



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

**MINISTER OF PUBLIC WORKS
REPUBLIC OF SOUTH AFRICA**

**National Pre-Laboratory Consolidation
Meeting of the Oceans Economy: Small
Harbours and State Coastal Properties
Development**

*East London, Eastern Cape Province
29 March 2017*

Keynote Address:

TW Nxesi MP, Minister of Public Works and

Protocol

- Programme Director
- Office of the Premier, E Cape Government – thank you for your hospitality
- Office of the Premier, N Cape
- MECs and HoDs – from:
 - W Cape
 - KZN
 - N Cape
 - E Cape
- Mayors of District and Local Municipalities
- Speakers
- Representatives of national departments
- The DG of the DPW, the Head of the PMTE and government officials – from national, provinces and municipalities
- Representatives of the various agencies:
~~EGDE~~ECDC, ~~WESGRO~~, TIKZN and NCEDA
- Representatives of the private sector and labour
- Ladies and gentlemen.

It gives me great pleasure to be a part of this important event where we are here to talk and plan – and we are very much in- the planning phase – to plan for future local economic development – in particular: how we are going to leverage the coastal property resources that we have – natural resources and infrastructure – for development, jobs, skills development and empowerment of small and emerging businesses.

1. Some background: this event is the culmination of a number of developments: From our side, in 2015, DPW created a Small Harbours and Coastline Development Unit within the PMTE (Property management Trading Entity) to manage all proclaimed small harbours and non-proclaimed small harbours, as well as state owned coastal properties including those within the Admiralty reserve along the South African coastline.

The mandate of the Unit was to:

- Manage the utilisation and administration of proclaimed small harbours and coastal properties;
- Provide facilities management services for all state owned properties in small harbours and along the coastline; and
- To identify areas for possible investment to promote localised job creation, economic growth and the socio - economic development of immediate communities and municipalities

2. The establishment of the Small Harbours and State Coastal Properties Development Unit coincided with a major presidential initiative: Operation Phakisa: Oceans Economy Unlocking the Economic Potential of South Africa's Oceans:

- We are participating in the presidential programme as the Small Harbours and State Coastal Properties Development Delivery Unit;

- Operation Phakisa is a methodology adopted from Malaysia's Big Fast Results Methodology, where government and other non-government stakeholders convene to discuss burning issues, create solutions and facilitate the implementation of solutions in focused and accelerated delivery units.
- Various stakeholders who form part of the consultation and decision making process include:
 - Government – at all levels
 - Banks
 - educational institutions
 - organised labour
 - Community trusts and groups, as well as
 - potential investors and research entities
 - ~~○ these will be some of the key participants of the planned Laboratory to be held.~~

3. The main aim of convening the Lab (Laboratory) is to identify areas of cooperation and further development of small harbours and state coastal properties.

- In order to ensure that all role players are consulted and informed of the work to be completed - as well as to engage on possible areas of partnership with various South African stakeholders - both private and within government – the Small Harbours Unit has undertaken the pre-Lab engagements process with municipalities through provincial consultations.
- The main aim of these engagements was to:
 - Identify state coastal properties to be utilised to stimulate economic development at local municipal level;
 - To ensure various types of economic focus areas are stimulated through district municipal

engagements as well as engagements with provincial governments;

- To align local municipal project proposals with district and provincial strategic development plans.

- During these consultations, focused discussions have been held in the following areas:

- Education/ Training/ Skills Development and Legal matters;
- Harbour and Coastline Security and Employment; and
- Economic and Infrastructure Development: and the alignment of proposed projects with SDFs and IDPs (infrastructure Development Plans).

4. The Pre-Laboratory consultations with all the coastal municipalities allowed us to obtain a preliminary list of priority projects for each province heading into the national main Lab estimated to take place in May/

June 2017. The process followed in identifying provincial priority projects was the following:

- The DPW is currently utilising the EzyED (Easy Economic Development) tool from the West Coast District Municipality in the Western Cape to prioritise projects identified at provincial and municipal level in all four coastal provinces:
- The current process utilises key scoring criteria to identify whether the proposed projects are credible and could be integrated into the municipal plans.
- The ~~processes tool~~ rates ~~identified~~the projects on five (5) simple yet pertinent issues relating to the development of these projects. These criteria are:
 - Will sustained jobs be created if the project is implemented?
 - If DPW is to provide the land, will Environmental Impact Assessments be

approved or would it require additional funding?

