



REPUBLIC OF SOUTH AFRICA



# SMALL HARBOURS

## - Unlocking the Economic Potential of South Africa's Oceans

Presented to: Small Harbours Focus Group, Operation Phakisa - Ocean Economy Review Workshop

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## 1.1) Summary – Small Harbours

- **South Africa can leverage its strategic location, infrastructure and skill base to **accelerate growth of marine transport** (through the revitalisation of Small Harbours and Small Harbours-related initiatives and projects).**
- **The Small Harbours Tune-up Lab (previous named as Small Harbours) sets **an vision for the Small Harbours sector** of increasing by 2019 through the revitalisation of existing Proclaimed Fishing Harbours (but not limit to):**
  - **Contribution to direct Gross Geographic Product (GGP) by R6 bn**
  - **Number of total direct jobs created by 12,100**

## 1.2) Summary – Small Harbours

- **However, the Marine Transport and Manufacturing industry associated with Small Harbours faces significant challenges to growth:**
  - **It is outdated with insufficient and outdated maritime infrastructure.**
  - **It has inadequate artisanal and professional skills both infrastructure and management**

## 1.3) Summary – Small Harbours

**The Small Harbours Tune-up Lab (then Mini-Lab)** set the course of action to develop a set of key initiatives and projects to address these challenges and accelerate industry growth that:

Ensure **territorial integrity** through the revitalisation of Small Harbours-related maritime infrastructure

Identify and develop the required **maritime skills** through a robust classroom and workplace-based system

Encourage **inclusive maritime enterprise development** through **co-operative and SMME**

Develop an **inclusive fisheries industry** through small-scale fisheries and sustainable livelihood

**Develop new** ocean economy through **newly added-valuing chain** associated with Small Harbours

Create a **conducive regulatory framework** and funding environment as well as fast-track **priority maritime infrastructure projects**

## 1.4) Summary – Small Harbours

- **These initiatives intends to deliver significant direct jobs and revenue for South Africa by 2019**
- **To deliver on these initiatives, the Small Harbours Tune-up lab created a detailed implementation plan, budget requirement, Key Performance Indicators (KPIs) and a proposed governance system**
  - **Total 5-year government Capital Expenditure (CAPEX) spend associated with existing Proclaimed Fishing Harbours: R4.6bn**

## 2) CONTEXT – Marine Transport Manufacturing Lab: Long-term Potential

The Lab discussed other ideas, but decided not to pursue them in more detail

	<u>Description</u>	<u>Current status</u>
<b>Small harbours</b>	<ul style="list-style-type: none"><li>▪ <b>Expand the use of small harbours to drive economic growth through fisheries and other activities</b></li></ul>	<ul style="list-style-type: none"><li>▪ <b>Mini-lab conducted within MTM lab</b></li><li>▪ <b>Appendix included with full report providing more details</b></li></ul>

### 3) ASPIRATION and VALUE PROPOSITION – Small Harbours

#### Aspiration

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- Ensure **territorial integrity** through the revitalisation of the Small Harbours
- **Access** to government maritime infrastructure
- 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

#### Value Proposition

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- Safety, Security & **territorial integrity**
- Local **economic development**
- **Social infrastructure** solution
- **Rural Community upliftment**



## 4.1) ENVISAGED CONTRIBUTIONS – Small Harbours

### South African Perspective

- Provide safety, security and **territorial integrity to the Republic**
- Foster an **inclusive** development of SA Ocean Economy **at grass-roots level**
- Provide **security** of the **Ocean Economy** for the Republic
- Provide **maritime infrastructure** for the **national security** of the Republic's Ocean Economy

### Impact

- **Securing territorial integrity** through water-side border of Small Harbours
- Creation of new SA Ocean Economy through the introduction of **newly-created value chain** via revitalisation of Small Harbours
- Facilitation of the introduction of **cabotage in sea transport**
- Facilitation of the creation of SA **indigenous shipping industry, ship building/repair industry (targeting fishing vessels)** and creation of the **newly associated value-chain** at country's Ocean Economy

## 4.2) ENVISAGED CONTRIBUTIONS – Small Harbours

### African Perspective

- **Develop SA's Small Harbours** serving as **a model** for **developing other African Ocean Economy**
- **Dedicate to 2015-2025** the **“Decade of African Seas and Oceans”** as declared by the African Union

