved.

Issues must only be escalated if:

- Its **impact** is great; and
- Its resolution is **complex and/or costly**; or
- Efforts to resolve the issue at a particular level has been **exhausted**.

**Informed decision-making** on issue resolution.

Integrated **communication** and clear communication lines.

# Operation Phakisa: Moving the Oceans Economy Forward...

1

**Operation Phakisa: Unlocking the Economic Potential of South Africa's Oceans** focuses on six priority potential growth areas (Marine Transport and Manufacturing, Offshore Oil and Gas Exploration, Aquaculture, Marine Protection Services and Ocean Governance, Small Harbours Development, Coastal and Marine Tourism) that have **significant GDP growth and job creation potential**.

---

2

Operation Phakisa **will deliver on some of the aspirations of the National Development Plan 2030** which have been **championed at every level of government and society**

---

3

Operation Phakisa represents a **fundamental change** in how we accelerate delivery – it is the **first of many 'business unusual' initiatives** that government will implement

---

4

Operation Phakisa engaged **656 participants from 68 institutions** in government, private sector, civil society, labour, and academia and developed **47 detailed initiatives**, translating into **>400 key performance indicators (KPIs)**, and **2 900+ specific activities**

---

5

Together, these 47 initiatives are expected to **increase the Ocean Economy's GDP contribution by >R20 bn**, and lead to the **creation of 22 000 direct new jobs by 2019**

---

6

**Delivery of these initiatives will be supported by multiple leaders including the President and Cabinet**, the Minister in the Presidency, Department of Planning, Monitoring and Evaluation's Operation Phakisa Delivery Unit, Lead Ministers for each lab, and specific initiative owners identified in detailed 3-ft delivery plans.

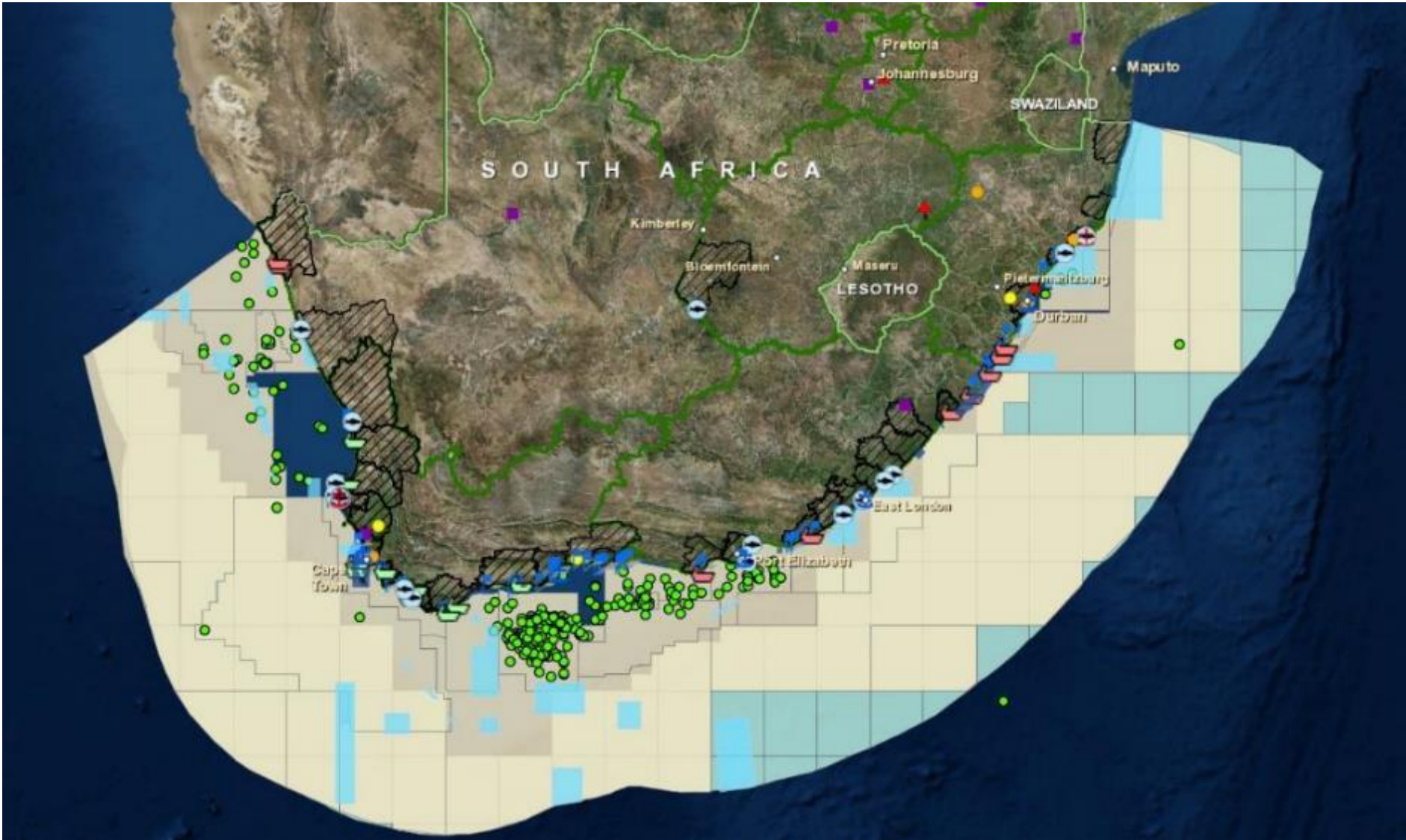


# Operation Phakisa: Oceans Economy Focus Areas

DEA, DPME, DOT, DPE, DTI, DMR, DOE, DAFF, DST, DHET, DPW, DRDLR, DOL, DHA, NT, DSBD, DOD, EDD, DOW, NDT, DIRCO, DoTourism





# Operation Phakisa: Oceans Economy Projects spread across South Africa's coastline



# PHAKISA Interactive GIS Map: LAYERS

## 1. Marine Transport & Manufacturing

-  New facilities
-  Existing facilities



## 2. Offshore Oil & Gas Exploration

-  Offshore Wells
-  Offshore Permits & Rights
-  Deep Water Blocks



## 3. Aquaculture

-  Aquaculture Farms

## 4. Marine Protection Services and Oceans Governance

-  MSPG - Existing Marine Protected Areas
-  MSPG - Envisaged Marine Protected Areas

