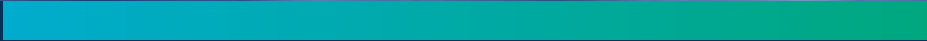


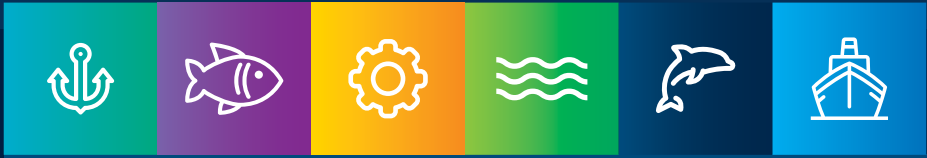


The Eastern Cape

# OCEANS ECONOMY



STRATEGIC ROADMAP





Province of the  
**EASTERN CAPE**  
OFFICE OF THE PREMIER



**environmental affairs**  
Department:  
Environmental Affairs  
REPUBLIC OF SOUTH AFRICA



**OPERATION  
PHAKISA**  
„Strategy | Implementation | Growth“



Province of the  
**EASTERN CAPE**  
Department:  
ECONOMIC DEVELOPMENT,  
ENVIRONMENTAL AFFAIRS & TOURISM



**ecsecc**  
eastern cape socio economic  
consultative council

**NELSON MANDELA**  
UNIVERSITY

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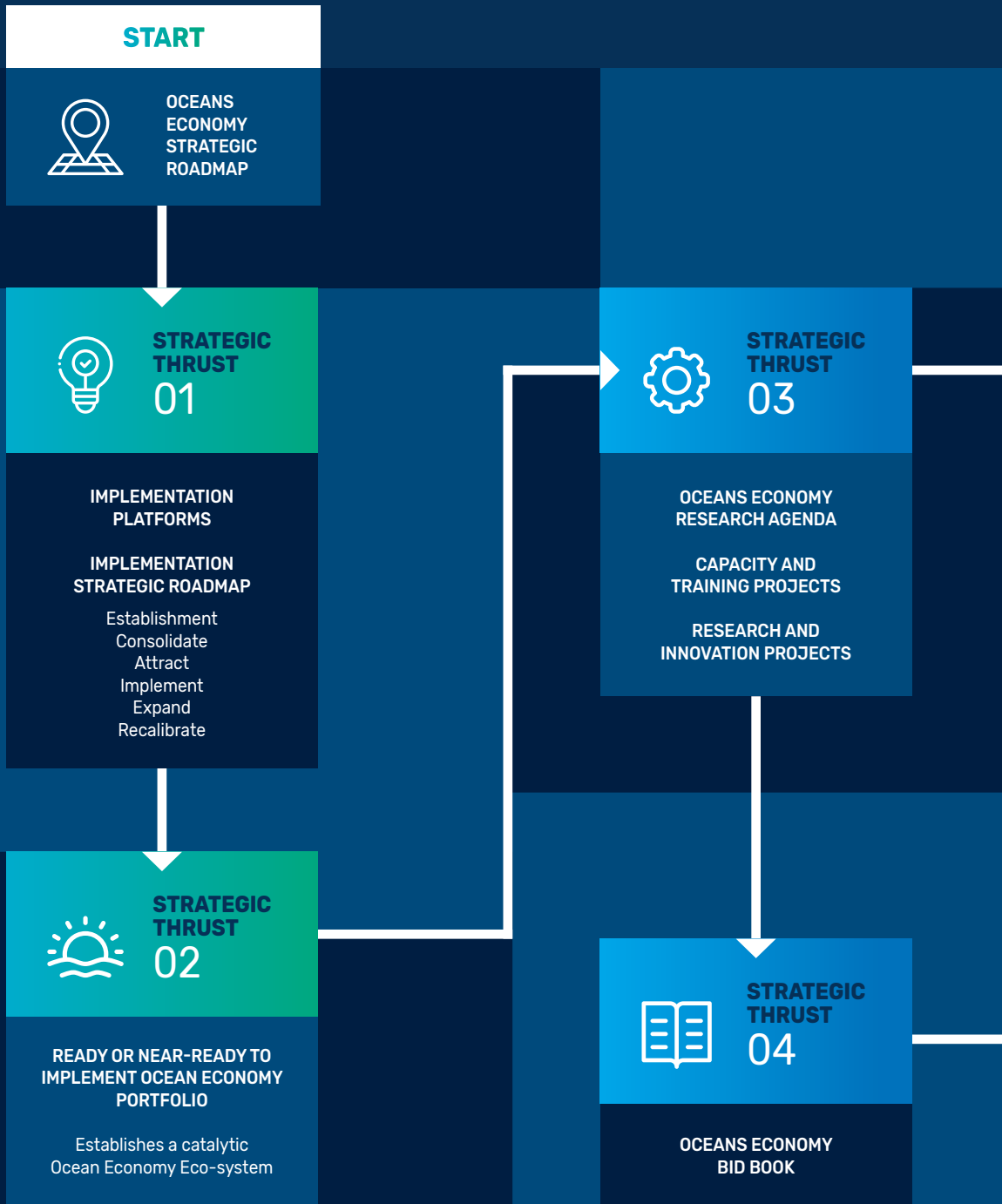
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### ANNEXURE A: PORTFOLIO PERFORMANCE PLAN

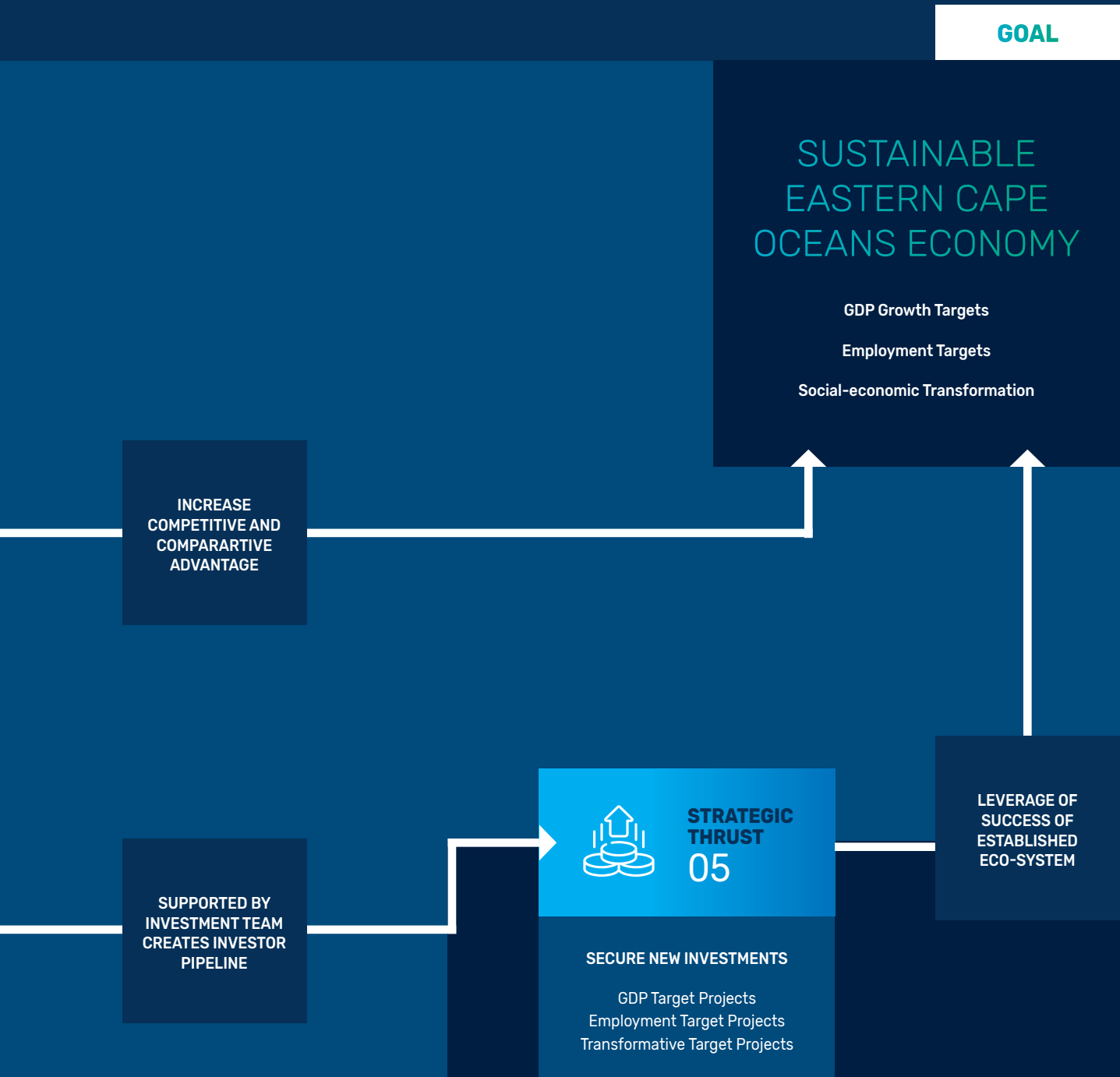


# THE EASTERN CAPE OCEANS ECONOMY

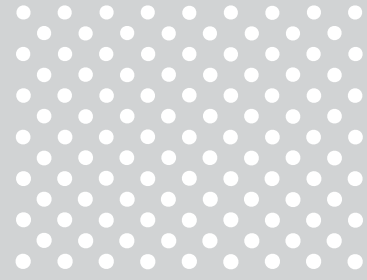
## STRATEGIC ROADMAP



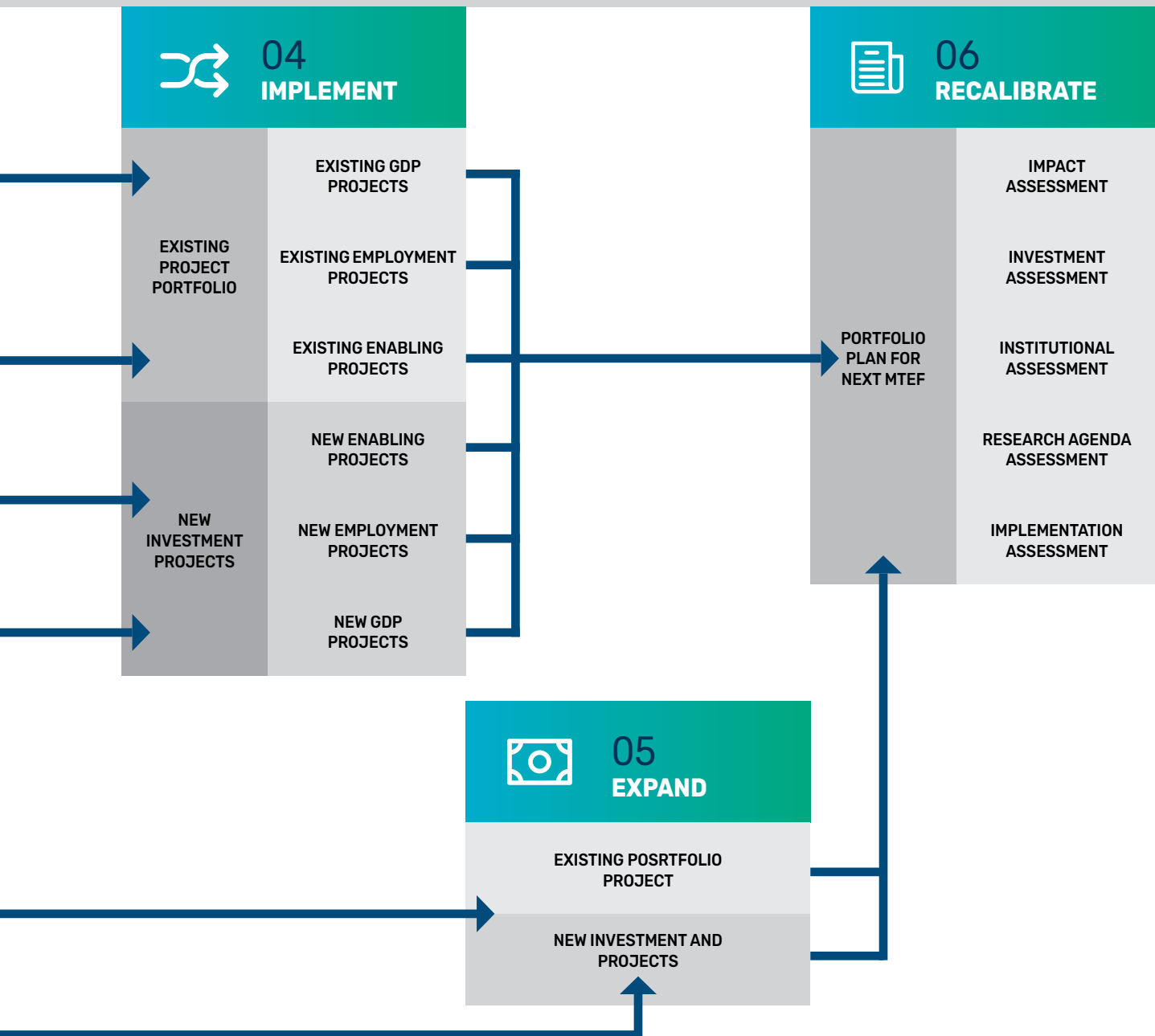
**This document contains the roadmap for establishing a sustainable Oceans Economy in the Eastern Cape.**





