



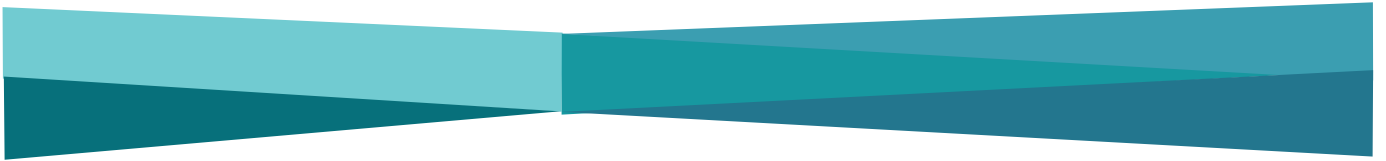
REPUBLIC OF SOUTH AFRICA

OPERATION PHAKISA

**UNLOCKING THE ECONOMIC POTENTIAL OF SOUTH
AFRICA'S OCEANS**

**OCEANS ECONOMY
REVIEW WORKSHOP
SUMMARY**

15 OCTOBER 2015



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Introduction: Oceans Economy Review Workshops

On 15 October 2014, President Zacob Zuma officially launched Operation Phakisa: Unlocking the Economic Potential of South Africa's Oceans during an Open Day in Durban. One year later, the Department of Performance Monitoring and Evaluation (DPME) and the Department of Environmental Affairs (DEA) convened a review workshop with four main objectives:

- Sharing the progress to date in the initial four focus areas – Marine Transport and Manufacturing (MTM), Offshore Oil and Gas (O&G), Aquaculture (Aqua), and Marine Protection Services and Governance (MPSG) – as well as in Coastal Tourism and Small Harbours
- Identifying constraints to progress, opportunities and specific actions to accelerate impact
- Assessing the effectiveness of the existing institutional arrangements and identifying opportunities for improvement
- Renewing commitment of the participating sectors to move forward together

The Oceans Economy Review Workshop took place in Cape Town on 15 October 2015. Participants included Directors General of several national departments, as well as a wide range of former lab participants and stakeholders who are closely linked to the implementation of the plans developed through Operation Phakisa.

This report summarises the outcomes of the Oceans Economy Review Workshop, including:

- An overview of the progress to date and the challenges presented by the six focus areas
- Recommendations to accelerate progress in each focus area
- Cross-sector recommendations to accelerate the speed of implementation and enhance impact for the Oceans Economy

The accompanying documentation to this report includes the agenda and presentations shared during the workshop.

Summary and overall recommendations

The Ocean Economy Labs took place in Durban from 8 July to 15 August 2014. Across the four Labs, 656 participants from 68 institutions in government, the private sector, civil society, labour and academia were present on a full-time or part-time basis. They collaborated in an intense process of problem-solving, opportunity identification, and detailed planning to pinpoint and unlock the economic potential of each of the four areas of priority focus.

By the end of the six weeks, the four Labs between then had developed 47 detailed initiatives to unlock growth and jobs – translating into more than 400 key performance indicators (KPIs) and more than 2,900 specific activities. The Labs produced detailed reports setting out these initiatives, KPIs and activities.

Between them, the 47 initiatives identified by the four Labs are expected to increase the Ocean economy's GDP contribution by more than R20 billion by 2019, and lead directly to the creation of more than 22,000 new jobs over the same period – with considerable additional indirect job-creation expected.

One year after implementation phase was kicked off during an Open Day in Durban, relevant progress has been made in executing the 3-ft plan, and impact is already visible in several areas. For example, in MTM all projects of refurbishment and maintenance are in execution phase and 220 jobs already created; in O&G the International Oil Pollution Compensation Fund is almost functional and the first South Africa Research Exploration Forum has been held; the Aquaculture sector has supported nine projects to become fully on track on their expansion plans, secured R 410 million additional investment committed by public and private sector, and created 521 new jobs created. Progress has been also made in MPSG, Coastal Tourism and Small Harbours. The first year's implementation activities have been largely focused on creating an enabling environment for the Ocean Economy.

However, 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
- Effectiveness of the institutional arrangements is variable across sectors

The Oceans Review Workshop convened all relevant stakeholders in Cape Town to discuss those challenges and identify opportunities to accelerate impact. Six break out groups addressed the Oceans Economy focus areas in

details (please see detail outcomes of the focus areas discussion in next section).

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 “3 foot” 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.
- **Secure effective institutional arrangements.** While progress have 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 Lab Secretariat and the Delivery Units. Specific communication plans must be defined for each of the focus areas and implemented in the shortest period possible.

- **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.

Agenda of the Oceans Economy review workshop

TIME	ITEM	Location
09:00 – 09:30	Arrival, Registration & Refreshments	
09:30 – 10:00	1. Opening and Welcome Programme Director: Mr. Andre Share 1.1 Presentation by DG DPME (Operation Phakisa) 1.2 Presentation by DG DEA (Oceans Economy Phakisa) 1.3 Introduction to the Group Process	Plenary
10:00 – 10:30	Refreshments	
10:30 – 13:00	2. Focus Area (Lab) Group Discussions – Parallel Sessions 2.1 Marine Transport and Manufacturing: DOT, DPE, DTI (McKinsey) 2.2 Small Harbours: DPW (GTAC) 2.3 Offshore Oil and Gas Exploration: DMR, DOE (McKinsey) 2.4 Aquaculture: DAFF (McKinsey) 2.5 Marine Protection Services and Ocean Governance: DEA, DST, DOD, DHA (GTAC) 2.6 Coastal Tourism: Tourism (GTAC) (Cross-cutting: Skills development and Capacity building, DHET; Research, Technology and Innovation, DST)	Breakaway groups
13:00 – 14:00	Lunch	
14:00 – 15:30	3. Focus Area (Lab) Group Discussions – Parallel Sessions	Breakaway groups
15:30 – 16:20	4. Focus Area Reports Back on Commitments	Plenary
16:20 – 16:30	5. Closing Remarks – DG DST	Plenary

17:00 – 19:00	COCKTAIL REFRESHMENTS	SA Aguilhas II
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Abbreviations and acronyms

ADEP	Aquaculture Development and Enhancement Programme
AIS	Alien invasive species
CEF	Central Energy Fund
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DEA	Department of Environmental Affairs
DG	Director General
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DMR	Department of Mineral Resources
DOD	Department of Defence
DOE	Department of Energy
DOT	Department of Transport
DPME	Department of Performance Monitoring and Evaluation
DPW	Department of Public Works
DST	Department of Science and Technology
DTI	Department of Trade and Industry
DU	Delivery unit
EIA	Environmental impact assessment
FTE	Full time employee
GDP	Gross Domestic Product
GTAC	Government Technical Advisory Centre
IOPC	International oil pollution compensation
KPI	Key performance indicator
MPA	Marine protected area

MPRDA	Mineral and Petroleum Resources Development Act
MPSG	Marine Protection Services and Governance
MTM	Marine Transport and Manufacturing
O&G	Oil and Gas
OPASA	Offshore Petroleum Association of South Africa
PASA	Petroleum Agency South Africa
PDI	Previously disadvantaged individuals
R&D	Research and development
SAIMI	South African International Maritime Institute
SAMSA	South African Maritime Safety Authority
SAOGA	South African Oil and Gas Alliance
SEA	Strategic Environmental Assessment
SOC	State-owned company
TNPA	Transnet National Ports Authority
TVET	Technical and Vocational Education and Training