## 5. Small Harbour Development

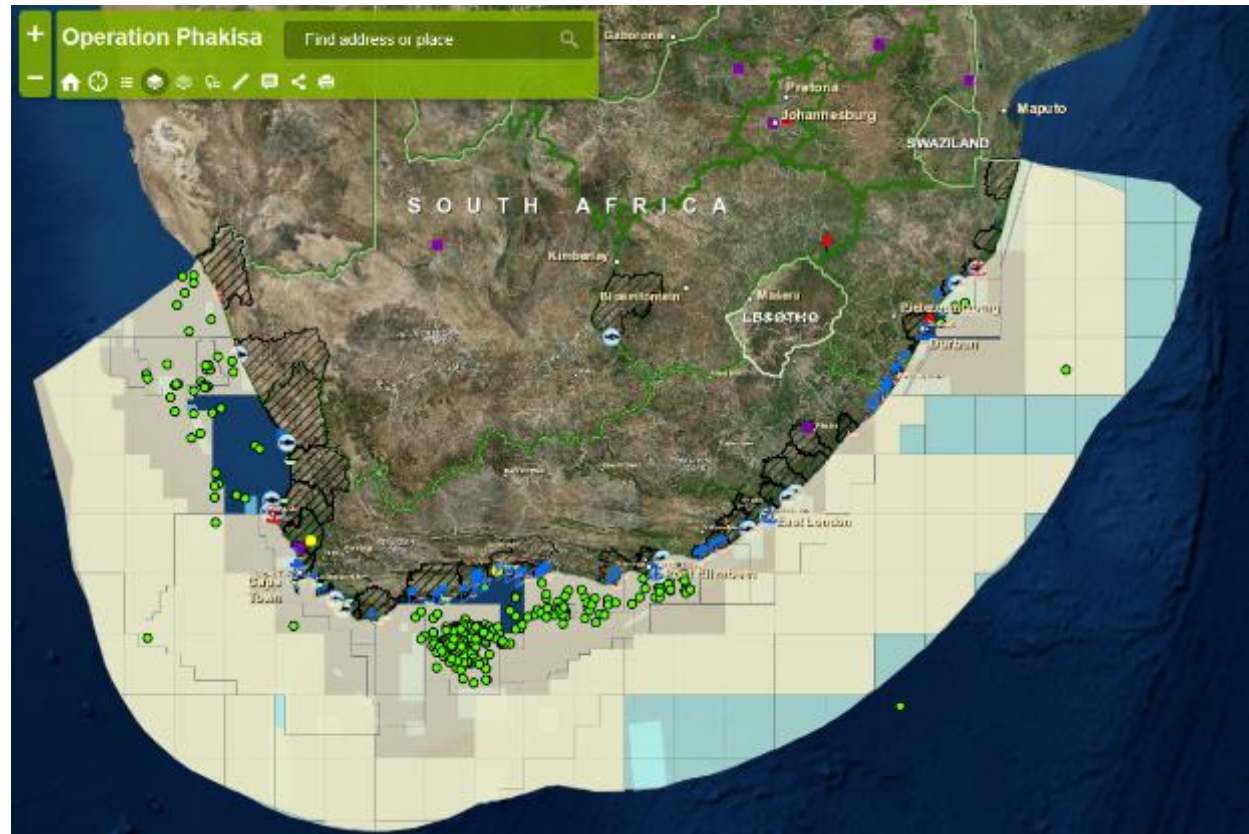
-  Proclaimed
-  Unproclaimed

## 6. Marine & Coastal Tourism

-  Blue Flags

## Skills Development & Capacity Building

-  TVET Colleges
-  Universities



-  Existing IDZ's
-  Proposed Saldanha Bay IDZ
-  Municipality\_Statistics
-  Proposed SEZ's
-  Proposed Richards Bay IDZ
-  Province

1



- **Marine Transport and Manufacturing**





- **~30 000 vessels passing by South Africa's waters** every year
- **~13 000 vessels dock in South Africa ports** every year and we only do maintenance on ~5% of them
- **80 rigs estimated to be in range of the Western Cape**, only 4 (~5%) are serviced per year – offering significant potential for growth
- **300 million tonnes of cargo** on foreign owned and crewed vessels shipped
- **1.2 million tonnes of liquid fuel** passing along coast

Port Nolloth

Saldanha Bay

Cape Town

Mossel Bay

Port Elizabeth

Ngqura

East London

Durban

Richards Bay

# INITIATIVES

## 18 initiatives were recommended for MTM

### A Infrastructure and operations

- 1 Create supportive funding and revenue model
- 2 Establish purpose-built oil and gas port infrastructure by appointing facility operators – Saldanha Bay
- 3 Align on implementation of government policy
- 4 Prioritise Transnet and TNPA funding allocation towards marine manufacturing
- 5 Maintain and refurbish existing facilities
- 6 Unlock investment in new and existing port facilities
- 7 Implement a Strategic Prioritised Project – Richards Bay
- 8 Implement a Strategic Prioritised Project – East London

### B Skills and capacity building

- 9 Train 2,550 TVET College graduates on an 18-month workplace-based experiential learner programme in scarce and critical trades over the next 5 years
- 10 Create dedicated OTs for the MTM sector (professional, trades, operators and seafarers)
- 11 Establish trade RPL, CBMT or centres of specialisation in Saldanha Bay and Richards Bay
- 12 Train 18,172 learners as artisans, semi-skilled workers and professionals over the next 5 years
- 13 Increase usage of ESSA system and targeted career awareness services as a high-value recruitment tool for MTM
- 14 Increase capacity to develop skills for ~1,200 ratings and ~720 officers per year

### C Market growth

- 15 Create and implement a public procurement and localisation programme
- 16 Develop a strategic marketing campaign and value proposition for target markets
- 17 Propose inclusion of a preferential procurement clause in the African Maritime Charter
- 18 Support local registry of vessels through incentives and legislation of using SA-flagged ships for cargo and coastal operations (based on UN Conference on Trade and Development and African Maritime Charter guidelines)



## Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- Transnet National Ports Authority ( TNPA) and Transnet SOC Limited have adopted a **Public-Private- Partnership (PPP) model to finance new Operation Phakisa infrastructure** at the Ports of Saldanha Bay, Richards bay and East London.
- Three ships have been registered on the South African Ship register to date and are flying the South African flag.
- Strategic priority projects and maintenance and refurbishment in Saldanha Bay, Richards Bay, Port Elizabeth, East London, Durban.
- A number of South Africa-job-creating investments are already in place.
- Since the designation of working vessels for local procurement (60% local content) and the issuance of the instruction note by National Treasury, a number of investment commitments.
- The amendment of Seafarers Bill has been approved by Parliament to fast track skills development within the marine sector.
- DHET activated SAIMI (South African International Maritime Institute) as the vehicle to coordinate skills. Working Groups Leaders appointed per focus area.