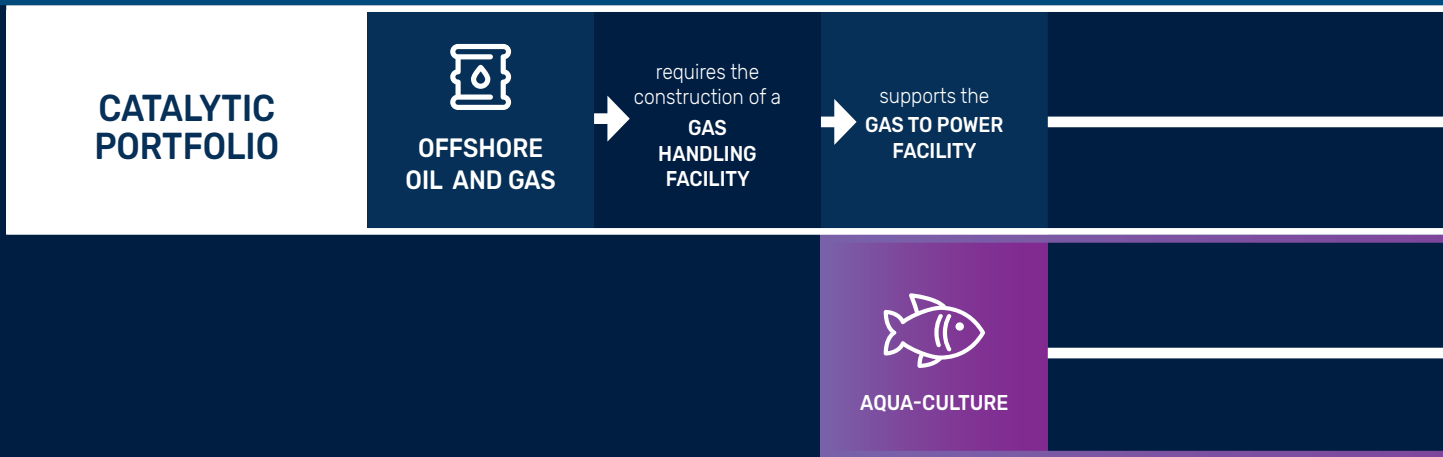


**Below are the seven strategic phases in the implementation of the Oceans Economy Strategic Roadmap.**

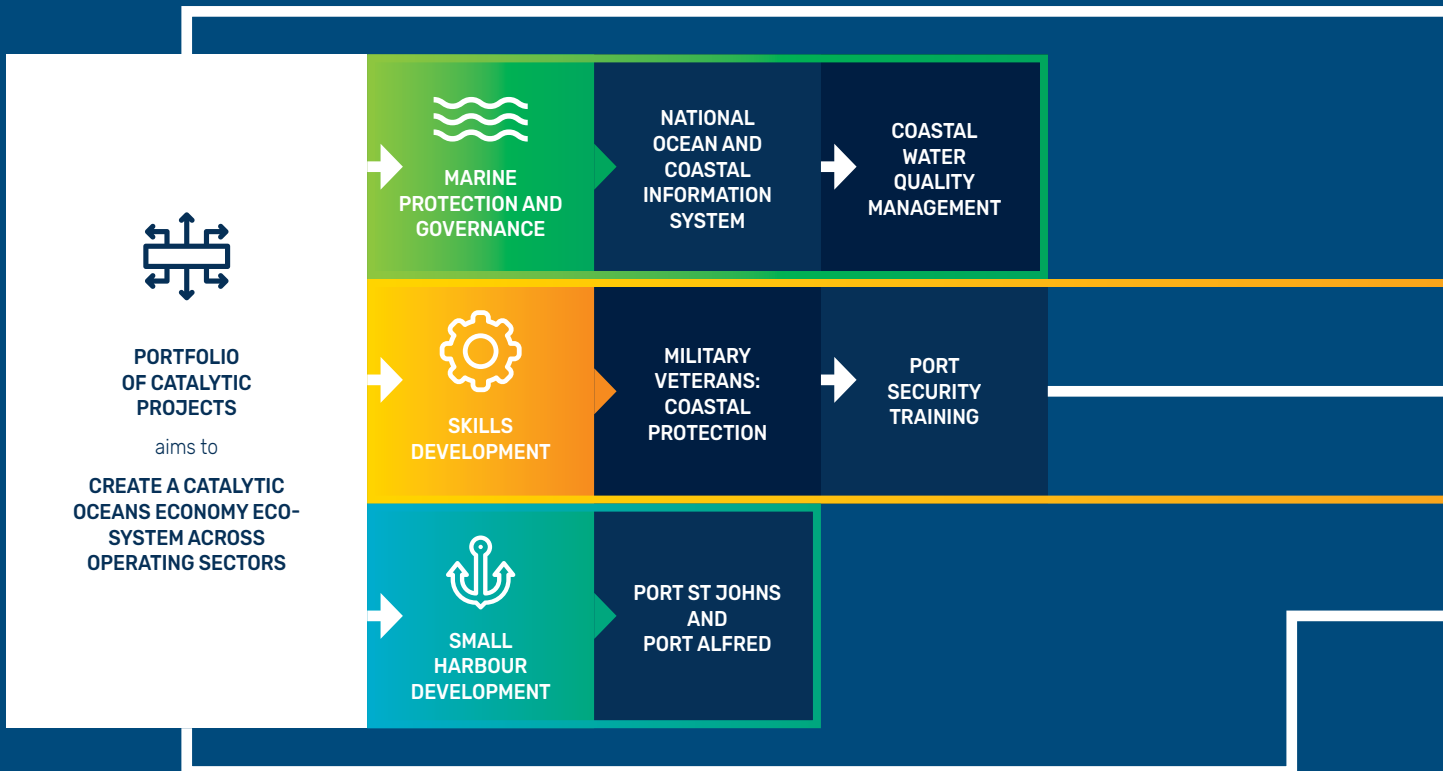


# IMPLEMENTATION PORTFOLIO

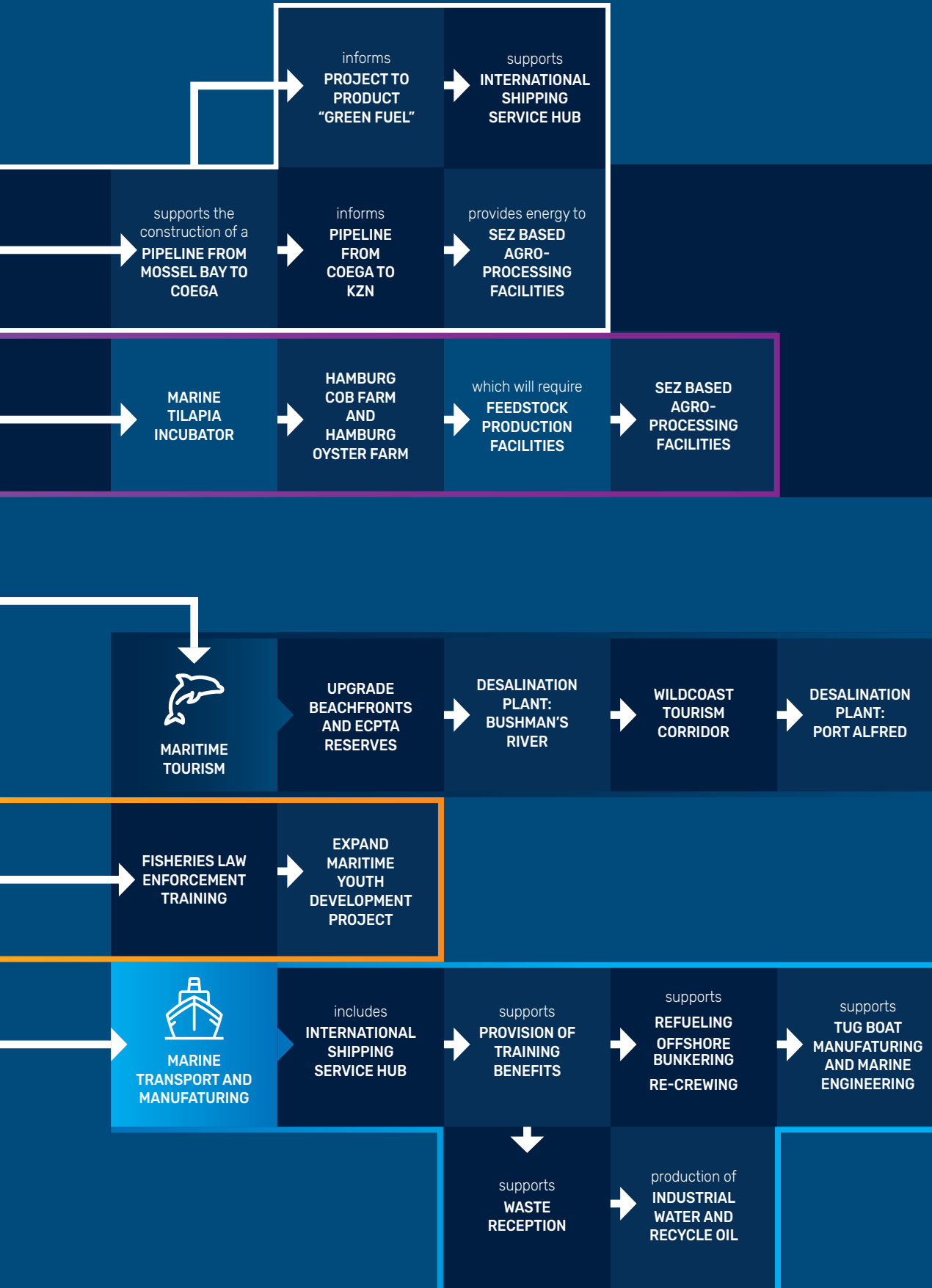
## CATALYTIC PORTFOLIO



## PORTFOLIO REQUIRING RESOURCE ATTRACTION





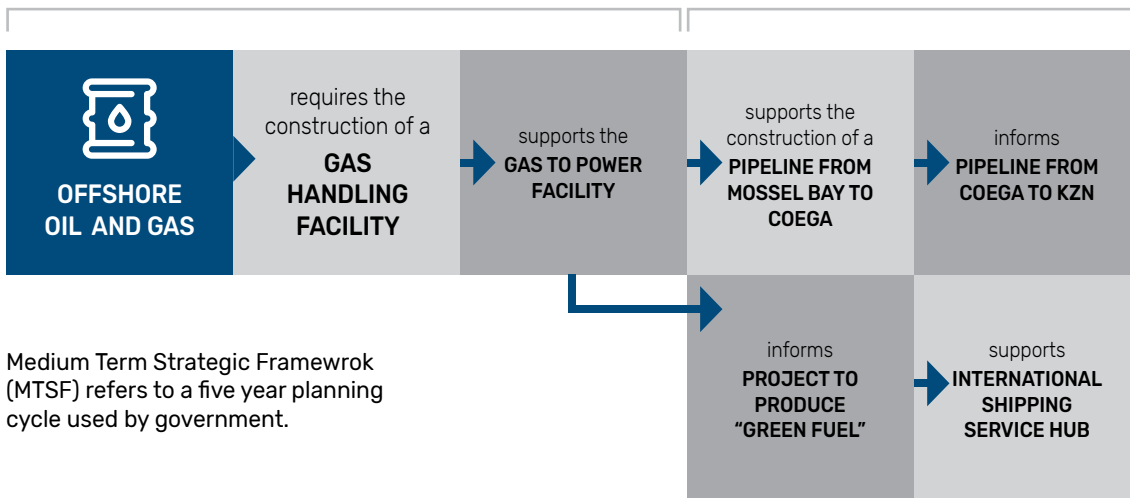


# CATALYTIC PORTFOLIO



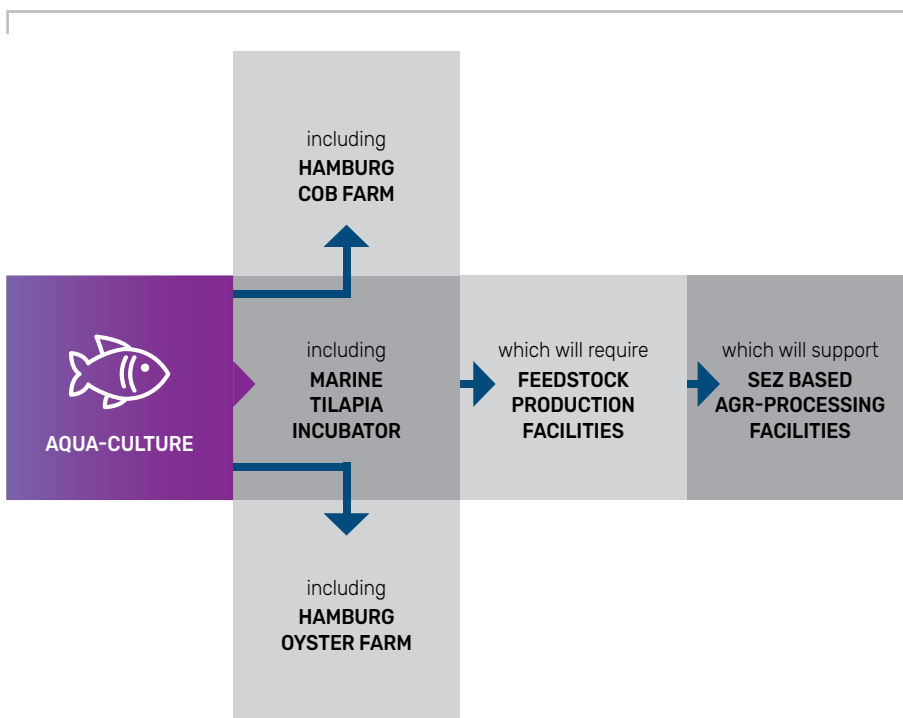
## MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)

## NEXT MTSF



Medium Term Strategic Framework (MTSF) refers to a five year planning cycle used by government.

## MTSF



# STRATEGIC ROADMAP

ESTABLISHING THE OCEANS ECONOMY



# STRATEGIC ROADMAP

## ESTABLISHING THE OCEANS ECONOMY



### 01 **PURPOSE**

**This document contains the roadmap for establishing a sustainable Oceans Economy in the Eastern Cape.**

**The roadmap defines the strategic approach that needs to be followed to ensure the achievement of:**

- 1 sustained economic growth;
- 2 job creation;
- 3 inclusive and equitable socio-economic development linked to the structural transformation of the Eastern Cape spatial economy;
- 4 increased levels of effectiveness and efficiency underpinned by a knowledge-based oceans' economy driven by innovation and capacity-building;
- 5 increased investment levels; and
- 6 the responsible and sustainable governance of ocean resources for the benefit of future generations.

## 02 STRATEGY CONTEXT

**Globally and nationally the Oceans Economy is taking on increasing importance in the policy and economic realm as land-based resources reach their extractive plateau; and the ocean is being recognised as a resource for developing new economic frontiers.**

In recognition of the immense importance and potential of our oceans to boost economic growth, employment and innovation, the South African Government has launched Operation Phakisa.

**The strategic intension of Operation Phakisa is to accelerate economic development and employment across six (6) focus areas, which include:**

- 1 marine transport and manufacturing;
- 2 offshore oil and gas exploration;
- 3 aqua-culture;
- 4 marine protection services and ocean governance;
- 5 small harbour development; and
- 6 coastal and marine tourism.

**These six sectors are supported by two enablers which focus on:**

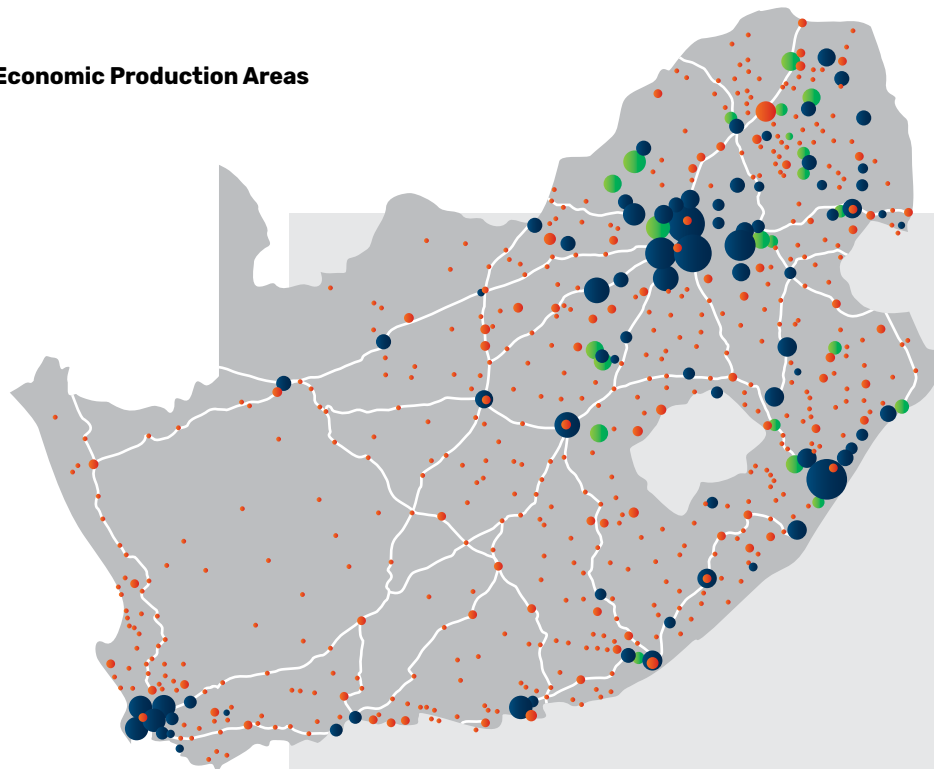
- 1 skills development and capacity building; and
- 2 research, technology and innovation.

As the national strategic response to advance the Oceans Economy, Operation Phakisa is central in framing the broad strategic context within which the Eastern Cape Province must formulate and implement its Oceans Economy interventions.

As such the Eastern Cape Oceans Economy's strategic context is firstly defined by the dual strategic requirements of Operation Phakisa to increase South Africa's Gross Domestic Product (GDP) by between R129 to 177 billion; and to create one million new jobs within the Oceans Economy by 2033.

Secondly the Eastern Cape's strategic response is framed by its unique and complex social, cultural economic and environmental dynamics; which reinforces the need to radically transform the structure of the Eastern Cape Economy, in order to address the legacies of its colonial and apartheid pasts.

### Main Economic Production Areas



*Based on a map supplied by CSIR*

## ECONOMIC PRODUCTION CAPABILITY

Accordingly, an appropriate strategic response should consider the diverse and complex networks that underpin social, cultural and economic activities in the province; in order to reduce vulnerability whilst creating sustained and diverse economic growth.

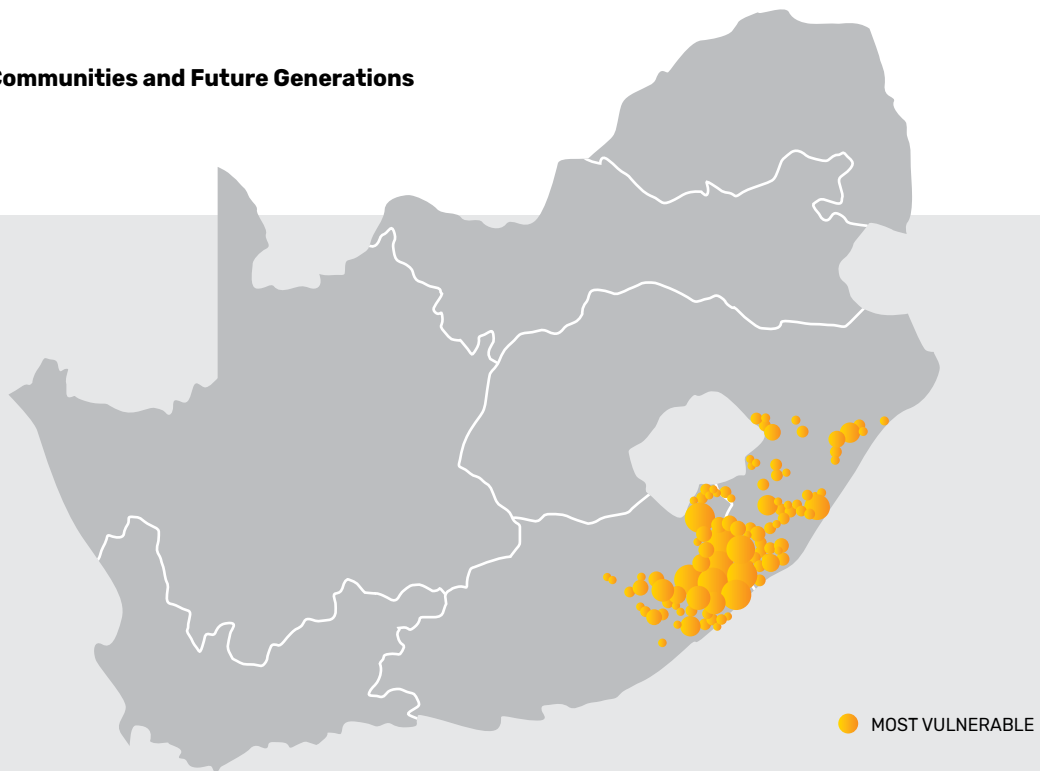
The strategic context also needs to recognise and consider the highly fragmented distribution of economic production capabilities and the over concentration of such production capabilities in three urban clusters (Port Elizabeth, Buffalo City and Mthatha)<sup>1</sup>. (See map titled Main Economic Production Areas).

<sup>1</sup> Draft National Spatial Development Framework, 2018: 39

<sup>2</sup> Draft National Spatial Development Framework, 2018: 43



**Vulnerable Communities and Future Generations**



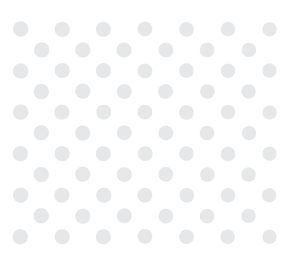
*Based on a map supplied by CSIR*

**SOCIAL VULNERABILITY**

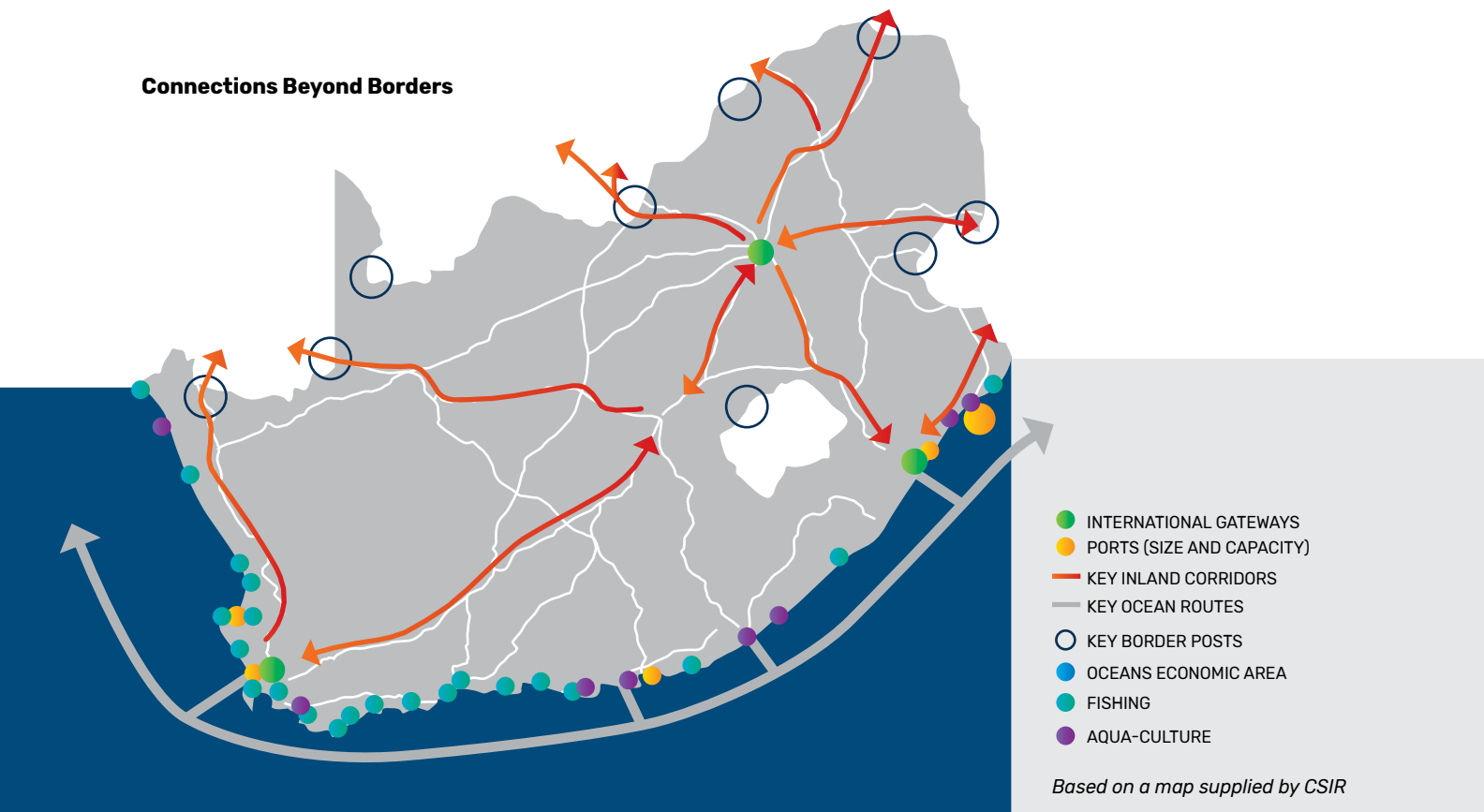
Over concentration of production capabilities in urban areas, has greatly increased the vulnerabilities of communities, particularly in the Eastern part of the Eastern Cape<sup>2</sup>. (See map titled Vulnerable Communities and future Generations)

The resulting social and economic vulnerabilities is further exacerbated by the physical isolation of the province and more particularly its rural areas; from key inland transport corridors and international gateways<sup>3</sup>. The lack of such integrated linkages reduces the ability of citizens to access economic, trade and capacity building opportunities, required for sustainable development.

<sup>3</sup> Draft National Spatial Development Framework, 2018: 40



**Connections Beyond Borders**



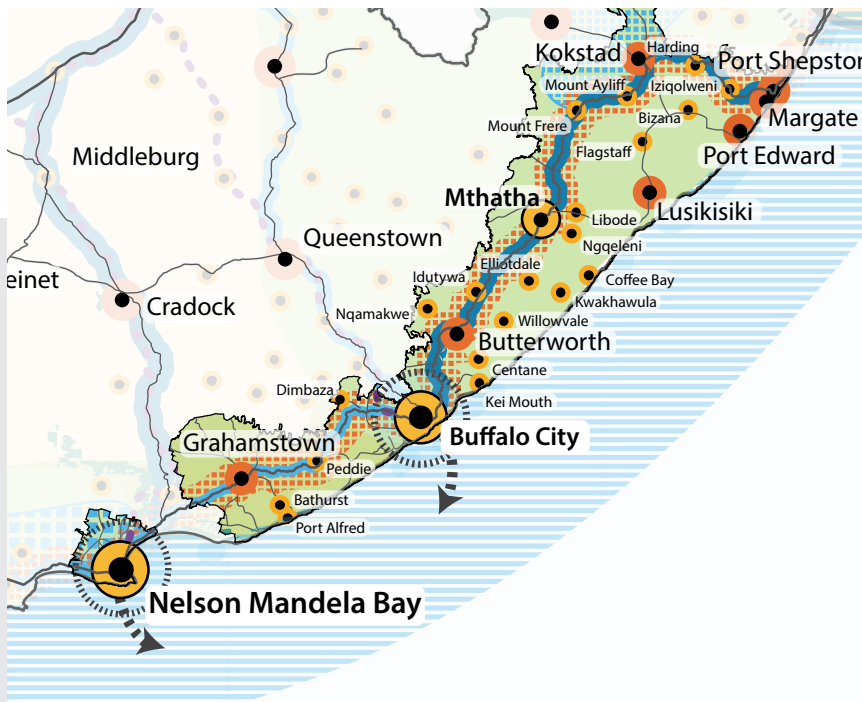
**ISOLATION FROM TRADE ROUTES AND ECONOMIC OPPORTUNITIES**

Despite socio-economic vulnerabilities and isolation, the 2018 Draft National Spatial Development Framework considers the Eastern Cape and particularly the Eastern part of the province as a “strategic action area” which should serve as an anchor foundation for national transformation<sup>4</sup>. This is due to the high economic, agricultural, water security and production potential of the province.