### Impact

- **Accelerate** further **unlocking** of African Ocean Economy

## 5.1) Key Lab Document - Overview of initiatives

### How do we get there?



1

#### Small Harbours Development Unit

- 1 Establish Small Harbours Development Unit under PMTE (DPW)
- 2 Capacitate the Unit for small harbour operational management support
- 3 Constitute an Inter-governmental Task Team
- 4 Establish Small Harbours Development Authority



3

#### Harbour- related skills development

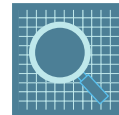
- 9 Prepare scarce skills development plan
- 10 Train technical and management staff
- 11 Implement a career development plan



2

#### Consolidate and Implement Harbours Development Vision

- 5 Implement proclaimed harbour SEDF recommendations.
- 6 Generate SEDFs for un-proclaimed Small Harbours
- 7 Implement un-proclaimed harbour SEDFs.
- 8 Integrate Small Harbours with coastal territorial integrity



4

#### Sustainable Development Approach

- 12 Prepare Business Plan
- 13 Prepare Environmental Guidelines
- 14 Implement inclusive development initiatives

Cluster Initiative

## 5.2) Key Lab Document - **Implement proclaimed harbour SEDF recommendations**

- **12 Proclaimed Fishing Harbours (in Western Cape) with SEDF's:**

- |                 |              |                  |                  |
|-----------------|--------------|------------------|------------------|
| 1) Lamberts Bay | 2) Laaiplek  | 3) St Helena Bay | 4) Saldanha Bay  |
| 5) Hout Bay     | 6) Kalk Bay  | 7) Gordons Bay   | 8) Arniston      |
| 9) Hermanus     | 10) Gansbaai | 11) Struisbaai   | 12) Stilbaai Bay |

- **Un-proclaimed harbours to be included in short term implementation**

- Port Nolloth (in Northern Cape)
- Port Alfred and Port St John (in Eastern Cape)
- 1 Small Harbour (in Kwa Zulu-Natal) – to be determined



## 6.1) Proposed Phakisa Initiatives – Small Harbours

### Maritime Infrastructure

#### Development and Modernization of Small Harbours

##### Standard Facilities and Services

- Landing Facilities
- Launching Facilities
- Primary Processing
- Cold Storage
- Ice Making
- Refuelling
- Security Services
- Etc.

**\* Exception: Harbours with Eco-Tourism Development Theme**

### Strategic Infrastructure Project (SIP)

#### Candidate

**For the consideration of :  
Presidential Infrastructure Commission  
(PIC)**

## 6.2) Proposed Phakisa Project – People Empowerment

<b>Groups</b>	<b>Focus</b>
<ul style="list-style-type: none"><li>• <b>Communities</b></li><li>• <b>Military Veterans</b></li><li>• <b>Youth</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Coastal Communities</b></li><li>• <b>Retrenched and Unemployed Military Veterans</b></li><li>• <b>Unemployed Youth</b></li></ul>



## 6.3) Proposed Phakisa Projects – Maritime Enterprise Development and Maritime Industry Development

### Maritime **Enterprise** Development

- **Co-operatives**
- **Small  
Micro  
Medium  
(SMME)  
Enterprises**

### Maritime **Industry** Development

- **Small-scale fishing**
- **Fishing Processing**
- **Storage Facilities**
- **Ship Building/  
Ship Repair Yards**
- **Transshipment**
- **Packaging**
- **Coastal Tourism**
- **Etc.**

## 6.4) Proposed Phakisa Projects – Maritime Intellectual Property

### Maritime Intellectual Property

- **Revitalising** the Profession of **Marine Civil Engineering** in SA
- **Revitalising** the Profession of **Harbour Master** in the Small Harbours environment
- **Specialised Fisheries and Fisheries-related** Maritime Education on Maritime-oriented **High Schools & Technical and Vocational Education and Training (TVET) colleges**

### Maritime Intellectual Property

- Focus on **Maritime Enterprise and Industrial Development**
- **Maritime Innovation Hub** for Southern Africa and the Africa Continent



## 6.5) Proposed Short-Term Implementation (before 31 Mar 2015)

### Infrastructure & Harbour Management

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#### Infrastructure

- **Upgrade of all civil** (roads, buildings), **bulk** (electricity, etc.) and **marine**(slipways) **infrastructure**.  
**Navigational lights**
- **Upgrade of harbour administrative facilities** (sunken vessels, OHSA compliance, underwater surveys, security)

#### Harbour Management

- **Harbour Management Support**  
(Complete harbour management capacity, Harbour Masters, Shipwrights, Artisans, etc.)