## Saldanha Bay: 3 Projects

Rig Repair Berth 205 (Artist Impression)



Mossgas Jetty (Artist Impression)



Oil and Gas Supply Base (Artist Impression)



2



## Offshore Oil and Gas Exploration



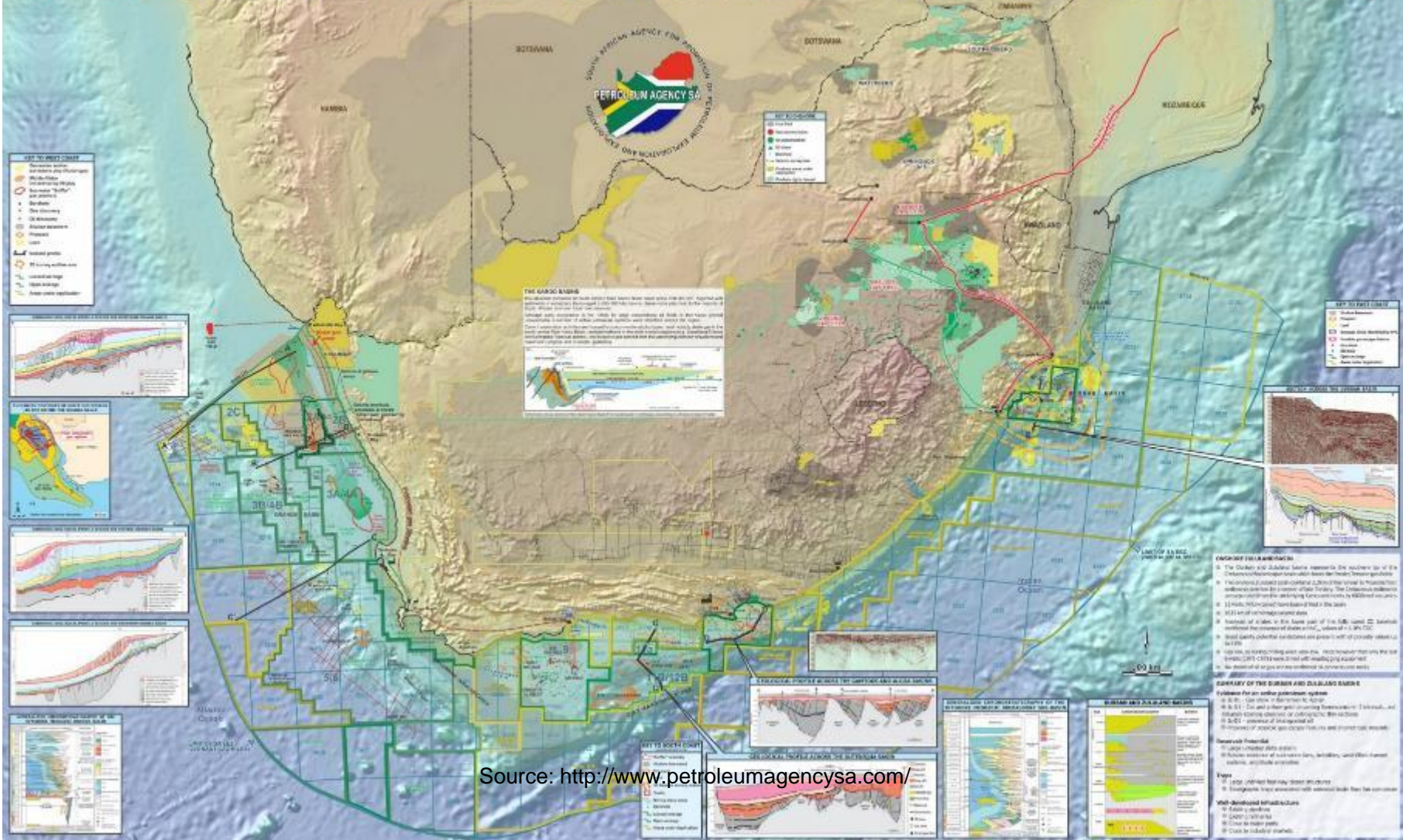
South Africa has possible resources of **~9 bn barrels of oil and ~60 tcf of gas offshore**, but uncertainty is high.

The aspiration is to create an environment that ***promotes exploration*** ...

... in order to ***drill 30 exploration wells*** in the next 10 years ...