<sup>4</sup> Draft National Spatial Development Framework, 2018: 76



**Coastal Transformation Corridor Close-Up**



- NATIONAL URBAN REGIONS
- NATIONAL URBAN NODES
- REGIONAL DEVELOPMENT ANCHORS
- NATIONAL COASTAL CORRIDOR
- NATIONAL TRANSFORMATION CORRIDOR
- KEY NATIONAL DEVELOPMENT CORRIDORS
- IMPORT EXPORT NODES
- KEY NATIONAL ROADS
- KEY REGIONAL ROADS
- KEY RAIL ROUTES
- INTER-REGIONAL ROAD CORRIDORS
- INTER-REGIONAL RAIL CORRIDORS
- BORDER POSTS
- AGRI-ENTERPRISE AND SMALL-SCALE FARMING RESOURCE REGION
- CENTRAL AGRICULTURAL HEARTLAND
- ARID-AGRI INNOVATION REGION
- OCEAN AND AQUA-CULTURE PRODUCTION
- ECO-RESOURCE PRODUCTION AND LIVELIHOOD
- NATIONAL PROTECTED AREAS AND TRANSFRONTIER PARKS
- MARINE PROTECTION AREA

*Based on a map supplied by CSIR*

Accordingly the National Spatial Development Framework argues that in order to realise the developmental potential of this region, a coastal transformation corridor needs to be established. This corridor will link urban nodes with regional economic anchors and rural services centres along a national development corridor which spans the length of the Eastern Cape Province.

This essentially creates the framework for integrating ocean and aqua-culture production with land based economic and production nodes with a spatial perspective.

## POPULATION AND ECONOMIC GROWTH

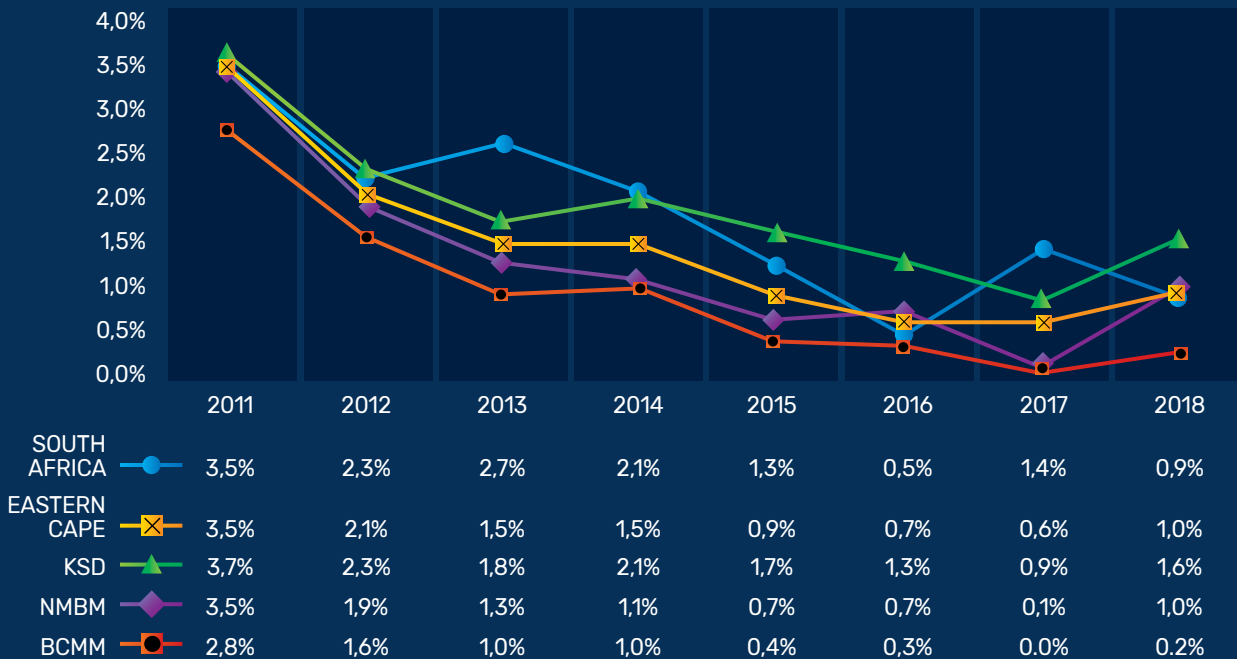
Additionally, the strategic context is impacted by population projections which indicate that by 2050 the total South African population would reach 64,9 million, of which 43,4 million would be classified as youth (under the age of 35).

The increase in population in turn will see an increase in migration to city regions, at the expense of dense rural settlements. Additionally, rural service centres, large regional centres, and so-called services towns are also projected to see an increase in population numbers<sup>5</sup>. (See figure entitled Population Settlement Trends 2015-

2050). This supports the notion of integrating and linking urban nodes with regional development anchors and rural services centres to advance economic development and service delivery.

In addition, the baseline study found that the economy of the Eastern Cape has over the last couple of decades had a growth rate that is lower than that of the national economy in terms of Gross Value Add (GVA) and employment. In this regard GVA has grown by only 1.3% and employment by 0.9%<sup>6</sup>.

GDP Growth Percentage Per Annum



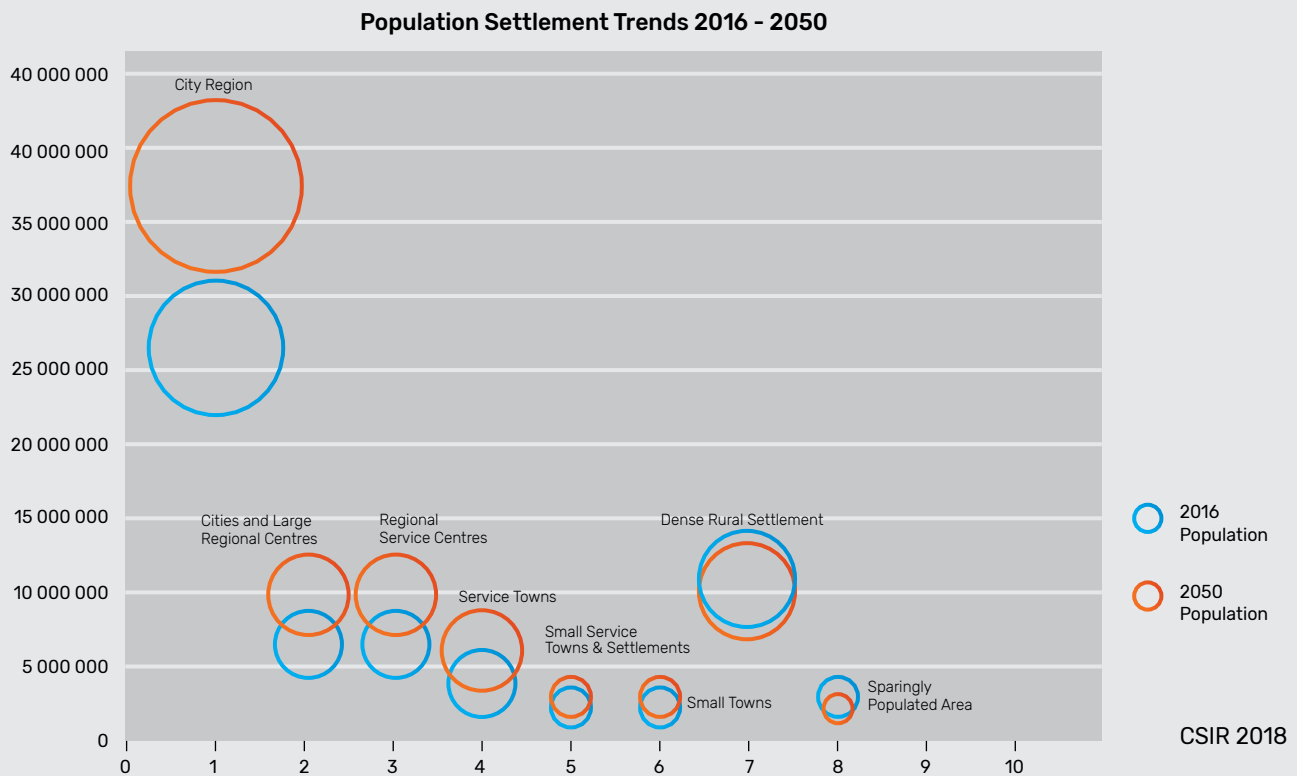
<sup>5</sup> Draft National Spatial Development Framework, 2018

<sup>6</sup> Ocean Economy Baseline Study, 2019: Calculations based on Census Data

## SLOW ECONOMIC GROWTH

Essentially this has created a situation where the Eastern Cape is experiencing slow economic growth that is not producing enough employment opportunities to ensure sustainable human and economic development.

The baseline study also indicated that a great number of proposed projects within the Oceans Economy portfolio are still inception and/or planning phase. Essentially this implies that most proposed projects are not ready for immediate implementation.





## 03 PROBLEM STATEMENT

**Essentially the current situation facing the Eastern Cape Province, is one that is characterised by slow rates of economic development; with economic activities being unevenly distributed across the spatial economy. This has produced high levels of social and economic vulnerability, which combined with projected population growth rates; increased urbanisation and new rural settlement patterns would require interventions that could drastically increase levels of economic growth and employment, whilst altering the structure of the economy in an equitable manner.**

In response to these challenges, the Oceans Economy provides a unique opportunity to increase levels of economic growth and employment whilst restructuring the spatial economy of the province.

The potential of the Oceans Economy to advance economic development in the Eastern Cape is detailed in the Baseline Study developed by the Nelson Mandela University as part of the development of the Oceans Economy Strategic Roadmap.

In this regard a portfolio of about seventy-one (71) projects were analysed to determine their potential contribution towards the achievement of the targets set by Operation Phakisa.

The study unpacked the national Operation Phakisa target and calculated that the Eastern Cape contribution towards achieving the national GDP target.

The study found that in 20 years, the Eastern Cape Oceans Economy would have to contribute R 14 129 billion in GDP in order to achieve the national Operation Target. However, the current portfolio of planned Oceans Economy projects could potentially yield R17 952 billion in GDP, which exceeds the proposed target. This means that the Eastern Cape has the potential to accelerate economic growth levels beyond expectations if the full potential of the Oceans Economy is harnessed.

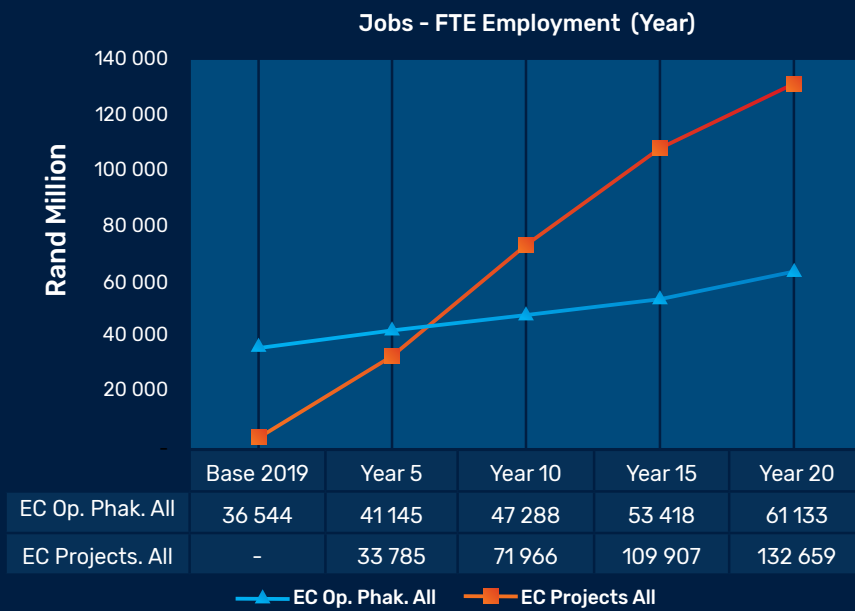
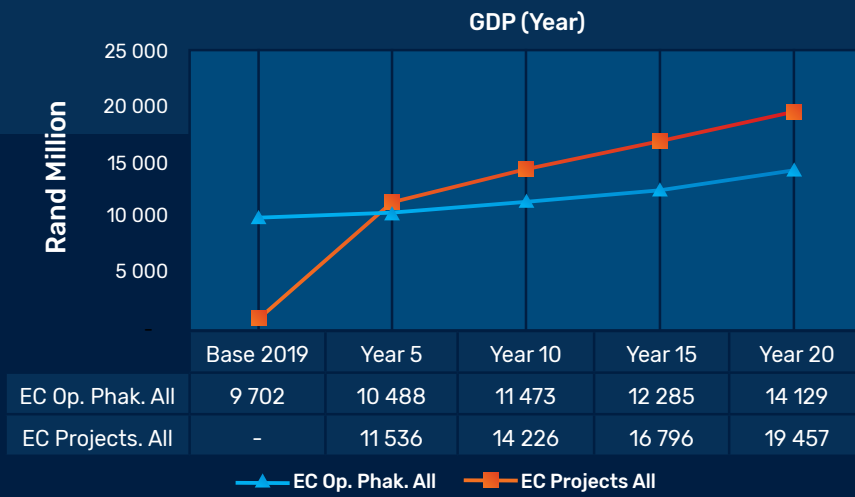
The study also found that the Eastern Cape Province Oceans Economy has the potential to exceed employment targets. In this regard the Eastern Cape Oceans Economy's 20-year Operation Phakisa target was estimated at 61 133 jobs. The analysis of the project data supplied, indicated that the Eastern Cape Oceans Economy has the potential to produce 126 265 jobs over the same period.

The key strategic challenges facing the province is therefore to develop an integrated strategic and operational response that will ensure that the full potential of the Oceans Economy is realised. This strategic response should also consider the maturity level of projects and the potential of project to be rapidly implemented.

However, based on the stated socio-economic complexities of the Eastern Cape Province, the Oceans Economy also needs to contribute towards fundamentally restructuring the provincial economy in such a way as to ensure that ocean resources are accessed and used in an equitable and just manner so that the resources will be available for use by future generations.

This would require the development of an integrated strategic response that would have to ensure sustained economic growth in line with GDP and employment targets, whilst ensuring inclusive and equitable socio-economic development linked to the structural transformation of the Eastern Cape spatial economy. This would require increased levels of effectiveness and efficiency in the Oceans' Economy as well as the terrestrial economy, which in turn should be underpinned by the emergence of a new knowledge-economy based on innovation and capacity-building.

Economic and employment growth supported by increased efficiency and effectiveness should also serve as a means of attracting investment into the Oceans Economy, whilst simultaneously ensuring responsible and sustainable governance of ocean resources for the benefit of future generations.



## 04 WHAT WILL THE STRATEGIC ROADMAP ACHIEVE AND WHO WILL BENEFIT FROM IT

**To meet its responsibility towards the achievement of the national Operation Phakisa targets, the Eastern Cape Province would have to achieve the following GDP and Employment targets over the next 20 years:**

Accordingly, the target that the Eastern Cape Provincial Government needs to achieve over the next five (5) of the current Medium Terms Strategic Framework (MTSF) is R 10,4 billion contribution to GDP and the creation of 33 785 jobs.

**To achieve these targets, the Eastern Cape Oceans Economy has to achieve the following strategic goals:**

- Establish an effective and efficient transversal implementing capability to manage and drive implementation of the Eastern Cape Oceans Economy portfolio.
- Establish a catalytic Oceans Economy Eco-systems through the implementation of ready or near-ready implementable projects to fast-track the achievement of strategic goals and create an enabling environment to secure future investments.
- Increase the competitive and comparative advantage of the Eastern Cape Oceans Economy through capacity and training interventions supported by an integrated research and innovation portfolio.
- Leverage off the success of catalytic projects to secure new investments into the Eastern Cape Oceans Economy to consolidate the establishment of a sustainable Eastern Cape Oceans Economy.

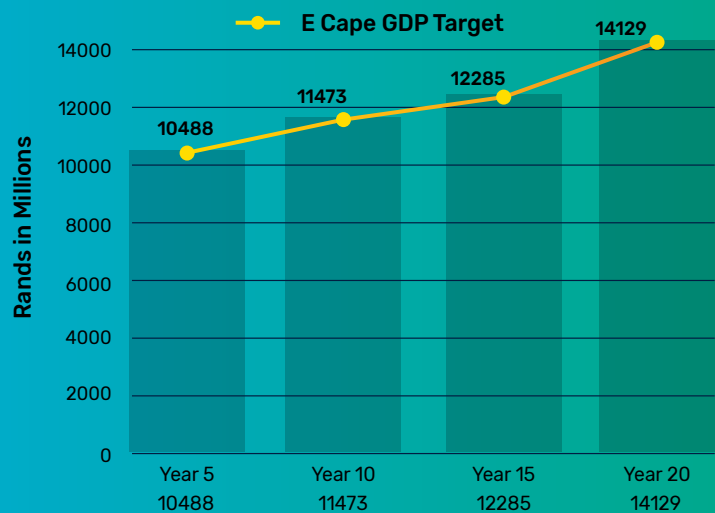
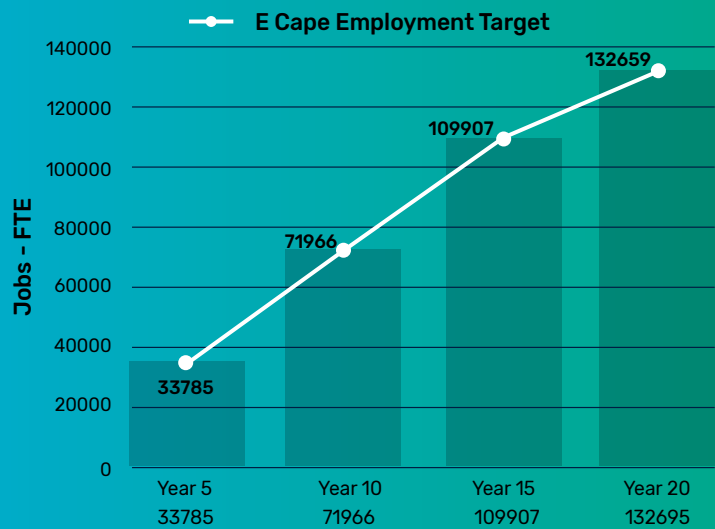
**To achieve these strategic goals, several strategic objectives would have to be achieved. These include:**

- establish and operate a Transversal Oceans Economy Portfolio Management Capacity;
- secure new implementation resources and investments into the Oceans Economy;
- unblock and/or fast-track catalytic projects within the Eastern Cape Oceans Economy that would lay the foundation for future developments;
- ensure fast-tracked implementation and impact realisation of the initial catalytic portfolio to meet the first five-year targets;
- incrementally increase the portfolio to exceed 5-year targets and lay the foundation for accelerated implementation for the 7th Administration;
- recalibrate the portfolio based on performance achieved and changes in the operating and strategic environment to maintain implementation momentum across the next MTEF and MTSF cycles;
- increase levels of innovation and research to advance accurate decision-support and competitiveness of the sector; and
- increased capacity building and training to ensure optimal employment levels and increased effectiveness and efficiency within the Oceans Economy.



When these goals and objectives are achieved, the following advantages will be produced by the Oceans' Economy:

- The Eastern Cape will meet its commitments towards the effort to achieve the strategic goals of the National Operation Phakisa intervention.
- The Eastern Cape Economy will benefit, as it will meet both GDP and employment targets, whilst creating a higher level of diversification within the provincial economy.
- Rural and coastal communities which are currently marginalised, will be afforded opportunities of accessing sustainable opportunities for employment and economic growth through the establishment of an integrated Oceans Economy value-chain.
- Urban centres will benefit from increase investment and value-addition through the creation of integrated networks and value-chains connecting them with rural communities.
- Youth, women, people living with disabilities and SMME's would benefit through enhanced training, capacity building and job creation within the Oceans Economy.
- The private sector would benefit through the creation of a skilled labour force which will enhance the ability to secure investment into the Eastern Cape Oceans' Economy.
- The tertiary and educational sector will benefit through increased opportunities to train and build capacity, as well as increased demand for research and innovation outputs.



## 05 STRATEGIC APPROACH

### STRATEGIC THRUSTS

The strategic approach that is to be employed to ensure that the goals, objectives and targets that have been stated above are achieved, consists of five strategic thrust will drive the creation of a sustainable Eastern Cape Oceans Economy.

#### FIRST STRATEGIC THRUST

This will see the establishment of a transversal provincial Oceans Economy implementing platform. The establishment of such a platform will drive the creation of an ability to manage a catalytic Oceans Economy eco-system.

#### SECOND STRATEGIC THRUST

This will see the establishment and implementation of a portfolio of high-impact projects that are at a stage where they are ready or near-ready to be implemented, and which have demonstrated the highest potential of achieving the provincial Operation Phakisa targets.