### Implementation to date

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- **None**

## 7.1) Post-Lab Development - **Scope Increase**

- **By Cabinet Economic Cluster:**

**Developing other existing unproclaimed small harbours**

**and**

- **By Small Harbours Development Unit, DPW**

**Developing new sites throughout the coastal provinces**

## 7.2) Potential Projects In Un-proclaimed Harbours

The following un-proclaimed small harbours have been identified and has huge potential for both harbour infrastructure, marine/aquaculture, small town precinct development, tourism – and job creation projects of Expanded Public Works Programme :

Harbour name	Harbour name
Port Nolloth	Port Alfred
Beogoebaai	Cape St Francis
Hondeklipbaai	Hibberdene
Port St Johns	Port Shepstone
Port Grosvenor	Port Edward

## 7.3.1) Efforts Made to Date – Initial Quick Wins

### Projects

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The projects listed below are some of the typical critical projects identified by DPW and DAFF to be undertaken within the existing Proclaimed Fishing Harbours:

- Repairs and upgrade of slipways;
- Shore crane replacements;
- Dredging of harbour basins;
- Repairs to wooden jetty's;
- Removal of sunken vessels;
- Security installation and operations;  
and
- Infrastructure repairs.

### Implementation

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DPW has engaged COEGA as implementing agent to perform the critical project for FY 2015-16 to 2018-19.

## 7.3.2) Priority Projects To Be Scoped And Implemented – 2015/16 (Programme A)

No	Harbour name	Estimated cost – 2015/16
1	HOUT BAY HARBOUR	R14 170 000
2	ST HELENA BAY HARBOUR	R18 270 000
3	HERMANUS HARBOUR	R9 870 000
4	SALDANHA/ (PEPPER BAY) HARBOUR	R7 950 000
5	SALDANHA HARBOUR	R19 900 000
6	GANS BAY HARBOUR	R 11 900 000
7	LAMBERTS BAY HARBOUR	R13 900 000
8	KALK BAY HARBOUR	R11 900 000
9	LAAIPLEK BAY HARBOUR	R12 000 000
10	GORDONS BAY HARBOUR	R10 700 000
11	ARNISTON HARBOUR	R6 400 000
12	STRUISBAAI HARBOUR	R5 500 000
13	STILL BAY HARBOUR	R5 500 000

### 7.3.3) Priority Projects To Be Scoped And Implemented: 2015/16 – 2017/18 (Programme B) – Preventative Maintenance

No	Harbour name	Estimated cost: 2015/16 – 17/18
1	HOUT BAY HARBOUR	R14 450 000
2	ST HELENA BAY HARBOUR	R16 450 000
3	HERMANUS HARBOUR	R13 450 000
4	SALDANHA/ (PEPPER BAY) HARBOUR	R8 000 000
5	SALDANHA HARBOUR	R103 450 000
6	GANS BAY HARBOUR	R13 450 000
7	LAMBERTS BAY HARBOUR	R13 950 000
8	KALK BAY HARBOUR	R13 450 000
9	LAAIPLEK BAY HARBOUR	R8 750 000
10	GORDONS BAY HARBOUR	R12 200 000
11	ARNISTON HARBOUR	R7 800 000
12	STRUISBAAI HARBOUR	R9 000 000
13	STILL BAY HARBOUR	R10 000 000

## 7.3.4) Budget Summary

**The total estimated cost for 1st phase priority project implementation for all proclaimed fishing harbours in the Western Cape, as depicted above, is listed below:**

- (2015/2016 financial year) – Programme A: R149 960 000
- Total estimated cost for a three-year maintenance term contract for all proclaimed fishing harbours, as depicted above, is:
  - Three year term contract (2016 to 2018 – Programme B): R 244 400 000
  - **Total cost (A+B), including professional fees: R 394 360 000**