... while simultaneously ***maximising the benefits for South Africa***

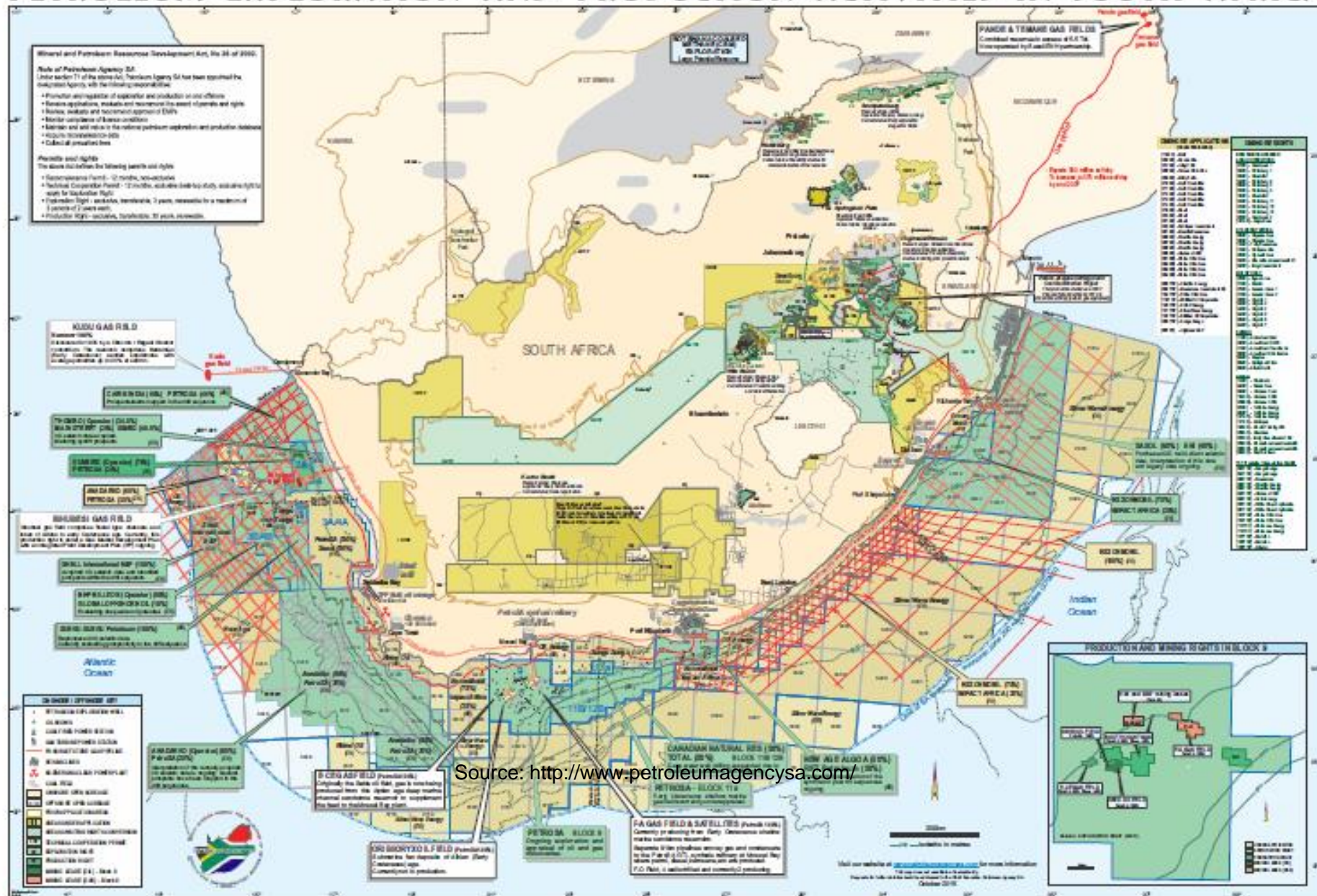
## EXPLORATION OPPORTUNITIES IN SOUTH AFRICA



Source: <http://www.petroleumagency.sa.com>

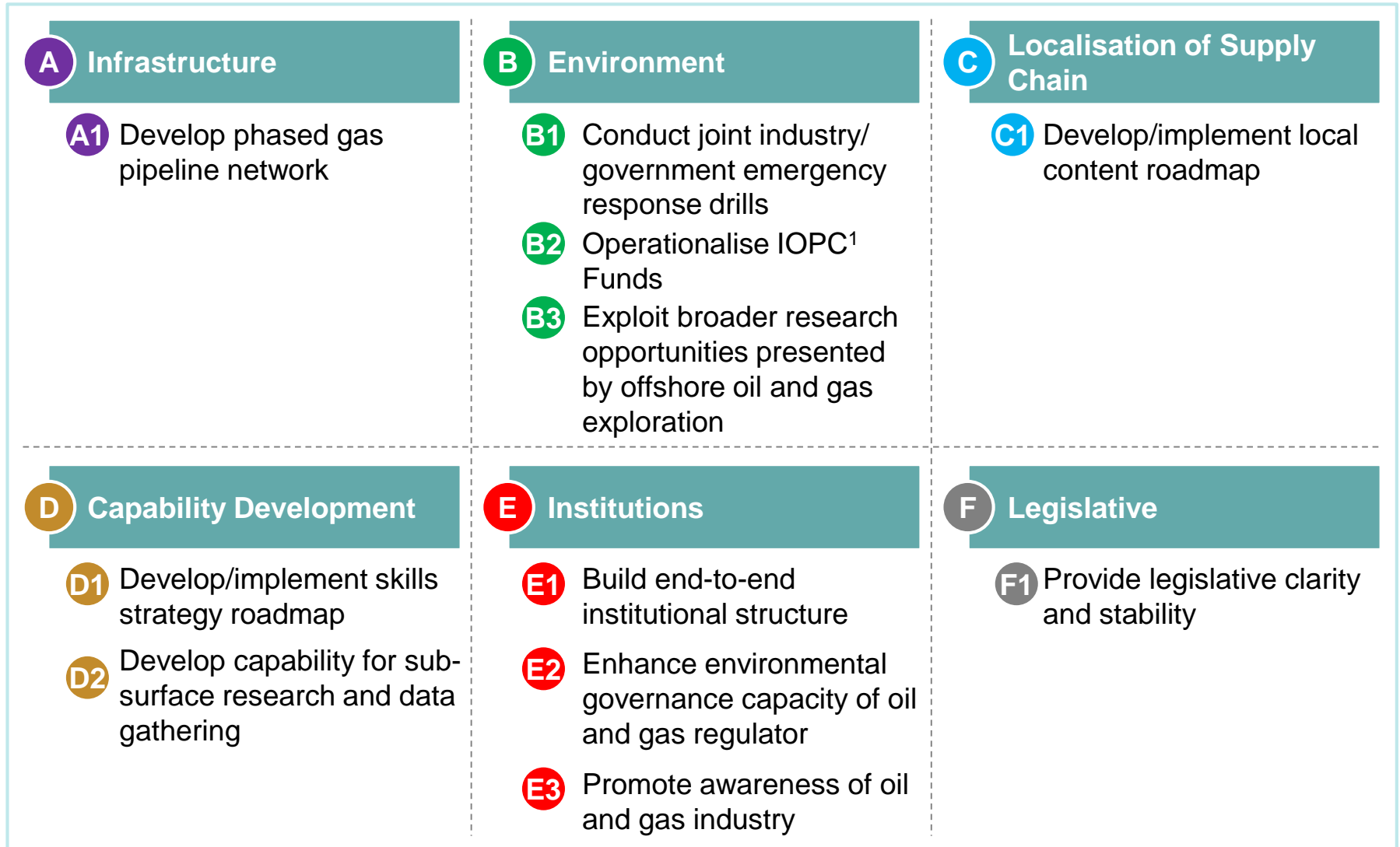


## PETROLEUM EXPLORATION AND PRODUCTION ACTIVITIES IN SOUTH AFRICA



# INITIATIVES

## 11 initiatives have been identified for offshore oil and gas exploration



<sup>1</sup> Internal Oil Pollution Compensation



### Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- Pre-emergency planning and response in respect of oil spill emergency completed.
- Phased **gas pipeline routes** have been **defined**, route engineering study completed for parts of the route. **Strategic Environmental Assessment** for the phased gas pipeline to commence in 2016.
- **Pre-emergency planning** in respect of oil spill emergency responses has commenced with hazard identification. **Incident Management Organisation established.**
- Department of Science and Technology (DST) committed funds (R2 m) for broader research opportunities presented by offshore oil and gas exploration. Marine Research Forum in place.
- Environmental Authorisation approved for Burgan Fuel Storage facility in Cape Town harbour - launched
- Intervention on International Oil Pollution Compensation Fund finalised.
- Migration plan is in place for the end-to-end institutional structure.

3



## Aquaculture



## Aquaculture - BACKGROUND

In SA however, aquaculture is a young industry with low scale of production

**~4,000** tonnes (excluding seaweed) of Aquaculture production in 2013 (28% freshwater, 72% marine)



**~50%** of Aquaculture farms in SA are located in the **Western Cape**



**Untransformed sector** with 10% PDI participation at management level in the sector



In 2012, **>600,000** tonnes of fish and fish products was produced in South Africa; only **0.8%** of it was from Aquaculture farms



**2,227** jobs in the sector



Aquaculture contributes **~R 0.7 bn** (0.2%) to South Africa's GDP



SOURCE: FAO, FishStatJ, DAFF



## Phase 1: Implementation of initiatives in 6 to 12 months Quick wins

- ✓ 1a ★ Implementation of 9 initial projects
- ✓ 3 ★ Establishment of an Inter-Departmental Authorisations Committee
- 👎 5 ★ Establishment of an Aquaculture Development Fund
- 👎 7 ★ Coordination of industry-wide marketing efforts