#### THIRD STRATEGIC THRUST

This requires the implementation of dual innovation and research process on the one hand and a capacity and training intervention on the other. The purpose of which is to increase the competitive and comparative advantages of the Oceans Economy by creating capacity to drive implementation; and thus, instill high levels of investor confidence.

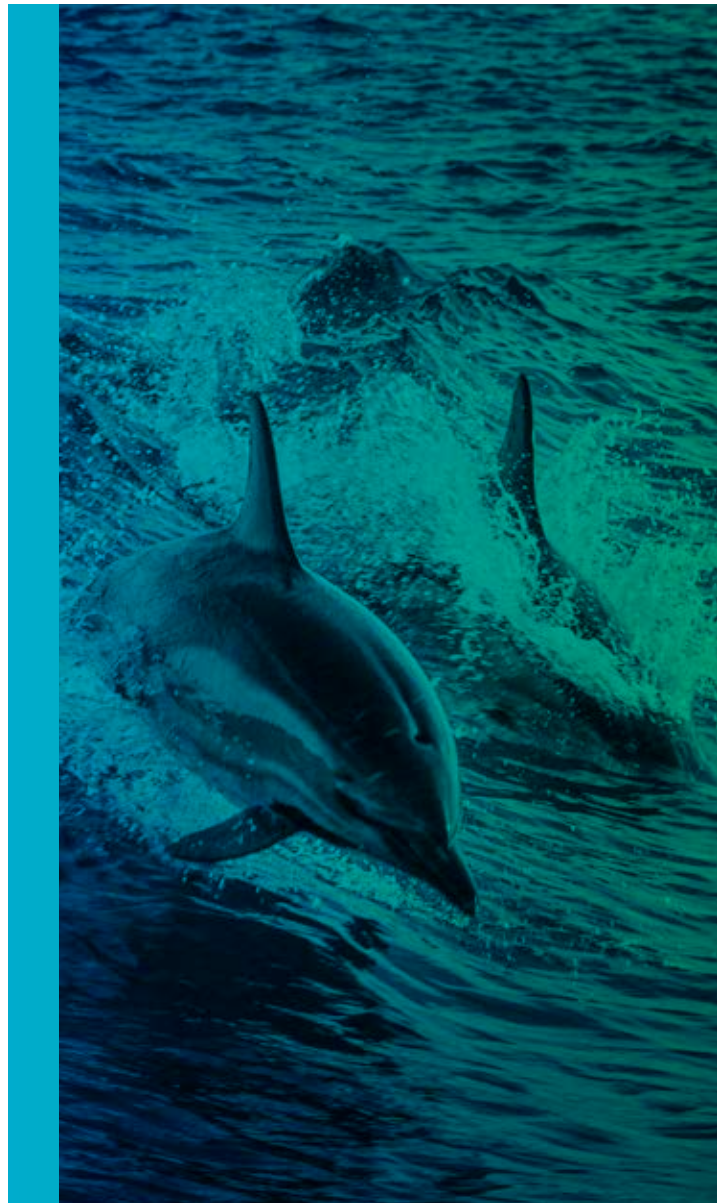
#### FOURTH STRATEGIC THRUST

This will see the creation of a sustainable investor pipeline, which will secure both investment and technical support.

#### FIFTH STRATEGIC THRUST

This will, based on the investments secured, leverage and expand the Eastern Cape Oceans Economy, which will increase both economic stability and sustainability levels.

These five strategic thrusts are underpinned by a seven (7) strategic phases which will be discussed in more detail on pages 20 to 35 of this document.







These five strategic thrusts are underpinned by a seven (7) strategic phases which will be discussed in more detail on pages 20 to 35 of this document.

### PHASE 1: ESTABLISHMENT

The primary objective of Phase 1 is to establish and operate an Oceans Economy Portfolio Management Capacity. The purpose being to ensure the effective and efficient implementation of the strategy from a transversal and integrated portfolio perspective.

The catalyst for the start of Phase 1 is the approval of the Oceans Economy Strategic Roadmap. Once the Strategic Roadmap has been approved, a mandate and implementation budget will be secured.

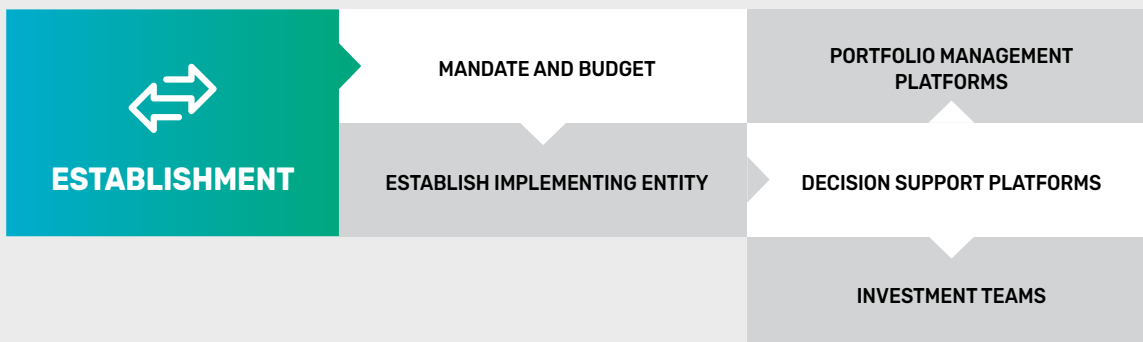
Due to the transversal nature of the Oceans Economy, the implementing entity will be located with the Khawulezisa Portfolio Management Office (PMO) of the Office of

the Premier. This will ensure the optimal application of structural and relational power, integration and implementation acceleration.

The Khawuleza PMO will in turn develop a standardised project management methodology, early-warning capability, management and reporting systems.

Additionally, the Khawuleza PMO will establish a range of decision-support platforms that would provide real-time accurate data for evidence-based decision-making.

The PMO will also establish institutional linkages with provincial and national investment attraction teams, so that it can secure investment during Phase 2 of implementation.





## PHASE 2: ATTRACT

The objective of Phase 2 is to secure new implementation resources and investments into the Oceans Economy. As such the strategic intent is to make use of the provincial and national investment “crack teams” to secure investments. In order to secure these investments a detailed project and funding pipeline will be developed, actioned and constantly monitored.

The establishment of such a donor and investment attraction capacity will require the continued development and updating of feasible business plans and funding applications.

Additionally, the donor and investor unit will constantly scan the operating environment for new opportunities for securing new investments and support.

In order to enhance the ability of the donor and investor management component, a One-Stop-Approval-Support unit will be established. This unit will assist potential investors and donors in obtaining all required approvals from a centralised point. This will speed-up approvals whilst increasing the attractiveness of the Eastern Cape as an investment destination.

Phase 2 will as a priority drive the process to secure funding for the catalytic portfolio.

As a secondary priority, Phase 2 will focus on securing and packaging projects and interventions to secure the resources for implementation during the Expansion Phase of the Project.



### PHASE 3: CONSOLIDATE

The objective of Phase 3 is to unlock, fast-track and/or unblock catalytic projects within the Oceans Economy.

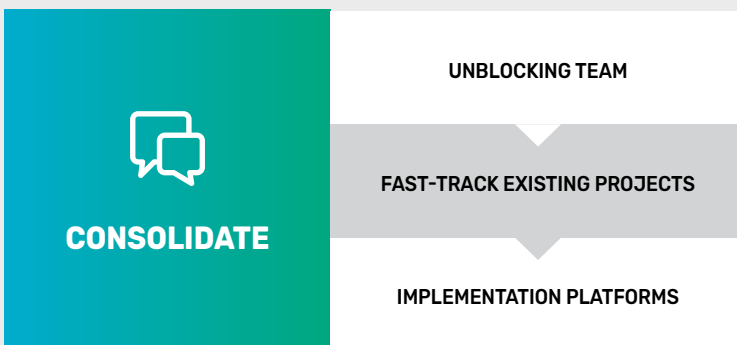
This will require a review of the catalytic project portfolio in order to identify projects with the highest potential of successful implementation and achievement of GDP and employment targets.

This phase will also see the alignment and synchronisation of the portfolio to ensure that linkages between projects are sequential in order to reinforce the establishment of an Oceans Economy Eco-system.

In this regard an Unblocking Team in partnership with the investment attraction teams, will focus on removing any impediment to rapid project approval and implementation in accordance with regulatory requirements.

This will demonstrate the capability of the Eastern Cape to rapidly mobilise and respond to investor requirements, which will further increase the attractiveness of the Province as an investment destination.

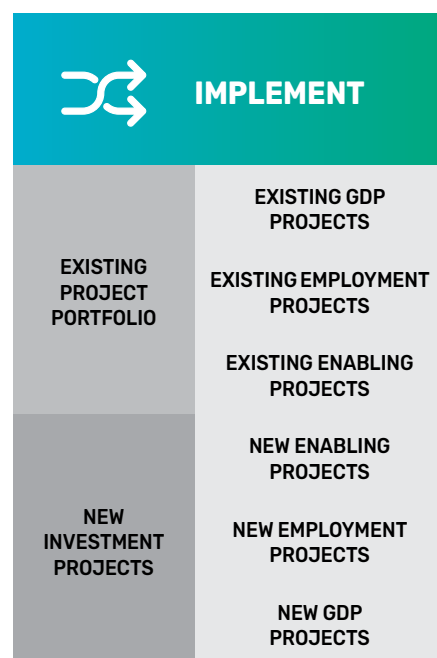
This phase will also see the first portfolio management data pertaining to the Oceans Economy being integrated into the Khawuleza PMO, which will allow the Province to start tracking the performance of the Oceans Economy regarding implement interventions and to secure investments.



### PHASE 4: IMPLEMENTATION

The implementation phase recognises that it would be impossible to implement all proposed Oceans Economy projects right from the start of the strategy. This is due to limited resource availability as well as the need to rapidly achieve high impact and instil investor confidence.

Accordingly, the catalytic portfolio includes projects that make large contributions towards the achievement of GDP and employment targets, whilst providing the best opportunity to serve as an enabler for other projects.



**CATALYTIC PORTFOLIO**

Accordingly, and in terms of the Baseline Study, the following five (5) projects have been included:

- Project Mthombo: Oil refinery
- Gas-to-Power
- Gas distribution network
- Marine Tilapia: Feedstock and Production
- Marine Tilapia: Processing and sales

In this regard, the baseline data indicates that these five (5) projects has the potential to produce 77% of the employment target and 66% of the GDP target.

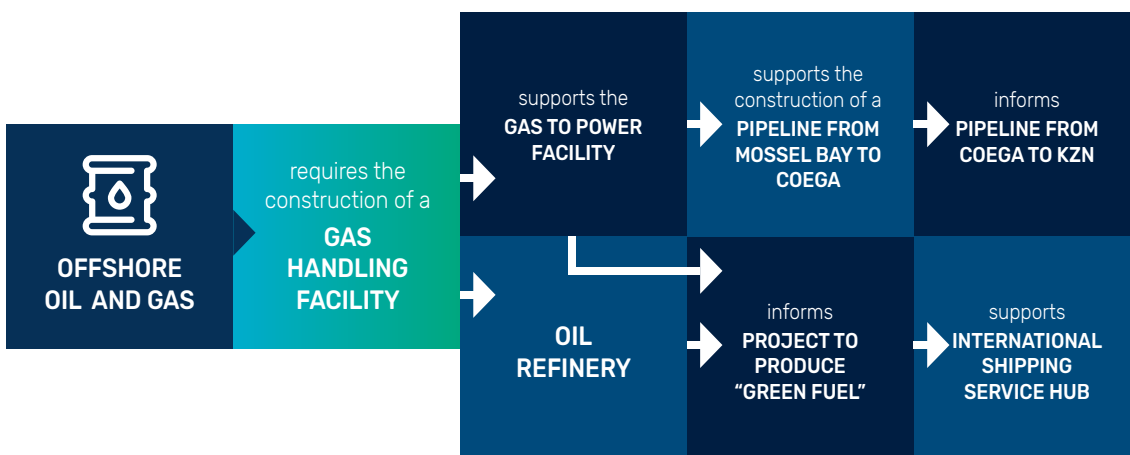
Although all sectors are considered as being of equal importance, the offshore oil and gas sector forms the core of the catalytic portfolio of the Eastern Cape.

This is because this sector alone can achieve 66% of the GDP target, whilst making a 25% contribution towards

achieving the employment target. Additionally, this sector will greatly advance the diversification of the Eastern Cape Economy and establish an alternative economic base and enabling environment for future Oceans Economy projects.

Essentially the offshore oil and gas component of the portfolio will focus on establishing both a Gas Handling and Gas-to-power facility within the Coega Special Economic Zone. The rapid establishment of these facilities will provide the Eastern Cape with both a competitive and comparative advantage to be selected as the key nodal point to transport gas from the Brillpadda reserves via Mossel Bay, and any potential future gas finds along the Eastern Cape Coast.

Although falling outside of the time horizon of the current MTSF, securing the pipeline between Mossel Bay and Coega, will established a dominant position within the gas industry, whilst creating a multitude of platforms to launch new projects and interventions.





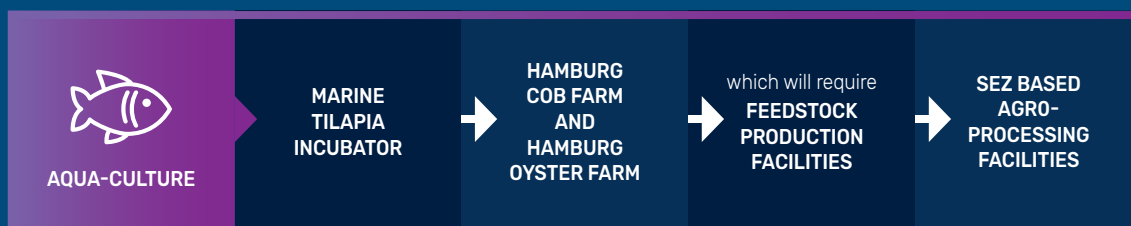
Additionally, the establishment of the stated oil and gas infrastructure in the Coega SEZ will also lay the foundation for the establishment of an International Shipping Services Hub, which would provide a range of maritime transport and manufacturing services. These services will be further enhanced by the ability to produce “green” fuel for ocean going vessels. This will exponentially increase the attractiveness of the International Shipping Services Hub.

But the most significant value is the linkages that pipelines could establish between the terrestrial and ocean economies. A pipeline could link Special Economic Zones (SEZ) and Rural Enterprise Development Hubs; allowing them to benefit from the gas economy to meet the needs to agro-processing and production facilities in both rural and urban areas.

The second core sector of the catalytic portfolio is the aqua-culture sector. The significance of this sector is illustrated by the fact that it could meet 72% of the employment target of the Oceans Economy. Accordingly, it is treated as an area of major strategic significance.

The significance of this sector are further increased, by the fact that it creates a platform that will allow rural and/ or isolated communities to tap into the Oceans Economy, whilst creating substantial down-stream opportunities for agro-processing and the production of feedstock.

Accordingly, the initial catalytic portfolio will focus on the implementation of the Maritime Tilapia Incubator, the Hamburg Cob Farm and the Hamburg Oyster Farm.



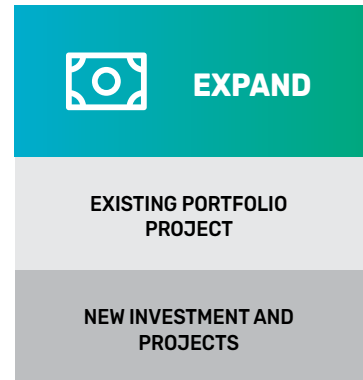


## PHASE 5: EXPAND

As explained above, the strategic roadmap has a built-in risk mitigation strategy, which is contained in the Expansion Phase.

During this phase, investments and resources secured to fund and support new projects will be activated. These additional resources could be used to address short falls on existing projects and/or support new projects. This phase is intended to ensure that any potential short falls during the implementation of the catalytic portfolio are mitigated by bringing more projects into the portfolio.

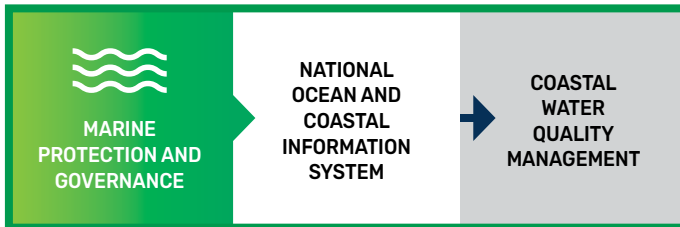
Due to the location of this phase towards the end of the MTSF and the MTEF, the expanded portfolio is expected to roll-over into the 7th Administration. This phase will ensure that the strategic traction and momentum produced by the strategic roadmap will be maintained, thus further increasing investor confidence and attractiveness of the Eastern Cape Oceans Economy as an investment destination.



**However, the core focus of this phase is to secure resources to implement the rest of the projects contained in the portfolio.**

These include:





**MARINE PROTECTION AND GOVERNANCE**

In order to fully benefit from resource extraction within the Oceans’ Economy it is paramount that ocean resources be protected from exploitation. In this regard the catalytic portfolio includes a range of interventions that will cover monitoring ocean water quality and gathering monitoring data through the extension of the National Ocean and Coastal Information System into provincial planning, implementation and monitoring systems.

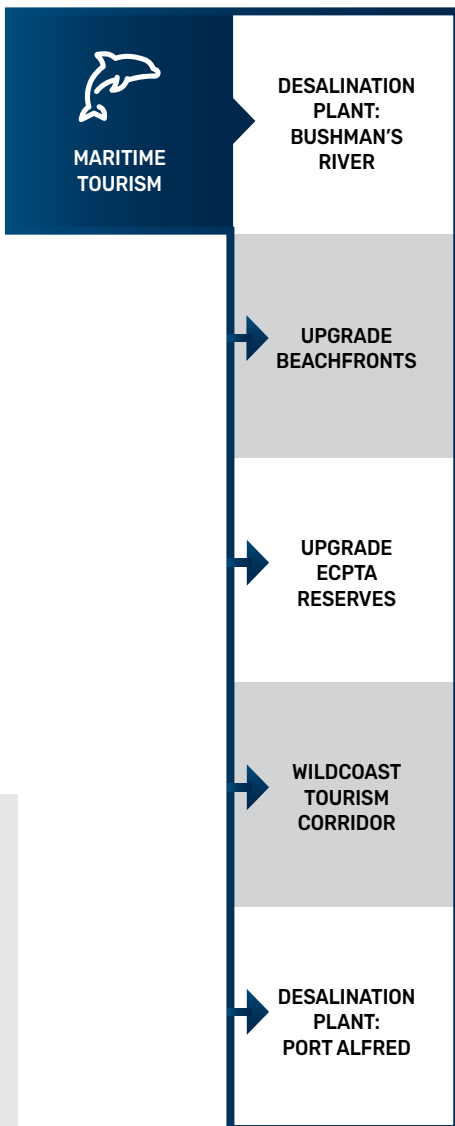
Governance will be further augmented by providing training to military veterans for coastal protection, port security training and training in fisheries and ocean law enforcement.



**SMALL HARBOUR DEVELOPMENT**

Small harbour development is critical for increasing the strategic reach of the Oceans Economy to impact rural and coastal communities. In this regard the development of two (2) catalytic small harbour developments in Port St Johns and Port Alfred will serve as initial anchor projects as part of a larger intent to create an integrated network of small harbours and related facilities.





**MARITIME TOURISM**

Closely associated with small harbour development and marine protection is the maritime tourism sector. From a national strategic perspective tourism has been identified as one of the priority areas to accelerate economic development.

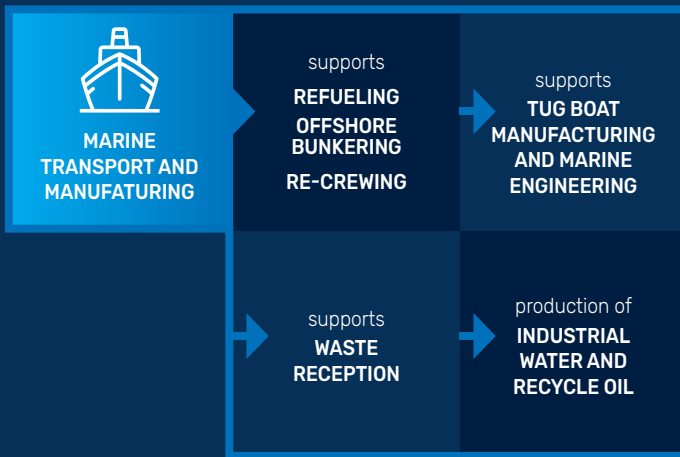
This combined with the unique tourism offering being presented by the pristine Eastern Cape coastline thus diversifying newly established networks. Accordingly, marine and coast tourism projects including the upgrading of beachfronts, the establishment of the Wild Coast Tourism Corridor and the upgrade and securing of ECPTA coastal reserves are contained in the catalytic portfolio.