- Does the project contribute more than 2% of the jobs expected from all of this portfolio of initiatives?
 - The number of jobs created versus the amount of investment required? – ie is the investment cost-effective in terms of the cost per job created?
 - Will the project make a visible impact on society or only on the local community?
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- These selection criteria has helped DPW to grade the proposed projects from the various municipalities and create a prioritisation list for the consolidating sessions in each coastal province.
 - We aim to attract investments of over R12 Billion by the year 2019 and create over 1,000 stable jobs directly linked to our identified projects in the same timeframe. As a result of the implementation

of our projects, we aim to influence the creation of over 2,000 further work opportunities through secondary activities linked to our identified projects

5. The Key Next step is the Convening of a National Operation Phakisa Oceans Economy Delivery Lab – Small Harbours and State Coastal Properties Development

- Key processes include the following:
 - Convening provincial investor conferences - from the end of May 2017;
 - Working with provincial and municipal development agencies to solicit proposals in line with identified project priorities, Spatial Development Frameworks and Infrastructure Development Plans.

- We will allow a period of 30 days for prospective investors to submit project proposals in line with identified municipal priorities.
- Once received, we will table proposals at our National Delivery Laboratory for discussion, interrogation and approval as Operation Phakisa approved projects.

6. Empowerment initiatives are incorporated into project plans:

- All national companies who have submitted business proposals and project proposals must indicate their willingness to avail up to 49% share ownership to interested local small businesses and co-operatives.
- With regards to fishing projects, pro-rata shares must be given to local fishermen based on the totald value of the fishing rights

- All approved business proposals must show the intention to utilise local suppliers and local labour as well as indicate skills development initiatives.

7. National Priority to build 3 new small harbours in E Cape, KZN and N Cape

- Historically, the development of harbours was skewed towards the Western Cape where all the 12 existing proclaimed fishing harbours are located and various other small un-proclaimed harbours.
- Thus, when, in 2014, South Africa and the People's Republic of China signed an agreement on the Five-to-Ten Year Strategic Programme for Cooperation for 2015 - 2024:
 - DPW sourced grant funding of R4 Million US Dollars from the People's Republic of China for the development of three new small harbours in the N Cape, E Cape and KZN.

- The grant funding will be utilised to conduct feasibility studies and provide concept designs at three identified sites for the development of new small harbours, namely:
 - Port Edward, Ray Nkonyeni Municipality in KZN
 - Port St Johns, Port St Johns Municipality in E Cape, and
 - Port Nolloth, Richtersveld Municipality in N Cape.

- The development of the harbours in the Northern Cape, Eastern Cape and Kwa-Zulu Natal provinces will assist in the formalisation of marine activities in these areas including, fishing, mining and aquaculture farming in these small and rural areas. The feasibility studies will also identify possible investment opportunities in these areas.

8. Future Plans include:

- SEDFs: Spatial Economic Development Framework plans
- In 2017/18 – we have allocated R10 million for the development of Spatial and Economic Development Frameworks (SEDF) for the three aforementioned new small harbours.
- The aim of this exercise is to identify long term development plans of surrounding areas to create viable economic zones linked to the development of the new Small Harbours.

9. Existing Repair and Maintenance Programme – allow me to report on progress with the existing repair and maintenance programme:

- The repair programme is focused on the 12 proclaimed fishing harbours in the Western Cape.

- In order to keep these harbours in optimum working condition, the Small Harbours and Coastline Development Unit is currently conducting a repair programme across the proclaimed fishing harbours to the value of R400 million (prior to budget cuts).
- The current repair programme has a budget for critical capital expenditure as well as a portion for maintenance of the harbours until March 2019.

10. Concluding remarks

- We firmly believe that through the processes I have described, we will be able to solicit funding for provincial and municipal priority projects which, in turn, will contribute to improved socio-economic conditions, and provide sources of revenue for the municipalities as well as the individual community members.

- We look forward to the continued partnership between all spheres of government in achieving the goals we have set for ourselves and remain fully dedicated to achieving great things – working together.

In concluding, let us remind ourselves of the advice provided by Minister Pravin Ghordan – that if we are to re-ignite economic growth , it will be by working together – as all levels of government together with the private sector. To quote the Minister of Finance:

Lions that fail to work as a team will struggle to bring down even a limping buffalo.

I thank you.