## Phase 2: Implementation of initiatives in 12 to 24 months

- 👎 1b Implementation of 6 ready-to-operate projects and selection of additional projects
- ✓ 2 Legislative reform to promote Aquaculture development
- 👎 4 Establishment of a globally recognised monitoring and certification system
- 👎 6 Capacity building for support services
- 👎 8 Preferential Procurement of Aquaculture products

## Phase 3: Implementation of initiatives in 2 to 4 years

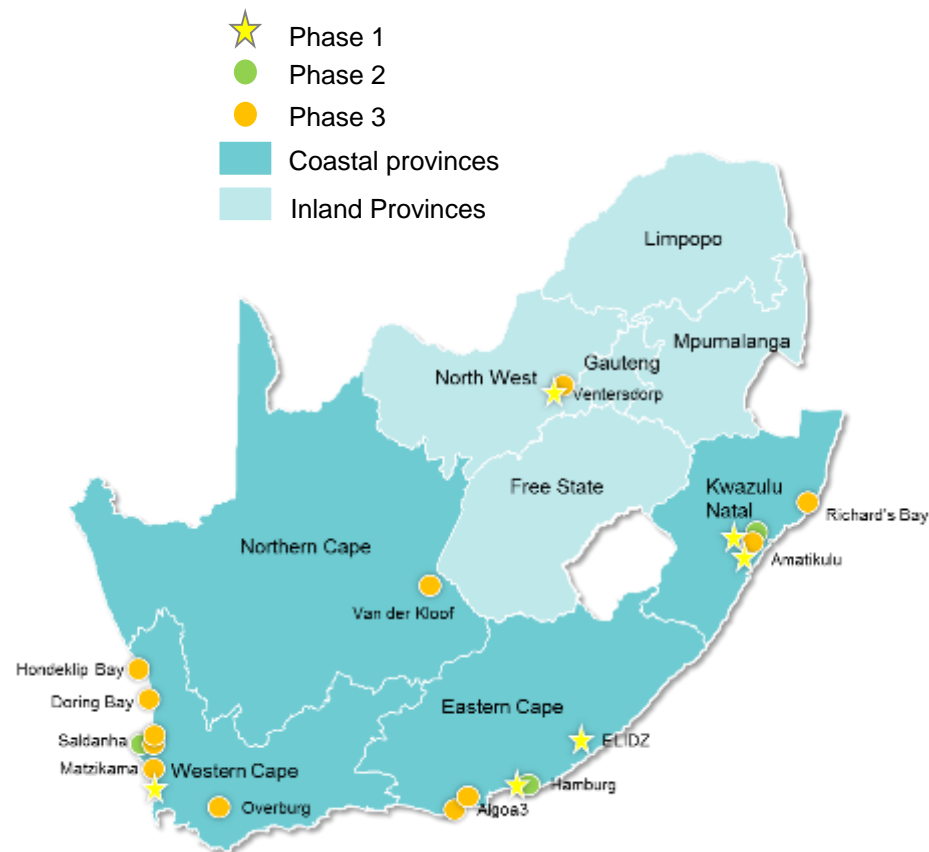
- ✓ 1 Implementation of 12 ready-to-operate projects and selection of additional projects
- 👎 6 Capacity building for entire sector



## Project/enterprise

★	Hatchery expansion- Paternoster- Oyster	
★	Expansion- East London IDZ- Kob	
★	Expansion- Hamburg cluster- Oyster	
★	Expansion-Ventersdorp- Catfish	
★	Expansion - Jacobsbaai Sea Products	
★	Expansion - Abagold	
★	Expansion - HIK Abalone	
★	New - Amatikulu - Kob	
●	Expansion - Amatikulu - Ornamentals	
●	Expansion - DST Abalone Hatchery	
●	New- Hamburg cluster- Kob	
●	New- Saldanha Viking Cages- Trout	
●	ADZ-Ventersdorp- Catfish	
●	Doring Bay Abalone	
●	New - Saldanha Viking Cages - Salmon	
●	Expansion- Saldanha Blue Ocean Mussels- Mussel	
●	Expansion- Saldanha Bay Oyster Company- Oyster	
●	New- Saldanha Southern Atlantic Sea Cages- Salmon	
●	New- Algoa Bay Sea Cage Farming- Yellowtail	
●	New- Richards Bay Sea Cage Farming- Dusky Kob	
●	New- Diamond Coast Abalone Ranching- Abalone	
●	New - Van der Kloof - Trout	
●	New - Matzikama Brenner Dietrichs - Abalone	
●	New - Buffeljachts - Abalone	

## 24 initial projects phased implementation





## Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- 10 projects, of 24 projects selected, already in production.
- Draft Aquaculture Bill has been finalised.
- Authorisations have been streamlined to shorten the timeframes for approvals.
- **Strategic Environmental Assessment** for the development of aquaculture to commence in 2016.