These interventions will establish catalytic infrastructure and support mechanisms that will ensure access to tourism offerings, tourism investors and opportunities for SMME's. This in turn will increase the demand for aqua-cultural, agricultural and tourism support products.

Additionally, two sea water desalination plants are proposed in Port Alfred and Bushman's River in order to meet water demands of both the tourism sector and local communities.

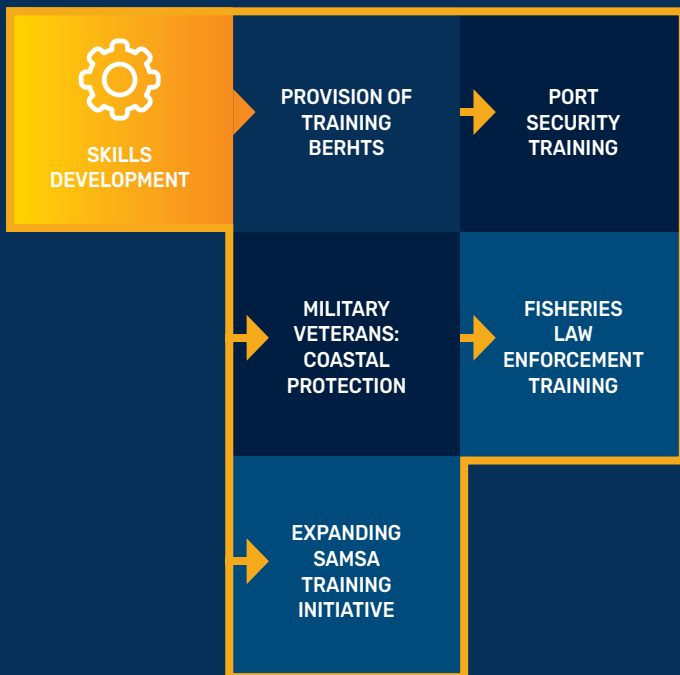






**MARINE TRANSPORT AND MANUFACTURING**

As stated earlier the establishment of an International Shipping Services Hub will serve as a major catalyst for the provision of refuelling, re-crewing, ship chandelling, vessel repairs, offshore bunkering, marine engineering, training berths for seafarers, tugboat operations (and production) and recycling of waste (which could be reused in industrial applications).



**SKILLS DEVELOPMENT AND CAPACITY BUILDING, RESEARCH, TECHNOLOGY AND INNOVATION**

Five major high-impact training interventions have been included in the catalytic portfolio. These include training of military veterans to provide coastal protection services, fisheries law-enforcement training and port security training. It also includes the expansion of the current SAMSA training initiative that is being hosted in the Office of the Premier.

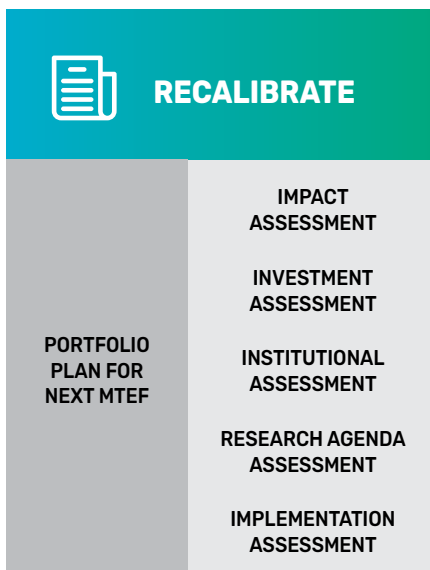
## PHASE 6: RECALIBRATE

The purpose of the Recalibration Phase is to ensure the maintenance of strategic momentum, thus ensuring the long-term sustainability of the Eastern Cape Oceans Economy.

The Recalibration Phase will entail a detailed assessment of impacts produced, investments secured, institutional effectiveness and efficiency, research and innovation produced and the impact of project implementation.

The results of these reviews will be consolidated into a new strategic and implementation plan that would span the next MTEF and MTSF periods.

This will ensure that interventions will not be delayed during the migration to the 7th Provincial Administration and that appropriate interventions are developed to deal with any changes that would have taken place in the strategic and operating environment.



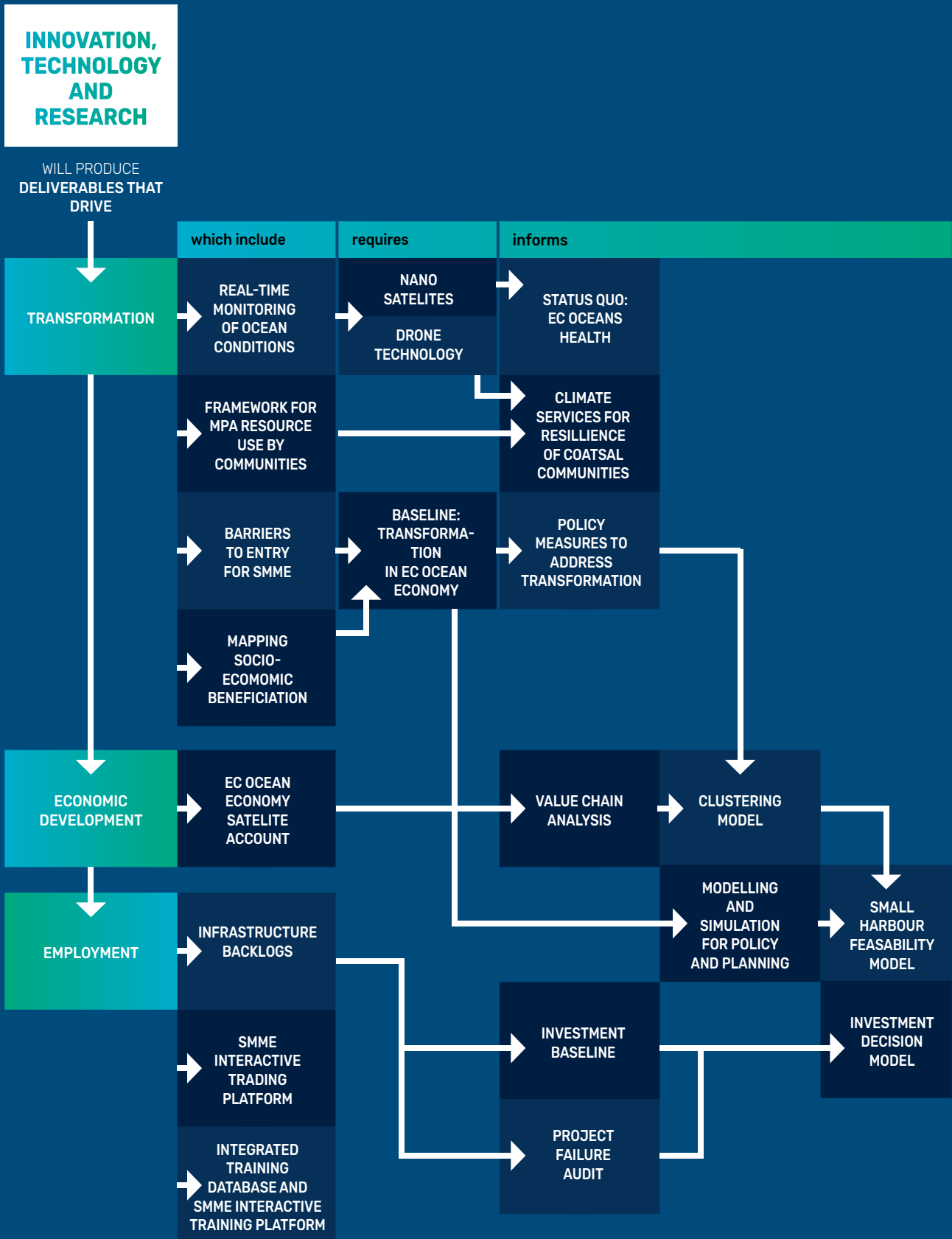
## PHASE 7: RESEARCH, INNOVATION, CAPACITATE AND TRAINING

This phase encapsulates the two main enablers for Operation Phakisa, namely research, technology and innovation and training and capacity building.

This phase will run parallel to the full implementation spectrum and produced several outputs which are designed to increase the decision-making capacity as well as the competitive and comparative advantages of the Eastern Cape Oceans Economy.

**Key research and innovation projects are listed in the diagram below:**







## 06 STRATEGIC OBJECTIVES AND OUTCOMES

The successful implementation of the strategic scope will require the achievement of a range of interdependent objectives. These objectives in turn will produce outcomes which will maintain the strategic trajectory and thus the achievement of the stated strategic intent.

Accordingly, the strategic objectives and resulting outcomes of each phase is summarised in the tables below.

OBJECTIVE	OUTCOMES
<b>PHASE 1: ESTABLISH</b>	
Approved Institutional Mandate and budget	Provides the required authority to proceed with implementation and secure resources.
Establish Implementing Entity	Ensures the effective and efficient execution of the strategy.
Establish Portfolio Management Platform	Allows for the accurate tracking of performance, standardisation of implementation protocols, resource allocation and capacitation.
Establish Decision-support Platforms	Advances accurate evidence-based decision-making.
Mobilise Investment Team	Leverages off existing capabilities and networks to secure funding and resources required to implement and expand the Eastern Cape Oceans Economy portfolio.

<b>PHASE 2: ATTRACT</b>	
Produce an approved investor pipeline	Ensures an integrated and focussed approach towards donor and investment management.
Establish a One-Stop-Approval Support Office	Increases the attractiveness of the Eastern Cape as an investment destination, whilst fast-tracking implementation and the realisation of impacts.
Secure Resources and investments	Ensures the effective and efficient implementation of initiatives.

OBJECTIVE	OUTCOMES
<b>PHASE 3: CONSOLIDATE</b>	
Consolidated Implementation Portfolio that is ready for fast-tracked implementation	<p>Ensures that resources have been allocated to catalytic projects to produce high-impacts in a relatively short-period.</p> <p>Progress can be tracked in an accurate and centralised manner across the whole portfolio, for reporting and planning purposes.</p>
Implementation Platforms	<p>Ensures the coordinated and appropriate application of resources towards the achievement of strategic goals and objectives.</p> <p>Increases the effectiveness and efficiency of implementation, whilst ensuring optimal project governance.</p>
Operational Unblocking Teams	<p>Mitigates any possible delays in implementation.</p> <p>Fast-tracks implementation and increases investor confidence in the Eastern Cape Provincial Oceans Economy as an investor friendly destination.</p>



OBJECTIVE	OUTCOMES
<b>PHASE 4: IMPLEMENT</b>	
Implement catalytic Gas Economy Projects	<ul style="list-style-type: none"> <li>• Achieve 66 % of five-year GDP target.</li> <li>• Achieve 25% of five-year employment target.</li> <li>• Creates an enabling platform for future projects.</li> <li>• Creates linkages into the hinterland to support agro-processing and aqua-culture energy needs.</li> <li>• Enhances the competitive and comparative advantage of the three SEZ's in the Eastern Cape.</li> <li>• Creates an enabling environment for the Eastern Cape to benefit from the initial Brulpadda gas find.</li> <li>• Lays the foundation for the Eastern Cape to benefit optimally from future oil and gas exploration around its coast.</li> <li>• Diversifies the Eastern Cape Economy.</li> <li>• Creates the basis for establishing an International Shipping Services Hub which will increase the demand for refuelling services (green fuel), re-crewing, provision of training berths, and maritime engineering.</li> <li>• Provides green fuel stocks to service dual fuel vessels.</li> <li>• Supports shipbuilding by building tugboats required to manage larger vessels and provide safety and environmental services.</li> </ul>
Implement catalytic Marine Tourism Projects	<p>Creates the enabling infrastructure that is required to attract more tourists and investors in the Eastern Cape Marine Tourism Economy.</p> <p>Provides rural communities with access to economic opportunities. Creates a demand for agro-processing and marine products within the hospitality and tourism industry.</p>
Implement catalytic aqua-culture projects	<ul style="list-style-type: none"> <li>• Achieve 51% of five-year employment target.</li> <li>• Creates food security.</li> <li>• Provides resource inputs for agro-processing.</li> <li>• Create new opportunities for industrialisation in rural areas.</li> <li>• Creates economic linkages and networks between rural and urban development nodes.</li> </ul>
Implement Small Harbour Development Portfolio	Establishes catalytic economic infrastructure in Port St Johns and Port Alfred.



OBJECTIVE	OUTCOMES
<b>PHASE 4: IMPLEMENT</b>	
Skills Development	<ul style="list-style-type: none"> <li>• Capacitates port security function.</li> <li>• Empowers veterans to support coastal protection services.</li> <li>• Enhances the fisheries law enforcement capacity of the province to protect its resource base.</li> </ul>
Marine Protection and Governance Portfolio	<ul style="list-style-type: none"> <li>• Allows for real-time monitoring of coastal conditions.</li> <li>• Tugboat manufacturing.</li> <li>• Allows for monitoring of water quality standards thus protecting the ocean resource base.</li> </ul>
Marine Transport and Infrastructure	<p>Create International Shipping Services Hub.</p> <p>Supports training initiatives.</p>
Addition of new projects to the portfolio as investments and resources are secured	<p>Will ensure that any potential short fall in the catalytic portfolio is mitigated.</p> <p>Creates new investment opportunities within the Eastern Cape Oceans Economy.</p> <p>Expands the capacity of the Oceans Economy to achieve its GDP, Employment and Transformational strategic imperatives, thus reinforcing the position of the Eastern Cape as a preferred investment destination.</p>

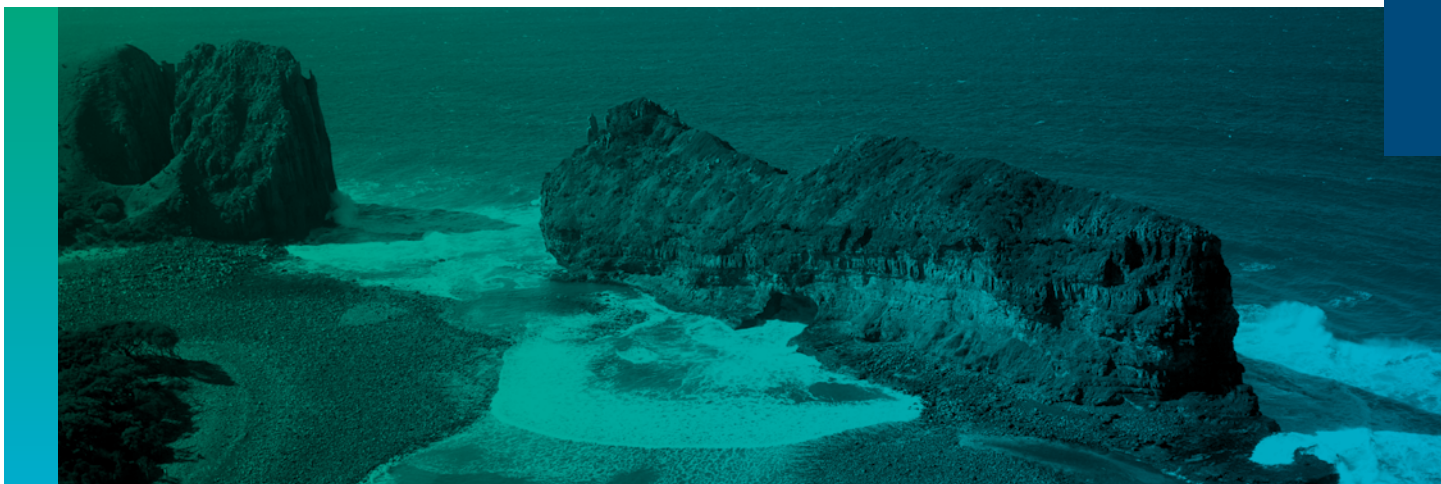


OBJECTIVE	OUTCOMES
<b>PHASE 5: EXPAND</b>	
Incrementally increase in portfolio to exceed 5-year targets	<p>Will ensure that any potential short fall within the catalytic portfolio is mitigated.</p> <p>Creates new investment opportunities within the Eastern Cape Oceans Economy.</p> <p>Expands the capacity of the Oceans Economy to achieve its GDP, employment and transformational strategic imperatives, thus reinforcing the position of the Eastern Cape as a preferred investment destination.</p>
Maintain implementation momentum	This will ensure that the traction obtained by the strategic roadmap is maintained thus increasing the sustainability of the Eastern Cape Oceans Economy and increasing investment attractiveness.
<b>PHASE 6: RECALIBRATE</b>	
Assess impact, performance and progress	<p>This will ensure that lessons-learned, newly identified best-practice are integrated into future planning and implementation interventions.</p> <p>The assessments also provide an evidence-based approach to ascertaining the success and progress of the strategic roadmap in meeting the strategic goals and objectives of the Eastern Cape Oceans Economy.</p> <p>Provides an accurate Portfolio of Evidence (POE) for audit and reporting purposes.</p>
Develop strategy and portfolio plan for next MTSF	Reduces delays associated with transitioning between administrations, thus maintaining the strategic momentum and trajectory of the Oceans Economy.





OBJECTIVE	OUTCOMES
<b>PHASE 7: RESEARCH, INNOVATION, TRAINING AND CAPACITY BUILDING</b>	
Provides evidence-based decision support	Provides a scientific basis for supporting accurate decision-making, planning and resource allocation.
Capacity and capability enhancement	<p>Increases capacity and capabilities which will increase the ability of the Oceans Economy to achieve its goals and objectives.</p> <p>A capacitated human and technical resource pool will also increase the competitive and comparative advantages of the Eastern Cape Oceans Economy thus making it more attractive to investors.</p>
Increase the competitive and comparative advantage of the Eastern Cape Oceans Economy	<p>Increases the competitive and comparative advantage of the Eastern Cape Oceans Economy, thus attracting more investment and implementation resources.</p> <p>Ensures the diversion of resource away from potential competitors, which will provide the Eastern Cape with the leverage that it needs to benefit from the full potential of the Oceans Economy.</p>



## 07 STRATEGIC LEVERAGE

Strategic leverage refers to the exploitable initiatives that can be used to leverage additional traction towards increasing the impact and success of the strategy.

LEVERAGE	IMPACT ON STRATEGY
The Eastern Cape has catalytic infrastructure near existing and possible future gas reserves.	<p>The location of the Coega SEZ in Algoa Bay near newly discovered gas reserves allows the Eastern Cape to present a workable and more cost-effective alternative regarding the value-addition and transport of gas resources.</p> <p>Existing harbour infrastructure in the Province means that projects can be fast-tracked, and integrated networks can be established.</p>
High levels of readiness of ocean-based oil and gas infrastructure	The high state of readiness of the ocean-based gas sector, means that if the Eastern Cape can rapidly establish the required infrastructure, it will be able to respond faster than competitors to access and transport gas. This ability is critical in ensuring the establishment of economic linkages within the Oceans Economy and the achievement of relevant targets.
The Eastern Cape has three SEZ's located at strategic points within the provincial spatial economy.	<p>The three SEZ's in the Eastern Cape serve as key catalytic anchors for economic beneficiation and investment attraction.</p> <p>Of importance from a spatial perspective is the potential that it provides to the province for establishing linkages between the gas economy, the Wild Coast SEZ, EL IDZ and Coega SEZ and the rural areas of the Eastern Cape.</p> <p>This supports the nodal network approach proposed by the Draft National Spatial Development Framework.</p> <p>The potential of linking all three SEZ and other related economic development nodes to the gas economy, will increase the efficiency and effectiveness of enterprises and thus advance economic development and investment.</p>
The Eastern Cape coastline extends across the length of the province	<p>The coastline of the Eastern Cape extends along the length of the province, thus providing multiple opportunities and entry points for coastal and hinterland communities to access the Oceans Economy.</p> <p>This could drastically increase the levels of direct and indirect beneficiation derived from the Oceans Economy.</p>



LEVERAGE	IMPACT ON STRATEGY
The Eastern Cape is one of four provinces which has been endowed with a coastline	Increases the potential of the Eastern Cape to access resources from national departments and entities as the number of potential recipients is lower.
Large portions of the Eastern Cape Coastline are in a pristine condition	This presents massive opportunities for marine tourism and the establishment of catalytic marine tourism support infrastructure and new product development.
Eastern Cape has a “first-mover” advantage.	Being a “first-mover” in consolidating its strategic roadmap for the Oceans Economy, the Eastern Cape Province has an exponentially higher probability of securing external funding and access to resources.
Approved Research Agenda	The consolidated Research Agenda will enable the Eastern Cape province to leverage of existing research resources to produce both innovation and capacity. This will greatly enhance both the competitive and comparative advantage of the province.
Existence of several tertiary institutions which are focussing on the Oceans Economy.	The focus of local tertiary institutions on the various aspects of the Ocean’ Economy provides the Province with access to a pool of research capabilities and technical resources.
Transnet is implementing a range of port upgrades	Transnet is embarking of a long-term intervention to upgrade ports in the Eastern Cape. This reduces pressure on the provincial fiscus to fund port upgrades.
Dense social and political networks	Dense social and political networks within and extending outside of the province provides a unique platform to identify and secure implementation resources and investments.
Rural areas to the East of the Province have been identified as having very high development potential	The identification of the national strategic importance of the rural areas of the Eastern Cape, increases its ability to attract implementation resources and support.