### 7.3.5) First information sessions to engage with Industry Experts:

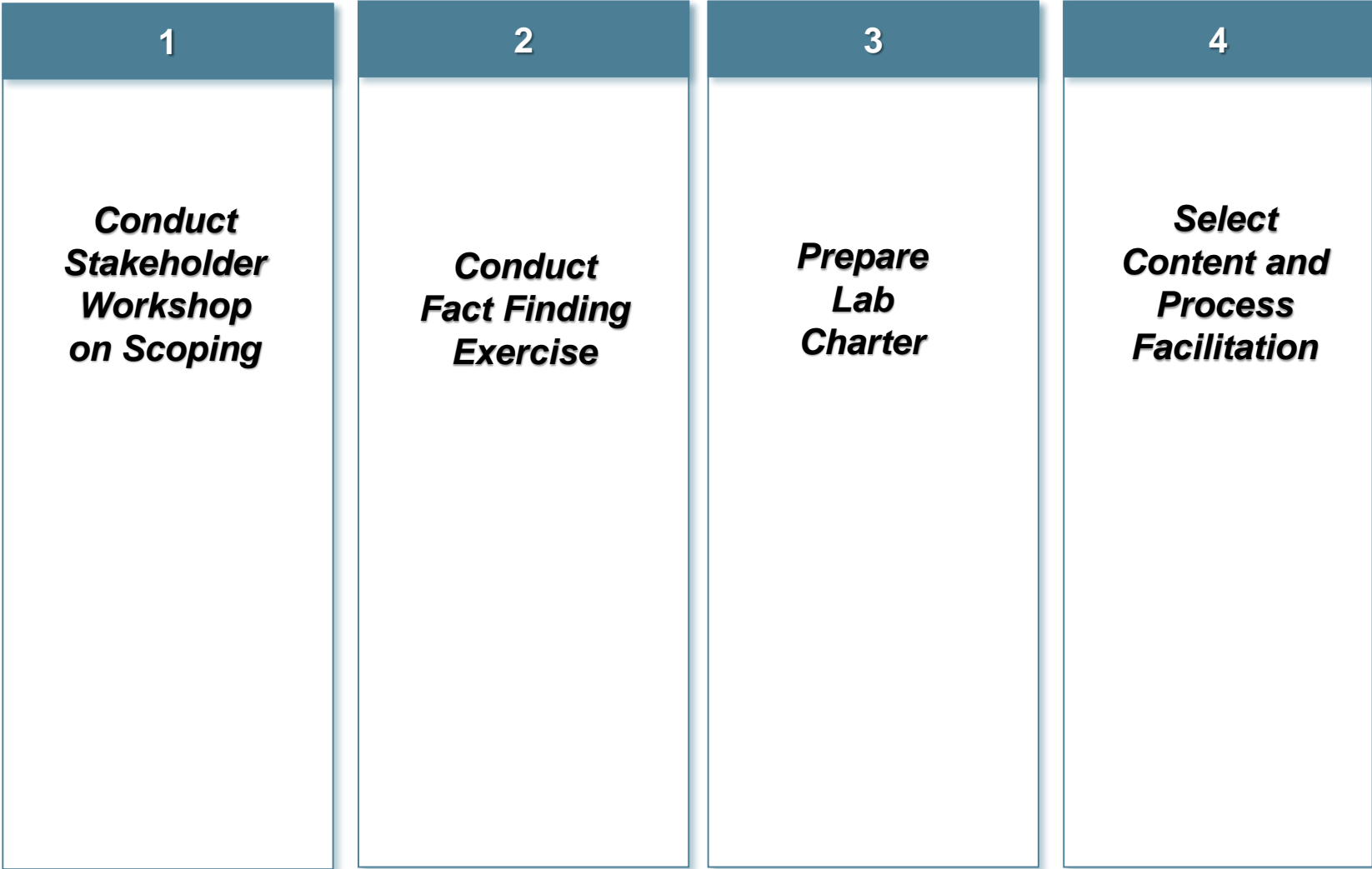
- Held on Saturday, 29 August 2015, hosted by the DPW Small Harbours Development Unit at DPW Cape Town Regional Office;
- A joint initiative between DPW, DEA, DAFF and DPME at the Presidency;
- The respective DG's of DAFF/DEA/DPW and the HEAD: Operation Phakisa Unit at PMTE made presentations on Operation Phakisa – Ocean Economy, Marine and Aquaculture, legislation and policy matters, infrastructure development, investment opportunities in both proclaimed , un-proclaimed and new harbours; and
- Amongst the attendees were Mayors, Deputy Mayors, representatives of Mayors, Municipal Managers, representatives of community organisations, officials of departments and the private sector at large.