*Richards Bay Sea Cage Farming*



# Aquaculture > PROGRESS



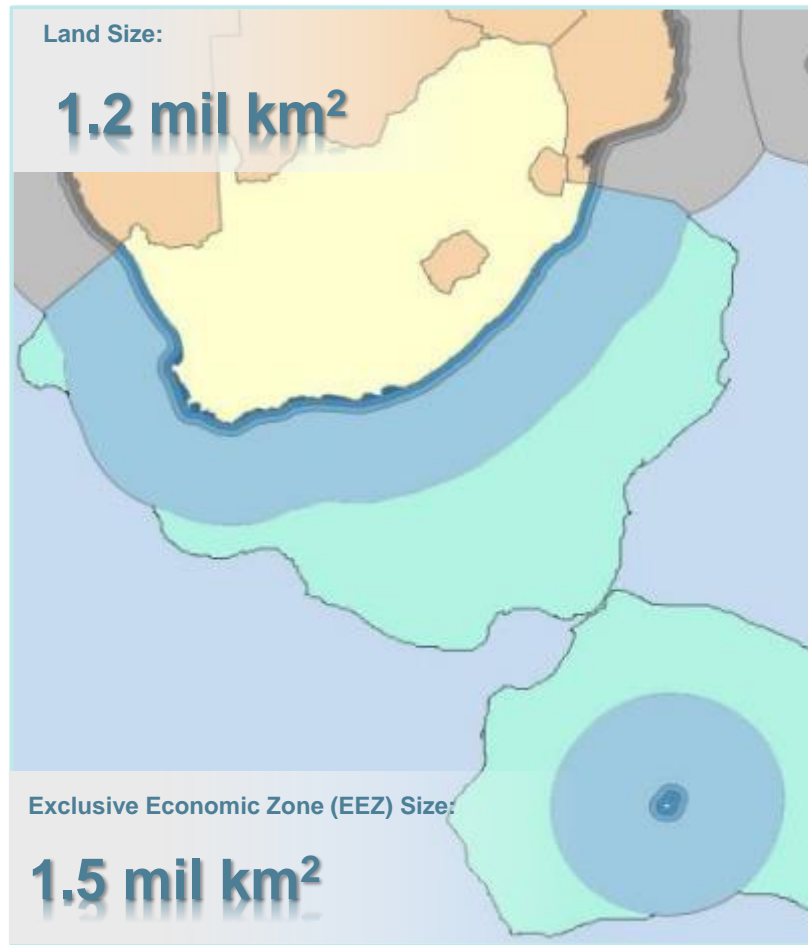
Hamburg Cluster

4



## **Marine Protection Services and Ocean Governance**





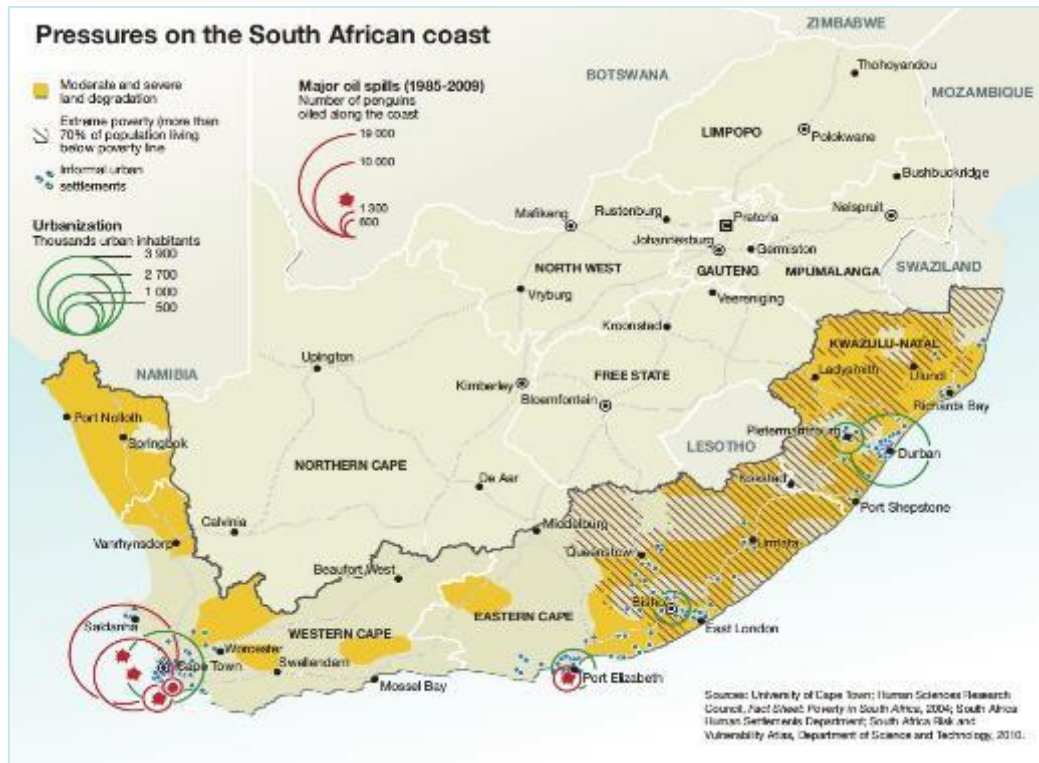
South Africa has more ocean space than land, and our ocean jurisdiction will increase should the extended continental shelf claim be successful

South Africa is responsible for managing an oceans space that is greater than the land territory

Extended continental shelf claim will double the size of the ocean geographic extent

#### Legend

- Land Mass
- EEZ
- Extended Continental Shelf Claim



- South Africa will implement an **overarching, integrated ocean governance framework for sustainable growth** of the ocean economy that will maximise socio-economic benefits while ensuring **adequate ocean environmental protection** within the next five years.
- South Africa needs to continuously balance the economic opportunities which our ocean space affords while maintaining its environmental integrity

# INITIATIVES

10 key initiatives  
have been proposed

## Integrated Ocean Governance and Protection

### Integrated framework and governance



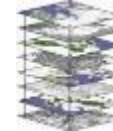
- 1 Ministerial Committee and Secretariat to govern activities
- 2 Enhancement of legislation for the Integrated Coastal and Oceans Management Act or Oceans Act
- 3 Review of ocean-related legislation
- 4 Accelerated capacity-building intervention in ocean governance

### Ocean protection



- 5 Enhanced and coordinated enforcement programme
- 6 National ocean and coastal information system and extending earth observation capacity
- 7 National ocean and coastal water quality monitoring programme
- 8 Creation of a Marine Protected Area (MPA) representative network
- 9 MPA/MSP discovery, research and monitoring programme

### Marine spatial planning (MSP)



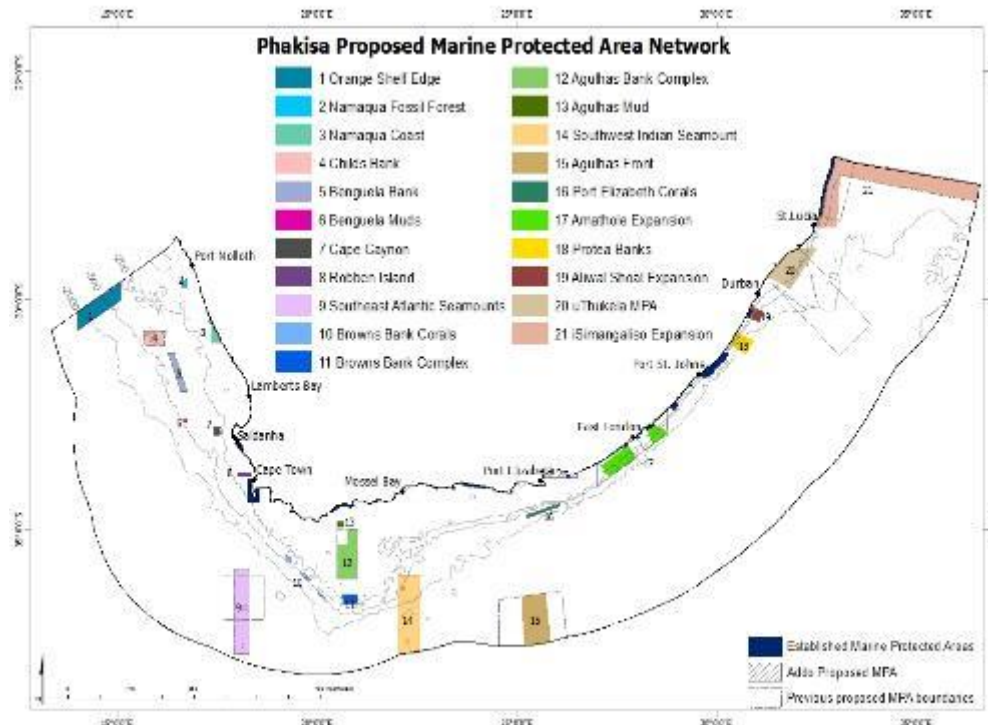
- 10 Marine Spatial Planning (MSP) process





## Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- The Oceans Secretariat has been established and will assist with coordination of Oceans Economy Ministerial Management Committee and other technical meetings.
- National Oceans and Coastal Information System – work has commenced through the Council for Scientific and Industrial Research.
- Regulations and declaration notices had been completed for the 21 offshore Marine Protected Areas
- A draft National Framework for Marine Spatial Planning has been completed in order to designate the ocean for specific use and avoid user conflict.