LEVERAGE	IMPACT ON STRATEGY
Projections point that water sources in the Eastern Cape will increase; thus increasing the strategic importance of the eastern part of the province	The impact of climate change will result in higher rainfalls in the Eastern Part of the Eastern Cape, which will increase the agricultural production capability of the area. As agricultural production and agri-processing reaches its full potential, its ability to support and leverage of the Oceans Economy will increase, increasing economic diversification and strengthening and expanding economic value-chains and networks.
N2 toll road is creating linkages between the rural and urban economy	The N2 development provides a mission critical infrastructure platform that will increase the ability to build strong economic and transport networks that will benefit both the Ocean's and terrestrial economies.
The Umzimvubu Dam will increase the output potential of the agricultural production and agro-processing sectors.	The construction of the Umzimvubu Dam increase water security, which will advance the competitive and comparative advantage of agricultural and aqua-culture development in rural areas.
Existing industrial base	The existence of industrial manufacturing capabilities in several locations in the province means that the marine manufacturing sector can benefit from upskilling and customisation of skills and capabilities located within its current industrial base. Existing industrial base also increase the attractiveness of the Eastern Cape as an investment destination.
Location on major international shipping lanes	High volumes of shipping passing the Eastern Cape Coast, combined with the location of port infrastructure in Algoa Bay, reinforces the position of the Eastern Cape as a preferred investment destination, providing opportunity to provide specialist services and products to passing vessels. These services will draw more vessels to the area and increase the economic viability of the Oceans Economy.
The requirement by the maritime industry to produce green fuels for dual fuel ships	The proximity to gas infrastructure, increases the ability of the Eastern Cape to provide green fuels which is an emerging regulatory requirement. This will increase value-addition within the Oceans Economy.
The Office of the Premier has established a PMO capability	<p>The establishment of the Khawulezisa PMO in the Office of the Premier reduce the need to develop new portfolio management capabilities.</p> <p>The implementation of the Strategic Roadmap can therefore link directly into the Khawulezisa PMO saving time and resources.</p>
Centralised investment promotion and attraction capability is in the process of being established	The existence and centralisation of investment attraction and promotion capabilities within the Eastern Cape will reduce the need to duplicate such services pertaining to the Oceans Economy. It would also reduce the risk of investors playing investment destinations off against each other in order to secure concessions.

## 08 STRATEGIC MASS: CONCENTRATION OF RESOURCE TO FAST-TRACK IMPLEMENTATION

“Strategic Mass” refers to the concentration of resources at a decisive point in time and space when it matters the most to ensure strategic success.

STRATEGIC MASS ELEMENTS	STRATEGIC OUTPUT PRODUCED
Securing the institutional mandate to implement the Eastern Cape Oceans Economy Strategic Roadmap.	Approval to proceed with implementation and securing of investments and the application of required resources.
Establishing Transversal Oceans Economy Portfolio Management Capacity	Ensures optimal coordination by reducing duplication. Provides an evidence-based platform to track performance and manage emerging risks in an effective and efficient manner.
Gas handling and Gas-to-power infrastructure	If the gas handling and gas-to-power infrastructure is not rapidly established, the Eastern Cape will lose its strategic advantage to fully benefitting from the emerging gas economy, which is a critical catalytic element of the Oceans Economy strategy.  The establishment of gas infrastructure is mission critical in achieving the GDP and employment targets due to its relative size.
Securing pipeline from Mossel Bay to Coega SEZ (relevant to later MTSF: long-term perspective)	Securing the pipeline from Mossel Bay to the Coega SEZ will ensure that the Eastern Cape becomes the centre of the emerging gas economy and will lay the basis of expanding pipelines.  The expansion of pipelines is essential to create linkages between aquacultural production in rural areas and the three SEZs.
Securing pipeline from Coega SEZ to KwaZulu-Natal (relevant to later MTSF: long-term perspective)	Securing a pipeline from Coega to Kwa-Zulu Natal will lay the long-term basis for sustained economic development within the Oceans Economy.  The pipeline exponentially increases the ability to the provincial and local economies to diversify and develop a wide-range of down-stream value-adding economic activities.



STRATEGIC MASS ELEMENTS	STRATEGIC OUTPUT PRODUCED
Unblocking aqua-culture projects	<p>The Baseline Study indicated the unblocking the Marine Tilapia project is mission critical in ensuring the achievement of employment targets.</p> <p>Unblocking this project would also reduce pressure on the Provincial Fiscus, as external funding has been secured.</p>
Upgrade of coastal tourism infrastructure and security	The upgrading of existing tourism infrastructure and access provides a unique opportunity to leverage of the comparative advantage of the Eastern Cape's Coastal Tourism offering.
Securing investment	Securing private sector and/or multi- or bi-later international investment and support is mission critical in ensuring the appropriate resourcing of strategic initiatives.



**The Oceans Economy Strategic Roadmap intends to create 33 785 jobs in the Eastern Cape.**

## 09 MANAGEMENT CONTROL

“Management Control” refers to the processes and mechanisms required to ensure the integrity, alignment and focus of all processes to effectively and efficiently achieve strategic objectives. Central to this element is the ability to maintain and sustain the control of all operations to ensure unity of effort.

This is to be achieved by locating the operational responsibility for the implementation of both the strategy and the implementation plan within the Khawuleza PMO in the Office of the Premier strategy.

This will establish a direct reporting line to the Office of the Premier which will ensure institutional direction and support whilst maintaining the strategic momentum of the intervention.

## 10 CONCLUSION

After the first five years of implementation the proposed Eastern Cape Oceans Economy Strategic Roadmap intends to contribute R 10,4 billion to the GDP and 33 785 jobs to the Provincial economy.

This will be achieved through the creation of a transversal Portfolio Management Implementation Platform. This platform will be hosted in the Khawuleza PMO in the Office of the Premier and will ensure the effective and efficient implementation of a portfolio of catalytic projects. In order to capitalise on its “first-mover” advantage, catalytic projects were selected based on their high levels of implementation readiness.

At the core of the portfolio of catalytic projects is the strategic intent of the Eastern Cape to leverage of its offshore oil and gas and aqua-culture initiatives as the core focus of the strategy. This strategic intent is supported by the evidence that the selected oil and gas and aqua-culture projects will ensure the achievement of both the GDP and employment targets. These projects also have the highest potential for economic diversification and the creation of a wide-range of down-stream enterprises and interventions.

The portfolio of catalytic projects will, when successfully implemented establish a catalytic Oceans Economy Eco-system, which will form the basis of securing future investments and thus exponentially increase the size and sustainability of the Oceans Economy.

In support, an integrated investment attraction process will identify, access and secure investments and support for new interventions.

The above-mentioned strategic intent is supported by a process that will consolidate the existing portfolio whilst attracting resources for future interventions. This is done in order to ensure the rapid achievement of 5-year targets; whilst maintaining the strategic momentum of the initiative through a process of continued re-calibration into future administrations.





# STRATEGIC ROADMAP

IMPLEMENTATION PLAN



# STRATEGIC ROADMAP

## IMPLEMENTATION PLAN

### 01 OBJECTIVES

The successful implementation of the Eastern Cape Oceans Economy Strategic Roadmap will depend on the ability to achieve the following objectives:

STRATEGIC GOALS	STRATEGIC OBJECTIVES
<ul style="list-style-type: none"><li>Establish a transversal Provincial implementing capability</li></ul>	<ul style="list-style-type: none"><li>Establish and operate a Transversal Oceans Economy Portfolio Management Capacity.</li></ul>
<ul style="list-style-type: none"><li>Establish a catalytic Oceans Economy Eco-system</li></ul>	<ul style="list-style-type: none"><li>Secure implementation resources and investments into the Oceans Economy to support catalytic projects.</li><li>Unblock and/or fast-track catalytic projects within the Eastern Cape Oceans Economy.</li><li>Achieve the first five-year targets of 66% of GDP and 77% of employment created.</li></ul>
<ul style="list-style-type: none"><li>Secure new investments into the Eastern Cape Oceans Economy</li></ul>	<ul style="list-style-type: none"><li>Secure implementation resources.</li><li>Secure investments.</li><li>Incrementally increase in the portfolio.</li><li>Exceed the 5-year target.</li><li>Lay the foundation for accelerated implementation for the 7th Administration.</li><li>Recalibrate the portfolio.</li></ul>
<ul style="list-style-type: none"><li>Increase the competitive and comparative advantage of the Eastern Cape Oceans Economy</li></ul>	<ul style="list-style-type: none"><li>Increased levels of innovation and research that will advance accurate decision-support and increase the competitiveness of the sector.</li><li>Increased local capacity building and training will ensure optimal employment levels and increased effectiveness and efficiency within the Oceans Economy.</li><li>Recalibrate the portfolio.</li></ul>

## 02 METHOD OF APPROACH

The Strategic Roadmap requires the production of several deliverables over a five-year period, across seven (7) phases to achieve its strategic goals and objectives.

This is to be achieved by coordinating the completed implementation portfolio from a centralised entity. For this purpose, a Portfolio Management Office (PMO) presents the most optimal configuration to advance transversal implementation.

The purpose of the PMO capability would be to coordinate implementation, strategic resource attraction resource allocation, programme and project management standardisation, risk management as well ensuring accurate monitoring, evaluation and impact assessment.

Key to the operation of a PMO capability is a standardise implementation approach. Accordingly, this strategy will employ a hybrid of the "Projects in Controlled Environments" (Prince2) process-based approach to ensure effective portfolio management.

**This methodology is based on the principles of:**

- continued business case justification;
- learning from experience;
- clearly defined roles and responsibilities;
- effective and efficient management of portfolio stages;
- management by exception; and
- development of customised deliverables to suit the unique needs of a portfolio environment

**Portfolio methodology consists of the following stages:**

### PORTFOLIO START-UP

At the start of the Portfolio Start-up stage, the portfolio team is assembled and appointed, and a portfolio brief, which outlines the portfolio's key objectives and business rationale, is prepared.

In addition, the overall portfolio approach that is to be taken is defined and all implementation stages of the intervention is planned. Once this stage has been completed project initiation can commence.

Key activities to be completed during this stage include appointing a portfolio executive and programme and project managers; designing and appointing a portfolio management team; preparing implementation briefs; defining portfolio approach; and finally planning portfolio initiation.

### PORTFOLIO INITIATION

This stage builds on the work of the Portfolio Start-up Stage. The portfolio brief that was developed during the first stage is translated into a Portfolio Business Case. This is done to ensure that quality standards are agreed upon, together with the overall approach to controlling the portfolio itself (portfolio controls).

Files for each implementation intervention is created, as well as the overall portfolio plan, Annual Performance Plans and tracking dashboards. The resultant information will be submitted to authorize implementation.

Key activities to be completed during this stage include planning quality; planning for each implementation intervention; refining the business case and risks; setting up portfolio controls; setting up portfolio files; tracking dashboards; and assembling a Portfolio Initiation Document.

## DIRECTING THE PORTFOLIO

This stage will require approval to initiate the first phase of portfolio implementation. This requires the approval of the various implementation plans.

Key activities to be completed during this stage include authorising initiation; authorising programmes and projects within the portfolio; authorising the Annual Performance Plan; and giving strategic direction.

## CONTROLLING IMPLEMENTATION

This stage will see the implementation of programmes and projects. It will require the development and issuing of work packages, monitoring progress, and quarterly reporting on performance tracking dashboards.

Furthermore, it will require the capturing and reporting of portfolio management and risk data through the use of management dashboards.

Key activities to be completed during this stage include authorising work packages; assessing progress; capturing and examining portfolio data; reviewing portfolio performance; reporting performance; taking corrective action; escalating project issues; and confirming the completion of work packages.

## MANAGING IMPLEMENTATION BOUNDARIES

While the previous stage dictates what should be done within a stage, this stage dictates what should be done towards the end of each stage to ensure compliant delivery of outputs.

It also focusses on planning for the next phase of implementation to ensure that implementation momentum is maintained.

Accordingly, the stage plans for the next implementation phases will be completed, risk reviews will be conducted, the business cases will be amended if necessary, tolerance levels will be reviewed, before administratively closing and reporting progress.

Key activities to be completed during this stage include updating portfolio plans; updating and reviewing business cases; updating the risk register; and reporting.

## MANAGING DELIVERY

The key objectives of this stage are:

- To ensure that programme and project teams are authorised to implement interventions;
- Programme and Project teams are clear as to quality, outputs, budgets and timescales;
- Implementation takes place within agreed levels of time, budget and scope tolerances; and
- Accurate progress information is provided at an agreed frequency to ensure that expectations are managed.

Key activities to be completed during this stage include accepting work package; execution of work package; and delivery of work packages.

## COMPLETION

This covers matters that should be performed at the end of implementation. The programmes and projects should be formally de-commissioned; and follow-on actions should be identified, and interventions should be formally evaluated.

Key activities to be completed during this stage include decommissioning programmes and projects; identifying follow-on actions; and completing programme and project evaluation reviews.



### 03 **PORTFOLIO SCOPE**

The scope of the Strategic Roadmap, as described above, consist of seven (7) phases. Each of these individual phases will produce a set of high-level deliverables, which in turn will produce strategic outcomes.

The scope of each of the seven (7) phases, their high-level deliverables and strategic outcomes are summarised below.

DELIVERABLE	OUTCOMES
<b>PHASE 1: ESTABLISH</b>	
Institutional Mandate and Budget	Provides formal notification to proceed with implementation and apply resources to achieve goals and objectives.
Implementation Entity	Ensures the effective, efficient and compliant implementation of the transversal portfolio.
Decision-support Platforms	Enables the portfolio management team and the provincial government of the Eastern Cape to make informed evidence-based decisions.
Implementation Platforms	Coordinate implementation interventions at a programmatic and project level whilst producing accurate management data.
Portfolio Management Dashboard	Ensure optimal resource allocation, tracking of progress, integrated reporting and standardisation of processes and systems.
Prioritised Research Agenda	Re-focusses research and innovation efforts towards new emerging research and innovation needs that might arise during planning and implementation.
Integrated Provincial Investment Team	Ensures that investment identification, attraction, management skills and competencies are applied in an integrate manner to meet investment target and leverage of existing investment promotion networks to reduce duplication.



DELIVERABLE	OUTCOMES
<b>PHASE 2: ATTRACT</b>	
Investment Pipeline	Ensures a focussed, coordinated and integrated approach to investors.
Modelling and simulation tools	Allows for accurate investment decision-making.
Portfolio of Bankable Projects	Increases the investor attractiveness of the Eastern Cape Oceans Economy and allows for a rapid response to investor queries.
Transversal Investment Assistance Office	Fast-tracks approval and regulatory process from a central location; making it easier for investors to rapidly implement interventions.
Secured Investment Resources	Enables the implementation of the catalytic portfolio and the expansion of the portfolio as new programmes and projects are added to the portfolio.
<b>PHASE 3 CONSOLIDATE</b>	
Unblocking Action Plans	Focusses efforts to unblock interventions in order to fast-track implementation in a structured and focussed manner.
Operational Unblocking Teams	Multi-disciplinary teams need to be able to rapidly respond to emerging issues requiring unblocking.
Consolidated Project Portfolio	Ensures optimal planning and monitoring of the complete portfolio to meet governance and reporting requirements.

DELIVERABLE	OUTCOMES
<b>PHASE 4: IMPLEMENT</b>	
Secured Implementation Resources	Ensures that appropriate resources are made available to implement the portfolio and achieve the required goals and objectives.
Catalytic Portfolio	<ul style="list-style-type: none"> <li>• Gas Handling Facility</li> <li>• Gas-to-Power Facility</li> <li>• Pipeline from Mossel Bay to Coega to KZN</li> <li>• Project to Produce “Green Fuel”</li> <li>• International Shipping Services Hub</li> <li>• Marine Tilapia Incubator</li> <li>• Marine Tilapia Feedstock Production</li> <li>• Hamburg Oyster Farm</li> <li>• Hamburg Cob Farm</li> <li>• SEZ Based Agro-Processing Facilities</li> </ul>

DELIVERABLE	OUTCOMES
<b>PHASE 5: EXPAND</b>	
Catalytic Portfolio	Expand portfolio access to transformative, economic growth and employment programmes and projects.  Package and increase readiness of project portfolio.  Reduces the risk of not achieving targets.
Provincial Reporting	Ensures compliance with Provincial Reporting and Audit Requirements.
National Reporting	Ensures compliance with National Reporting and Audit Requirements.
Investor/Donor Reporting	Ensures compliance with investor or donor reporting and audit requirements.
Support the achievement of the 5-year GDP contribution	Ensures that the 5-year GDP target is achieved.
Support the achievement of the 5-year employment contribution	Ensures that the 5-year employment target is achieved.





**During the Expansion Phase, the following list<sup>7</sup> of projects will be packaged, and processes will be put in place to increase the maturity levels and investor attractiveness of these projects:**

**COASTAL AND MARINE TOURISM**

- Port St Johns Waterfront Development
- Beaches Upgrade and Hiking Trail
- Coffee Bay Beach Public Infrastructure Upgrade
- Indi Atlantic Route Implementation
- East London Beach Front Development
- Waterworld Upgrade and Expansion
- East London Aquarium Relocation
- Qatywa Holiday Resort
- Dwesa-Cwebe Nature Reserve
- Silaka Nautre
- Cape Morgan Nature Reserve

**AQUA-CULTURE**

- Mthatha Dam Hatchery
- Proposed Multi-Species Aqua-culture Hatchery
- Marine Aqua-culture - EL IDZ
- Aqua-culture Development Zone: Coega
- Aqua-culture Development Zone: Qolorha
- Aqua-culture Freshwater Incubator Program: Karoo Catch
- Hamburg Oyster Production

**MARINE MANUFACTURING**

- Port of EL Expansion
- Coega SEZ Boat Building
- Marine Manufacturing Localisation/Supplier Development Programme

**PORT OF EAST LONDON OPERATIONS**

- National Training College
- Refurbishment of Graving Dock: Jib Cranes
- Refurbishment of Graving Dock: Caisson Gate
- Refurbishment of Graving Dock: Main Cut off Valve
- Refurbishment of Graving Dock
- Replacement of Switch Gear
- Breakwater Crane Rails Rehabilitation

**SMALL HARBOURS DEVELOPMENT**

- Kouga Municipality (Jeffreys' Bay and St Francis harbours)
- Port St Johns Harbour
- Gonubie Small Craft Harbour Development

- Coffee Small Craft Harbour
- Port Grovenor Small Craft Harbour
- Mzamba Small Craft Harbour Development
- Port Alfred Small Craft Harbour Development

**SMALL FISHING STORAGE AND PROCESSING**

- Hamburg Aqua-culture
- Tenza Fish Farm
- Mdumbi Cray Fish Farm and Mthakatye Live Fish Tanks
- Mnyameni River Mouth: Development of an Aqua-culture Industry
- Coffee Bay Fishing Industry
- Port St Johns Aqua-culture Development
- Ndlambe Fishing, Storage and Processing Plant

**SMALL TOWN REVITALISATION**

- Coffee Bay New Town
- Mthatha Mouth Small New Town
- Port St Johns revitalisation
- Hamburg Small Town Revitalisation
- Kei Mouth Small Town Revitalisation
- Alexandria Revitalisation Programme

**TOURISM DEVELOPMENT**

- Mdumbi Green Destinations Tourism Facilities
- Visitor Information Office and Wild Coast Hiking Trail
- Tenza Qatywa Tourism Development
- Amadiba, Mtentu, Mzamba to Mtamvuna Tourism Development
- Mthatha River Mouth Boat Bay and Recreational Facilities
- Ntakázilali Waterworld and Recreational Facilities
- Mdumbi Green Destinations Tourism Facilities

**PROPERTY AND COMMERCIAL DEVELOPMENT**

- Latimer's Landing
- Gonubie: mini waterfront
- Port St Johns Waterfront
- Coffee Bay World Class properties
- Hamburg World Class Housing Development
- Mbizana Coastal Village
- Latimer's Landing

<sup>7</sup> Project list was compiled by the Operation Phakisa Secretariat of the Eastern Cape