## 8) Challenge

**Outstanding Engagement  
with  
Relevant  
Maritime Authorities**

# 9.1) Work to be done - Preparatory Work for Small Harbours Tune-up Lab



# 8.2) Work to be done at Tune-up Lab:

For each initiative/project, the Small Harbours Tune-up Lab needs to develop a detailed implementation plan, budget and set of KPIs

## Implementation plan

### Initiative 6: Unlock investment in new and existing port facilities

Detailed Activities	Length of Activity (Wks)	Responsibility
<ul style="list-style-type: none"> <li>Submission to BADC to approve operating model ('take or pay' and 'turnover' clauses do not facilitate transformation)</li> <li>Implement operating model</li> </ul>	4 28	• TNPA
<ul style="list-style-type: none"> <li>Complete a suite of RFP documents</li> <li>Present to the marine manufacturing market</li> <li>Appoint operators for different facilities</li> <li>Operators obtain approval for facilities investment</li> <li>Agree on performance targets and sign agreements</li> </ul>	24 24 8 3 12	• TNPA
<ul style="list-style-type: none"> <li>Develop leadership and administrative capacity in respect of B&amp;B agreements and termination</li> <li>Set time frames to ensure efficient turn arounds targets are adhered to</li> </ul>	4	• TNPA • DPE
<ul style="list-style-type: none"> <li>DOA of TNPA, GB to be reviewed in accordance with the National Ports Act</li> <li>DOA to be cascaded to execution level</li> </ul>	16 8	• DPE • TNPA



*Includes milestones, major activities, timelines and responsibilities*

## Budget

### Budget template – Skills & Capacity Building

Total budget, Rm

#	Initiative	2014/15	2015/16	2016/17- 2018/19	Total
9	Train 1123 TVET College graduates on an 18-month Work-based Learner Programme (in scope & critical Trades for ITH)	Govt: 0 Non Govt: 0	Govt: 0 Non Govt: 0	Govt: 0 Non Govt: 0	Govt: 0 Non Govt: 0
10	Create dedicated Occupational Teams for ITH Sector (Professions, Trades, Artisans, Operators & Seafarers)	Govt: \$0.5 Non Govt: 0	Govt: 0.05 Non Govt: 0.12	Govt: 0.22 Non Govt: 0.54	Govt: \$0.81 Non Govt: 0.4
11	Establish Trade Hub Centres of Specialisation in Belmonte Bay and S.28 Richards Bay	Govt: \$26 Non Govt: 0	Govt: 11.14 Non Govt: 0	Govt: 0 Non Govt: 0	Govt: 16.40 Non Govt: 0
12	Train 1232 seafarers as Artisans over the next 5 years	Govt: 4 Non Govt: 0	Govt: 437 Non Govt: 0	Govt: 466 Non Govt: 0	Govt: 908 Non Govt: 0
13	Increase usage of ESSA system as a high value recruitment tool for ITH	Govt: 0.2 Non Govt: 0.4	Govt: 5.4 Non Govt: 3.2	Govt: 14.8 Non Govt: 9.2	Govt: 20.6 Non Govt: 12.8
14	Position ITH sector as an attractive job market for seafarers (targeting Gov 9 - TVET's, Gov 12 - Universities)	Govt: 0 Non Govt: 0	Govt: 147.6 Non Govt: 0	Govt: 334.1 Non Govt: 0	Govt: 481.7 Non Govt: 0
<b>TOTAL</b>		<b>Govt: 60 Non Govt: 0.2</b>	<b>Govt: 601.3 Non Govt: 3.3</b>	<b>Govt: 896 Non Govt: 9.8</b>	<b>Govt: 1476.9 Non Govt: 13</b>



*Includes Capital Expenditure (CAPEX) and Operating Expenditure (OPEX) required by year for each initiative, broken into government and non-government spend*