5



## Small Harbours Development



### Lab Tune-up to Consolidate and implement Harbours Development:

- **Access** to government maritime infrastructure
- **Ensure territorial integrity** through the revitalisation of the Small Harbours
- Ensure inclusive economic growth through the empowerment of **emerging fishing communities**
- Empower coastal communities in skill development, **education and enterprise development**
- **Energise the growth** of coastal infrastructure



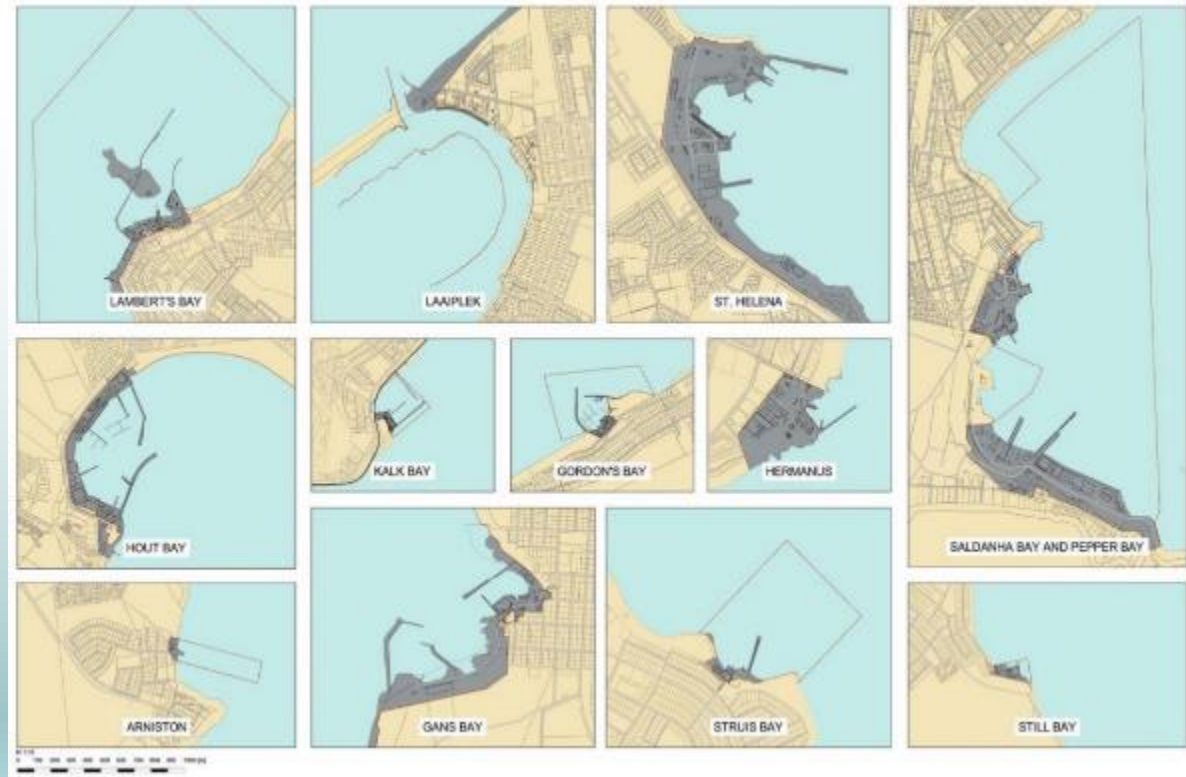






## Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- Aquaculture leases granted.
- Upgrades commenced in five harbours with a roadmap to proclaim new harbours.
- Operation Phakisa tune-up Lab Process to take place.



6



## Coastal and Marine Tourism - **CURRENT STATUS**



- ✓ Marine and coastal tourism has tended to benefit areas with well developed infrastructure e.g. Durban and Cape Town.
- ✓ Some areas that have potential tourism value have not benefited due to lack of basic and tourism infrastructure. Consequently, such areas are not able to attract tourists and necessary investment.
- ✓ South Africa's long coast and pristine coastal environment presents opportunities for further marine and coastal tourism development with a view to boost local economic development to those areas.
- ✓ It also presents an opportunity to grow the tourism base.
- ✓ It promotes access to leisure and economic opportunities for local communities
- ✓ Presents a platform for private sector make tourism investment.
- ✓ It is also a catalyst for infrastructure development.





# INTERVENTIONS – PHASED IMPLEMENTATION

## Phase I: Initial Short-term targets

*First results by March 2016*

- Implementation of the Blue Flag Ambassador Programme
- Promotion of blue flag as a tourist attraction (marketing)
- Provision of visitor information services

## Phase II: Medium term

*First results by March 2019*

- Provision of coastal tourism infrastructure i.e. ablutions facilities, parking, recreational facilities (braai areas, pools, etc.)
- Boat launching facilities for leisure boat rides and recreational fishing (licenced)
- Mini retail facilities (food, beverage, curio etc.) within the beach precinct.