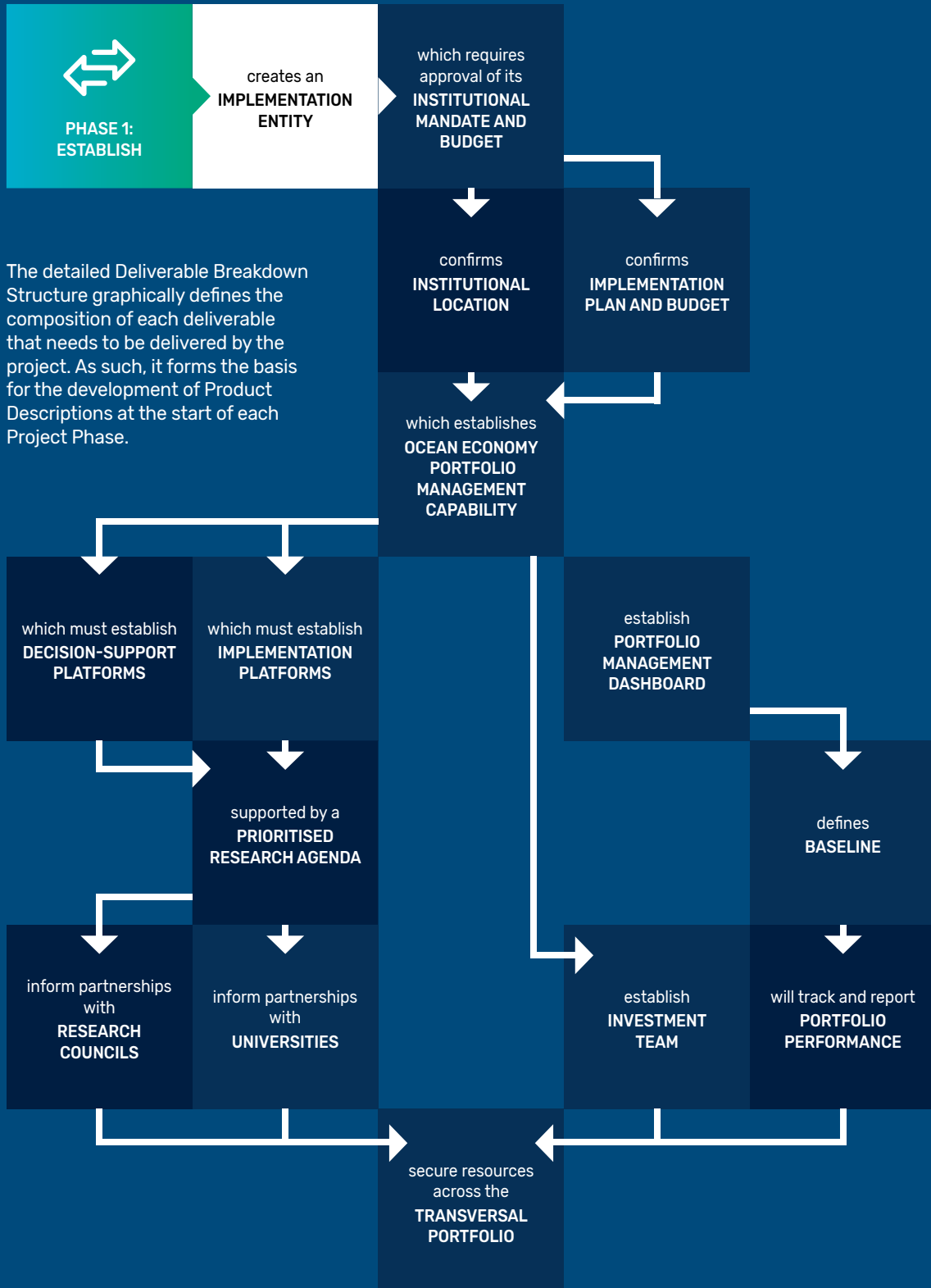


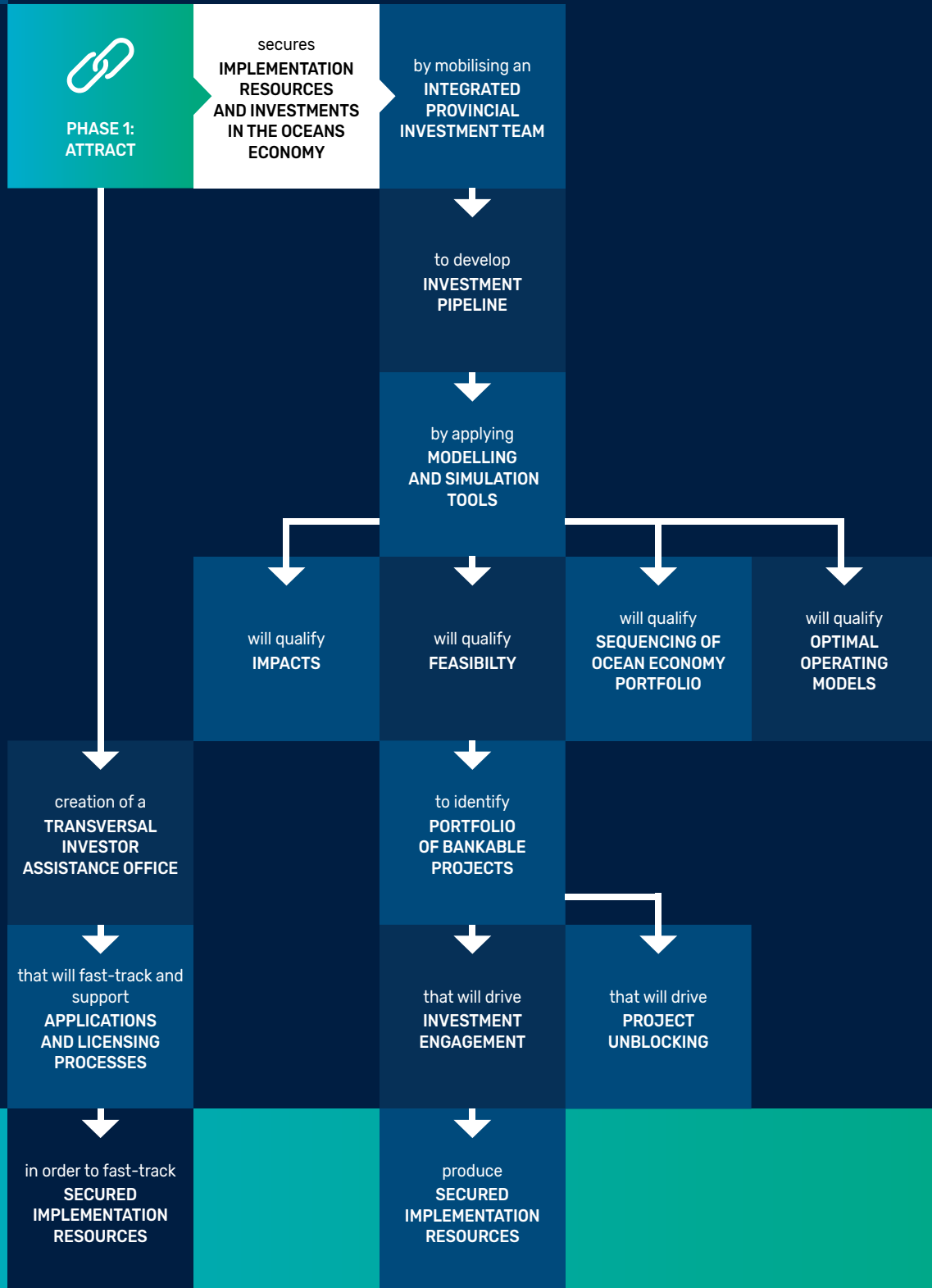
DELIVERABLE	OUTCOMES
<b>PHASE 6: RECALIBRATE</b>	
Portfolio Impact Assessment	Quantifies the impacts that was achieved through the implementation of the Oceans Economy Portfolio.
Portfolio Investment Review	Assesses and quantifies the effectiveness and efficiency of the interventions that aimed to secure investments.
Institutional Assessment	Quantifies the effectiveness and efficiency with which the Portfolio was implemented from an institutional perspective.
Research Agenda Assessment	Assesses the impact and contribution of research and innovation projects.
Implementation Assessment	Assesses the effectiveness and efficiency of implementation initiatives from a portfolio, programmatic and project perspective.
Strategic Road Map	Defines the strategic trajectory for the 7 <sup>th</sup> Administration.
Portfolio Implementation Plan for 7 <sup>th</sup> Administration	Defines the portfolio implementation plan for the 7 <sup>th</sup> Administration.

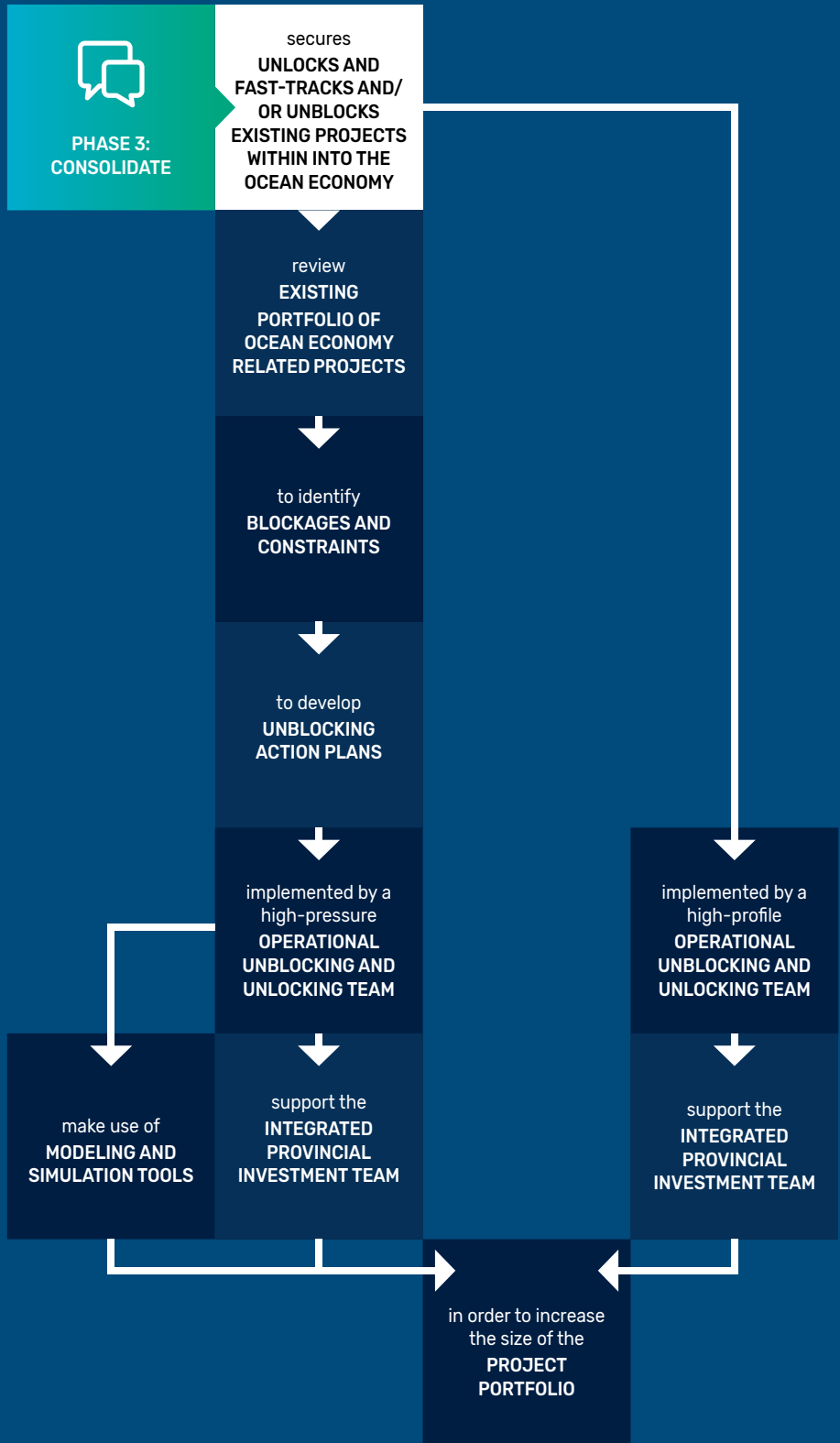
DELIVERABLE	OUTCOMES
<b>PHASE 7: RESEARCH, INNOVATION, CAPACITY BUILDING AND TRAINING</b>	
Economic Research and Innovation Portfolio	<ul style="list-style-type: none"> <li>• Eastern Cape Satellite Account;</li> <li>• Oceans Economy Value-chain Analysis; Provincial Clustering Model;</li> <li>• Small Harbour Feasibility Model;</li> <li>• Investment Decision Model and Modelling; and</li> <li>• Simulation Platforms for planning and policy development.</li> </ul>
Employment Research and innovation Portfolio	<ul style="list-style-type: none"> <li>• Interacting SMME Trading Platform;</li> <li>• Integrated Training Database;</li> <li>• Quantifying Infrastructure Backlogs in the Oceans Economy;</li> <li>• Investment Baseline Assessment; and</li> <li>• Audit of Project Success within the Oceans Economy Portfolio.</li> </ul>
Transformation Research and Innovation Portfolio	<ul style="list-style-type: none"> <li>• Mapping Socio-economic Beneficiation in the Oceans Economy;</li> <li>• Defining Barriers to Entry into the Oceans Economy;</li> <li>• Real-time monitoring of Ocean Conditions;</li> <li>• Development of Nano Satellite Capabilities;</li> <li>• Development Drone and Glider observation and tracking capabilities;</li> <li>• Baseline assessment of transformation within the Oceans Economy;</li> <li>• Framework to guide MPA resource access and use by communities;</li> <li>• Policy Measures to address transformation;</li> <li>• Climate Services to increase resilience of coastal communities; and</li> <li>• Status Report on the Health of the Eastern Cape Oceans Economy.</li> </ul>
Fisheries Law Enforcement Training;	Enhances Ocean’s Governance through the provision of specialised law enforcement training across the full spectrum of law enforcement dimensions.
Port Security Training;	Ensures that high levels of security are maintained in ports thus increasing the attractiveness of the ports for both vessels and investors.
Training of military veterans to provide coastal protection in remote and rural areas; and	Creates a community-based platform of accurate and real-time monitoring of remote coastal areas and resources.
Training of municipal law enforcement officials in maritime related law enforcement.	Increases the capacity of municipal law enforcement officers to ensure optimal Oceans Economy governance at local government level.

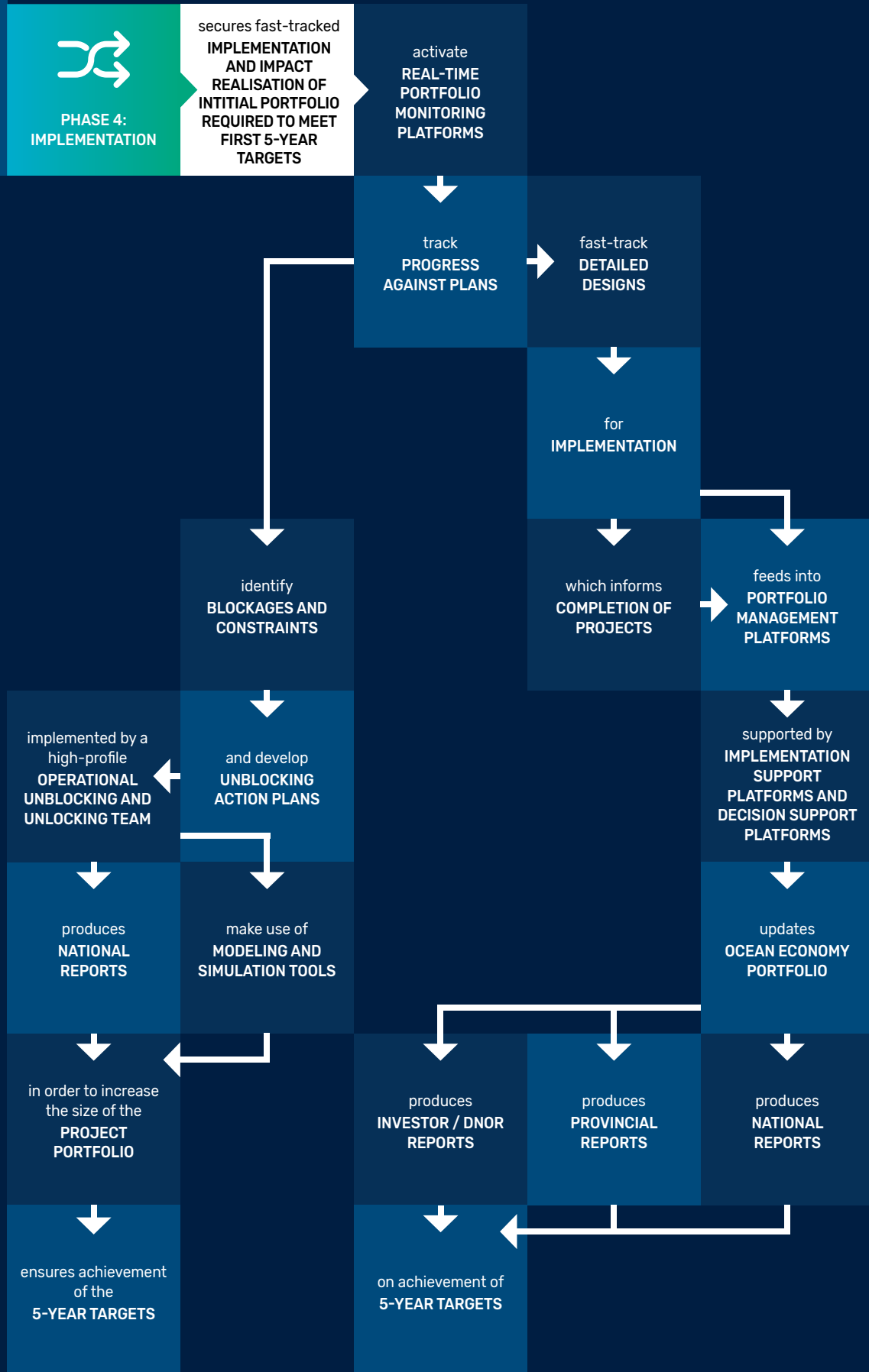
## DETAILED DELIVERABLE BREAKDOWN STRUCTURE

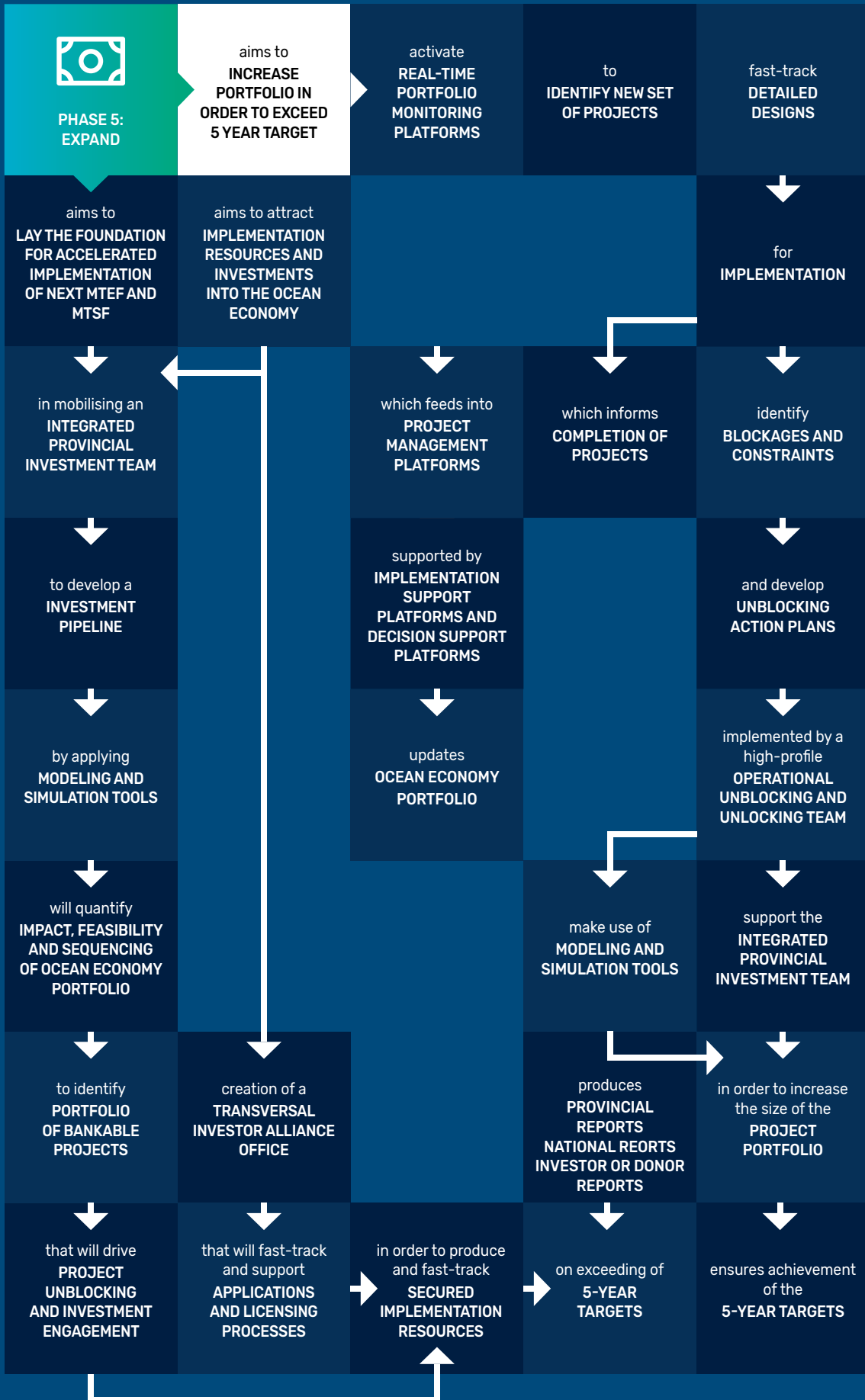
The Deliverable Breakdown structure per Phase is presented in the diagrams on pages 50 to 58. They illustrate a detailed graphic breakdown of the deliverables to be produced across the abovementioned seven (7) phases.