## Key Performance Indicators

### ...with specific performance indicators for the each sector (1/6)

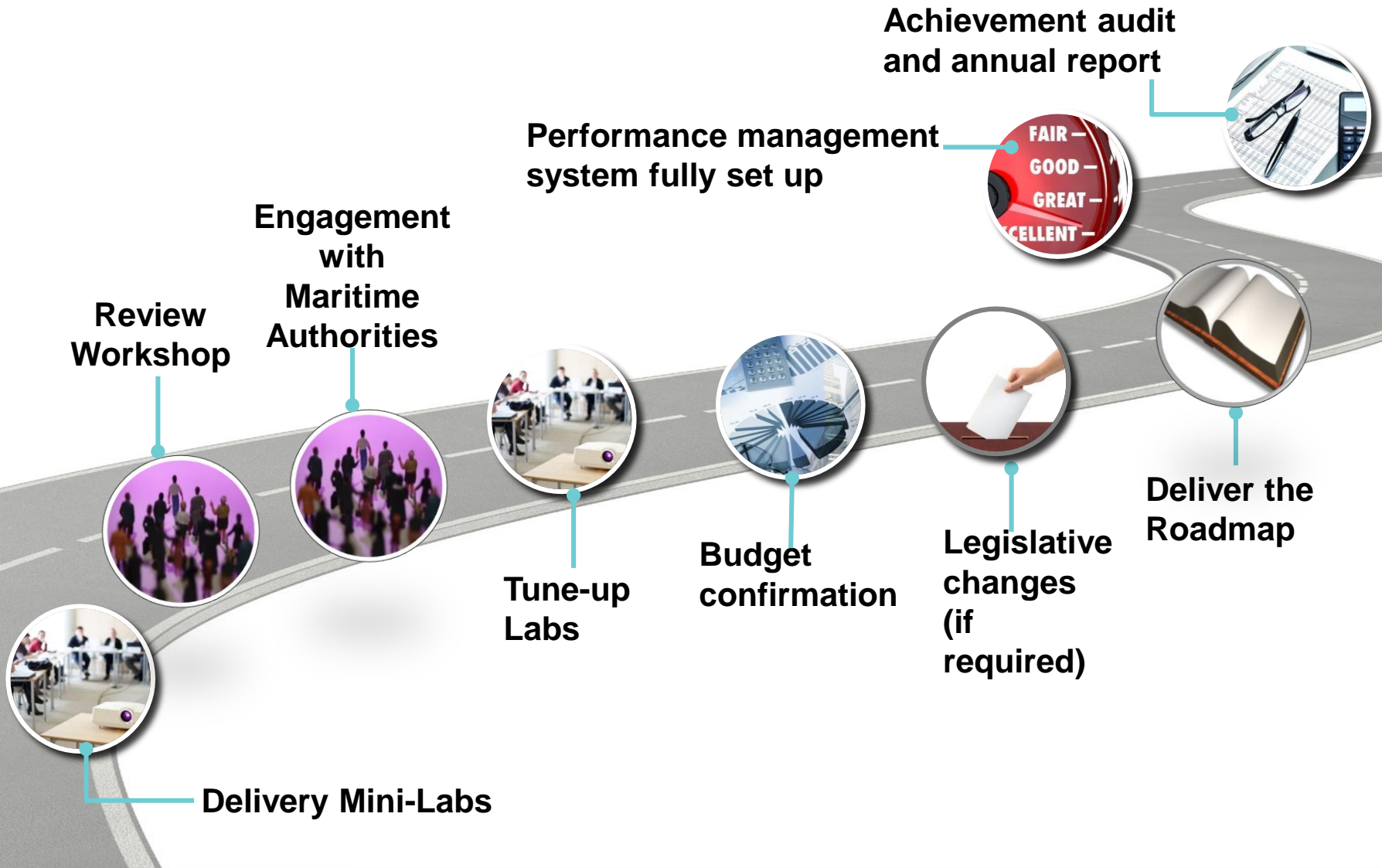
#	Initiative	Owner	Criteria	Target			
				2014/15	2015/16	2016/17	2017/18
11	Strategic Human Capital	Department of Labour	1 unit per sector/1 unit	1 unit per sector/1 unit	1 unit per sector/1 unit	1 unit per sector/1 unit	1 unit per sector/1 unit
12	Strategic Human Capital	Department of Labour	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees
13	Strategic Human Capital	Dept of Labour	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees	1 package per 1000 employees
14	Set up strategic skills development centres	Small Business Development Corporation	1 centre per 1000 employees	1 centre per 1000 employees	1 centre per 1000 employees	1 centre per 1000 employees	1 centre per 1000 employees
15	Increase skill levels of employees	Small Business Development Corporation	10% increase in skill levels	10% increase in skill levels	10% increase in skill levels	10% increase in skill levels	10% increase in skill levels
16	Develop a strategic skills development plan	Small Business Development Corporation	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees
17	Develop a strategic skills development plan	Small Business Development Corporation	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees	1 plan per 1000 employees



*Includes a description, owner and timeline for each Key Performance Indicator (KPI) by initiative*

# 9.3) Roadmap:

There are a number of milestones to achieve post the Review Workshop NOT EXHAUSTIVE





# Thank You

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