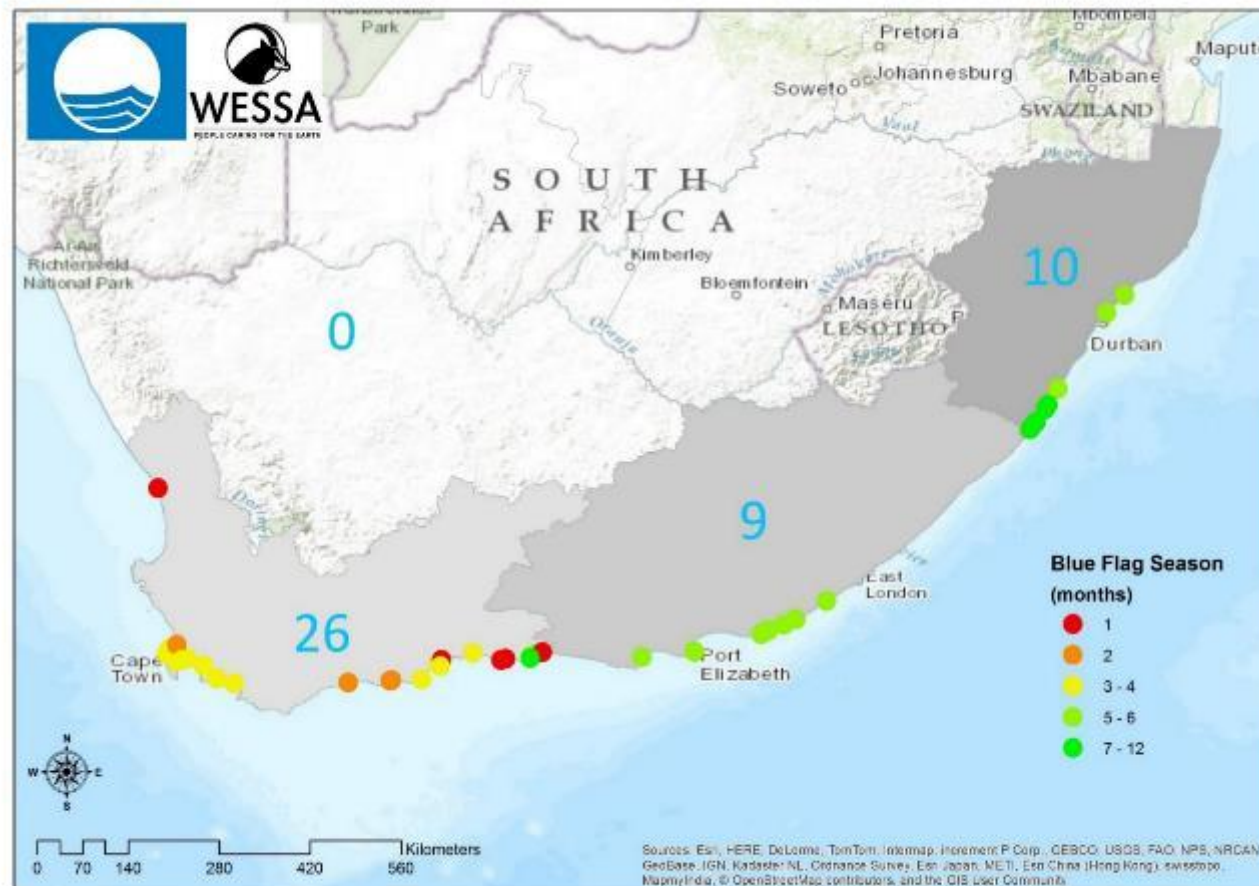






## Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):

- Lab Process to take place in early 2016.
- Implementation and expansion of the blue flag beach programme.



7



## **Skills Development and Capacity Building Research, Technology and Innovation**



### **Examples of progress (detailed progress per initiative reported to the DPME and the Ministerial MANCO):**

- DHET activated SAIMI (South African International Maritime Institute) as the vehicle to coordinate maritime skills planning. Working Group Leaders appointed per focus area.
- High level DG Inter-departmental Skills Plan Steering Committee was established to coordinate skills development processes.
- Specific skills requirements has been identified for each of the sectors.
- Workplace Based Learning Programme Agreement Regulations for placement of 2550 TVET College Graduates is under development.
- West Coast TVET College (Saldanha) and Umfolozi TVET College (Richards Bay) to be allocated Marine Industry Learner Programme Specialisation.
- Department of Labour through the Employment Services of South Africa initiated Workplace Based Learning Programme.
- Department of Higher Education and Training (DHET) started a process to establish a concept document and a formal forum meeting, including Department of International Relations and Cooperation (DIRCO) and Department of Home Affairs (DHA), to coordinate and leverage international skills and artisanal opportunities.
- The amendment of Seafarers Bill has been approved by Parliament to fast track skills development within the marine sector.



## In Conclusion

- ❑ Oceans Review Workshop to assess progress, identify blockages for action, and recommit all partners took place in Cape Town on 15 October 2015 – all documents on <http://www.operationphakisa.gov.za>
- ❑ An Agreement on Cooperation in the Oceans Economy was signed by His Excellency President JG Zuma and during the State Visit of H.E President Xi Jinping on 2 December 2015
- ❑ Similarly, other discussions and agreements underway with other international partners.
- ❑ ACKNOWLEDGEMENT: to all the persons present and not present who participated in the Lab, in the working groups and delivery units of the Operation Phakisa Oceans Economy.



## In Conclusion

If we removed all constraints and ensure the implementation of these initiatives, it will lead to the following (projected):

	<b>SHORT TERM 2016</b>	<b>MEDIUM TERM 2019</b>	<b>LONG TERM 2033</b>
Jobs	26 000 jobs <sup>1</sup> cumulative	65 000 jobs <sup>1</sup>	1 million jobs <sup>1</sup>
Economic growth	GDP contribution of R7.5 bn	GDP contribution of R26 bn	GDP contribution of R129-R177bn
Transformation indicator	<ul style="list-style-type: none"><li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act.</li><li>•15% transformation (Aquaculture).</li><li>•Opportunities for SMME's.</li></ul>	<ul style="list-style-type: none"><li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act.</li><li>•26% transformation (Aquaculture).</li><li>•Opportunities for SMME's.</li></ul>	<ul style="list-style-type: none"><li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act.</li><li>•50% transformation (Aquaculture).</li><li>•Opportunities for SMME's.</li></ul>

1. Jobs created through employment multiplier



# Linkages – a quick view

<b>OPERATION PHAKISA: OCEANS ECONOMY</b>	<b>RESEARCH, INNOVATION AND KNOWLEDGE MANAGEMENT ROAD MAP FOR THE SA MARITIME SECTOR</b>
Shared baseline information, skilled and committed professionals	
Mutually Supportive Visions	
Similar or Aligned Initiatives / Desired Future State Objectives	
<ul style="list-style-type: none"> <li>➤ Presidential and Joint Ministerial leadership</li> <li>➤ Larger scale/scope stakeholder engagement</li> <li>➤ Detailed plans and targets</li> <li>➤ Establishment of inter-departmental and multi-stakeholder delivery units</li> <li>➤ Budget</li> <li>➤ Reporting (weekly and monthly) and monitoring directly to Cabinet Ministerial Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>➤ Some additional actions proposed to reach the future state objectives that support the Operation Phakisa: Oceans Economy</li> <li>➤ Rich reflection of the skills and capacity sector</li> <li>➤ Rich emphasis on knowledge management and R&amp;D</li> <li>➤ Recognition of social sciences</li> </ul>
Shared challenges and successes	

# ***Moving the Oceans Economy Forward***

## ***Thank You***

### **CONTACT DETAILS :**

**Mr André Share**

Head: Oceans Economy Secretariat - Operation Phakisa

Department of Environmental Affairs

Environment House - 473 Steve Biko Street

Arcadia - PRETORIA 0001

Tel: 012 -399 9137/8958

Email: [ashare@environment.gov.za](mailto:ashare@environment.gov.za)

**Ms Melinda Swift** - Specialist Advisor: [mswift@environment.gov.za](mailto:mswift@environment.gov.za)

**Ms Sandra Zaccheo** - Specialist: [szaccheo@environment.gov.za](mailto:szaccheo@environment.gov.za)

**Mr Kgothatso Magongwa** - Administration: [kmagongwa@environment.gov.za](mailto:kmagongwa@environment.gov.za)