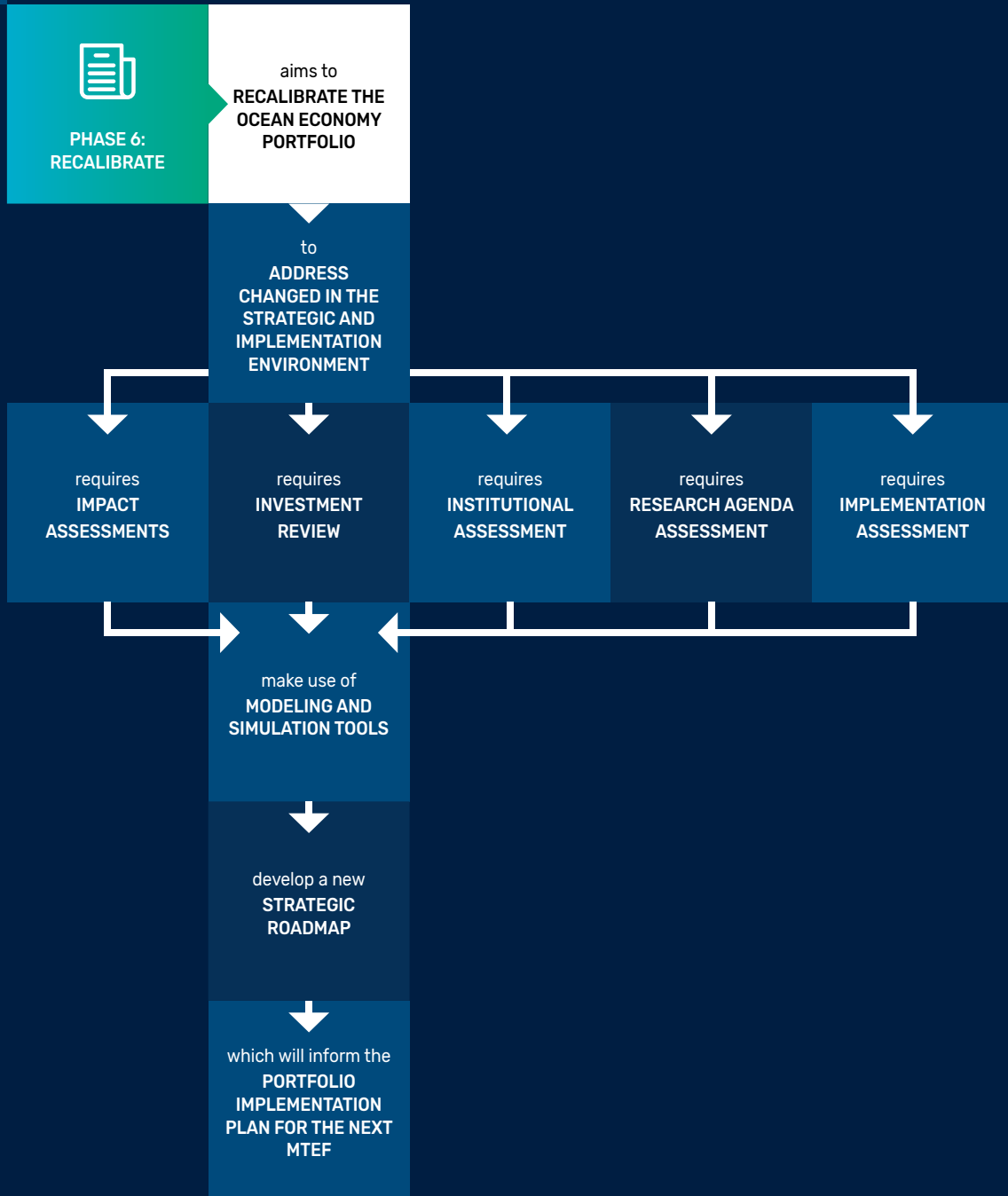


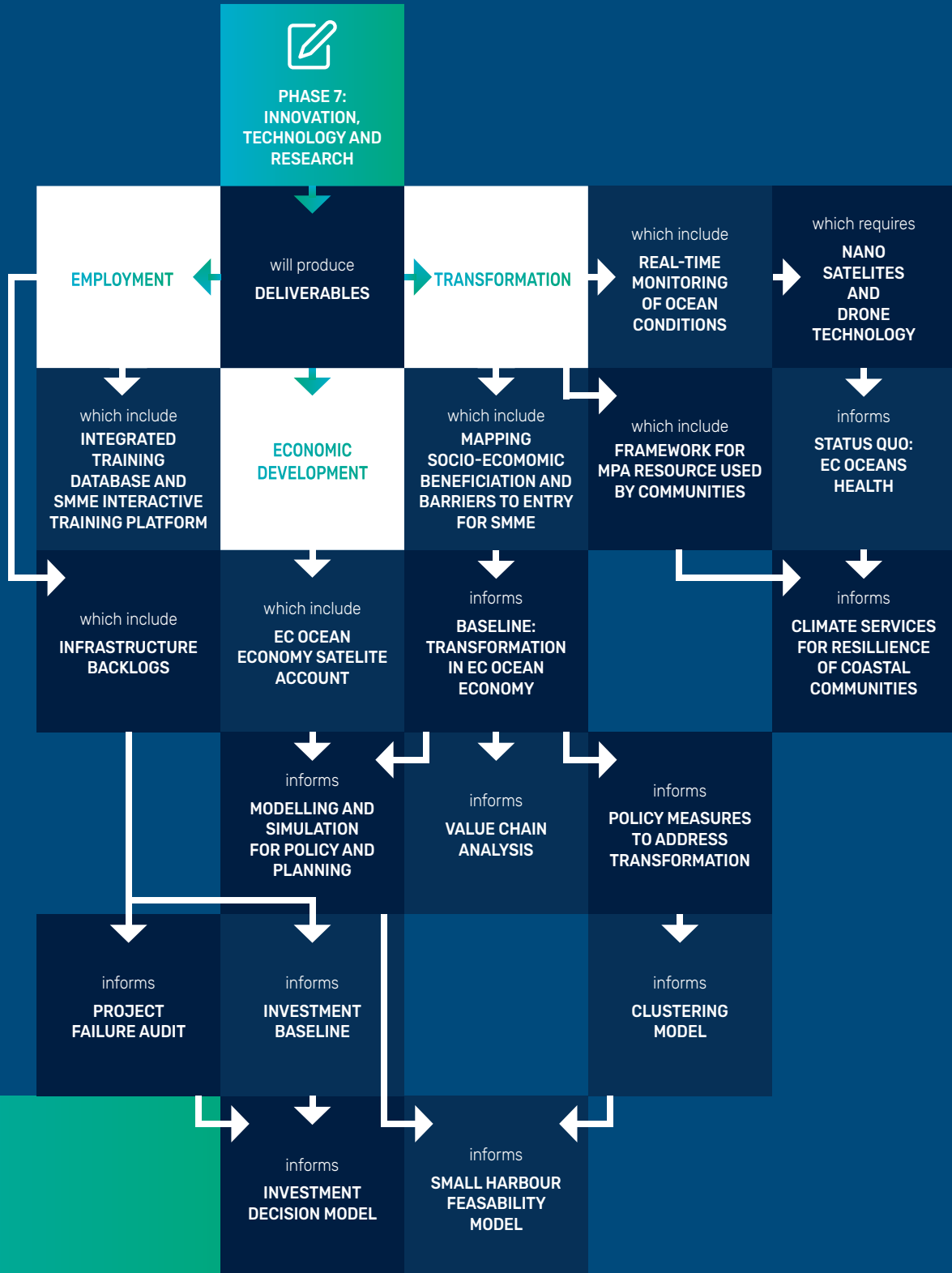
















## 04 EXCLUSIONS

Any deliverable not defined in the Deliverable Breakdown Structures are excluded from the scope of the portfolio.

## 05 CONSTRAINTS

There are several constraints which could impact on the execution of this portfolio, these include:

- The primary constraint is that all deliverables must be completed within 5-years from portfolio initiation. The implementation is constrained by the fact that not all five years of the MTSF is available, as implementation is scheduled to only start in year 2 of the current MTSF
- Reduced public sector budget availability could negatively impact the ability to secure required technical resources and thus negatively impact the achievement of objectives. Due to fiscal constraints the launch of the complete portfolio of catalytic projects could be negatively affected.
- The implementation of some key catalytic projects required national approval.
- Expanding the portfolio could be constrained by a lack of willingness by investors to invest in the Oceans Economy.
- Lack of coordinated transversal integration could constrain effective and efficient portfolio implementation.



## 06 INTERFACES

The following interfaces are required to ensure the successful implementation of the portfolio:

INTERFACE	IMPACT PRODUCED
National and Provincial Executive Management and Political Leadership	<ul style="list-style-type: none"> <li>• Technical, administrative and political support</li> <li>• Resource allocation to advance portfolio implementation</li> <li>• Investor attraction and support</li> <li>• Strategic Direction</li> </ul>
National Government Departments and National Public Entities and State-owned Companies	<ul style="list-style-type: none"> <li>• Resource mobilisation</li> <li>• Investor attraction and support</li> <li>• Approval required to implement catalytic interventions</li> <li>• Technical support</li> </ul>
Budget Planning and allocation processes	<ul style="list-style-type: none"> <li>• Ensures that the required financial resource levels are identified, secured and applied correctly.</li> </ul>
Local Universities	<ul style="list-style-type: none"> <li>• Ensures access to technical capacity, researchers, funding and innovations.</li> </ul>
National family of Science Councils	<ul style="list-style-type: none"> <li>• Ensures access to technical capacity, researchers, funding and innovations.</li> </ul>
International bi-lateral and multi-lateral partners	<ul style="list-style-type: none"> <li>• Ensures access to technical capacity, researchers, funding and innovations.</li> </ul>
Provincial Department’s Public Entities and State-owned companies	<ul style="list-style-type: none"> <li>• Institutional support</li> <li>• Technical support</li> <li>• Implementation and budgetary support</li> </ul>
Local Government and Traditional Leaders	<ul style="list-style-type: none"> <li>• Resource mobilisation</li> <li>• Investor attraction and support</li> <li>• Institutional support</li> <li>• Technical support</li> <li>• Implementation and budgetary support</li> <li>• Institutional support</li> <li>• Technical support</li> </ul>



INTERFACE	IMPACT PRODUCED
Supply Chain Functions	<ul style="list-style-type: none"> <li>• Ensure that all resources that are procured in a compliant manner.</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Define output requirements and needs</li> <li>• Improved socio-economic status</li> <li>• Reduced economic and spatial marginalisation</li> <li>• Increased levels of active participation and empowerment</li> <li>• Production of public goods</li> <li>• Legitimacy and support for interventions</li> </ul>

## 07 ASSUMPTIONS

The effective and efficient implementation of the Oceans’ Economy Strategic Portfolio is based on the following assumptions:

- Appropriate budget is available to fund the initial start-up of the portfolio within the prescribed implementation timeframes.
- Procurement of required goods and services takes place within the prescribed timeframes;
- Functional Portfolio Management capability is in place to ensure the effective and efficient implementation across the portfolio.
- Support services can perform services on time, in accordance with specification and quality criteria;
- Approval of the Eastern Cape Oceans Economy Strategic Roadmap and portfolio implementation plan is supported by an appropriate budget allocation.
- Where required, national support will be leveraged to ensure catalytic projects are implemented.



## 08 INTERNAL COMMUNICATION PLAN

The communication plan presented is restricted to internal portfolio communication and inputs required to produce the required deliverables.

RESPONSIBLE PARTY	REQUIREMENT	PROVIDER	FREQUENCY
Premier and Executive Council of the Eastern Cape Province	Portfolio Briefs	Portfolio Management Office	At project start-up and planning
	Portfolio Initiation Document	Portfolio Management Office	At conclusion of project initiation phase
	Annual and Stage Plans	Portfolio Management Office	At conclusion of project initiation phase
	Budget	Portfolio Management Office	Quarterly and annually
	Lessons learned reports	Portfolio Management Office	Conclusion of each phase and upon programme or project closure
	Progress and Milestone reports	Portfolio Management Office	As determined by the Executive, and when milestones are achieved or missed
	Exception Reports	Portfolio Management Office	When issues arise or as they are identified
	Progress reports	Portfolio Management Office	Monthly

RESPONSIBLE PARTY	REQUIREMENT	PROVIDER	FREQUENCY
Portfolio Management Office	Project Mandate	Premier and Executive Council	At the start of project
	Project Authorisation	Premier and Executive Council	At the start of project
	Completed work packages	Provincial Departments	Conclusion of work plan
	Impact assessment	Independent assessors	Conclusion of work plan
	Exception Report	Provincial Departments	When issues arise or are identified
	Acceptance of deliverables	Premier and Executive Council	Upon completion of quality reviews
	Project Closure notification	Premier and Executive Council	Upon completion of programmes or projects
Provincial Departments	Terms of Reference	Portfolio Management Office	At start of procurement process
	Appointment letter	Portfolio Management Office	After adjudication
	Exception Reports	Departmental Programme and Project Managers	When issues arise or are identified
	Acceptance of deliverables	Departmental Programme and Project Managers	Upon completion of quality reviews
	Project Closure notification	Departmental Programme and Project Managers	Upon completion of programmes or projects





## 09 QUALITY PLAN

The quality expectations of deliverables will be contained in the approved Product Descriptions, which are to be developed during the “Start-up” component of implementation.

Portfolio management performance will be reviewed on a monthly basis by portfolio management office to ensure that the portfolio management standards are consistently complied with.

Quality reviews will also be detailed in the Product Checklist before submission for final approval.

Furthermore, post-programme and project review plans will be developed in terms of which project reviews will be conducted, which, in turn, will be followed-up by the development and implementation of “Follow-on Action Plans”, which will ensure that all best-practices and lessons learned are captured and implemented in subsequent implementations.

## 10 PORTFOLIO CONTROLS

**The portfolio controls will be guided by the following tolerance levels:**

- Performance variance of 0% will be allowed on each deliverable;
- Budget: 15% variance will be budgeted for in order to remain within the parameters stated in the Public Finance Management Act and the relevant regulations; and
- Time: A tolerance of no more than five-weeks per deliverable will be allowed.

**The portfolio reporting and monitoring mechanisms that will support the tolerance levels include:**

CONTROLS MANAGED BY PREMIER AND PROVINCIAL EXECUTIVE COUNCIL	CONTROLS MANAGED BY THE PORTFOLIO MANAGEMENT OFFICE
Portfolio Initiation Document	Work Packages
End of Phases Reports	Check Point Reports
Quarterly Progress Reports	Quality Log
Exception Reports	Issues Log
Exception Assessments	Risk Log
Portfolio Closure Reports	Programme Closure Reports



## 11 PERFORMANCE PLAN

See Annexure A for a detailed breakdown of the Portfolio Performance Plan.

## 12 IMPLEMENTATION PLAN AND TIMEFRAMES

The following table contains the high-level implementation plan and schedule.

PHASES	2019/20	2020/21	2021/22	2022/23	2023/24
Phase 1: Establishment	█				
Phase 2: Attract	█	█	█	█	█
Phase 3: Consolidate	█	█			█
Phase 4: Implement		█	█	█	█
Phase 5: Expand			█	█	█
Phase 6: Recalibrate					█
Phase 7: Research, Innovation, Training and Capacity Building		█	█	█	█

## 13 RISK LOG

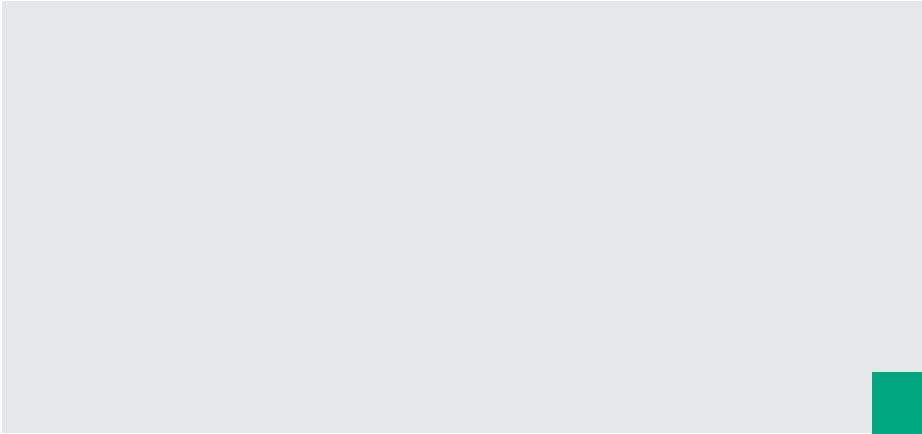
NO	DESCRIPTION	IMPACT
1	Institutional mandate cannot be obtained.	Low
2	Limited public sector budget is secured to drive establishment and initiation.	High
3	Inability to secure budget before implementation start date	High
4	Strategic Oceans Economy Roadmap is scheduled to start in year-2 of the 5-year MTSF, thus reduces the available time to achieve MTSF targets.	Very High
5	Inability to secure adequate investment.	Very High
6	Portfolio of catalytic offshore gas projects do not secure national approval.	Very High
7	Limited portfolio management capability to implement a large transversal portfolio.	Very High
8	Support services cannot produce outputs in accordance with required timeframes.	High
9	Provincial Departments, Public Entities and State-owned Companies fail to produce strategic portfolio outputs.	High
10	Inability to establish and effective and efficient transversal portfolio management entity.	High
11	An inability to ensuring consistent quality and standardisation of programme and project management practice across the complete portfolio could constrain implementation.	High



## ANNEXURE A **PORTFOLIO PERFORMANCE PLAN**

The Portfolio Performance Plan below provides a guideline for the development of a detailed Performance Plan that should be developed during the Establishment Phase of the project.

SPECIFIC OBJECTIVE	2019/20	2020/21	2021/22
Establish a transversal provincial implementation capacity	Functional Implementing Entity	Functional Implementing Entity	Functional Implementing Entity
Establish a catalytic Oceans Economy Eco-System	R 9 846 contribution to GDP	R 9 993 contribution to GDP	R 10 143 contribution to GDP
	654 permanent jobs created	1 945 permanent jobs created	3 086 permanent jobs created
Increase the competitive and Comparative advantage of the Eastern Cape Oceans Economy	100% of approved Research and Innovation Projects completed	100% of approved Research and Innovation Projects completed	100% of approved Research and Innovation Projects completed
	100% of approved Training and capacity building initiatives completed	100% of approved Training and capacity building initiatives completed	100% of approved Training and capacity building initiatives completed



2022/23	2023/24	PORTFOLIO OF EVIDENCE
Functional Implementing Entity	Functional Implementing Entity	<ul style="list-style-type: none"> <li>• Cabinet approved Annual Report</li> <li>• Cabinet Resolution and budget allocation confirmation from Provincial Treasury</li> <li>• Consolidated collection of Monthly Management Dashboard Reports</li> </ul>
Achieve 5-year target of R 10 295 contribution to GDP	R 10 488 contribution to GDP	<ul style="list-style-type: none"> <li>• Cabinet approved GDP Impact Reports</li> </ul>
Achieve 5-year target of 10 870 permanent jobs created	33 785 permanent jobs created	<ul style="list-style-type: none"> <li>• Cabinet approved Employment Creation Reports</li> </ul>
100% of approved Research and Innovation Projects completed	100% of approved Research and Innovation Projects completed	<ul style="list-style-type: none"> <li>• Cabinet approved Annual Oceans Economy Research and Innovation Reports</li> </ul>
100% of approved Training and capacity building initiatives completed	100% of approved Training and capacity building initiatives completed	<ul style="list-style-type: none"> <li>• Cabinet approved Annual Training and Capacity Building Reports</li> </ul>





The Eastern Cape

# OCEANS ECONOMY

STRATEGIC ROADMAP



Province of the  
**EASTERN CAPE**  
OFFICE OF THE PREMIER



**environmental affairs**  
Department:  
Environmental Affairs  
REPUBLIC OF SOUTH AFRICA



Province of the  
**EASTERN CAPE**  
ECONOMIC DEVELOPMENT,  
ENVIRONMENTAL AFFAIRS & TOURISM



**ecsecc**  
eastern cape socio economic  
consultative council

**NELSON MANDELA**  
UNIVERSITY