

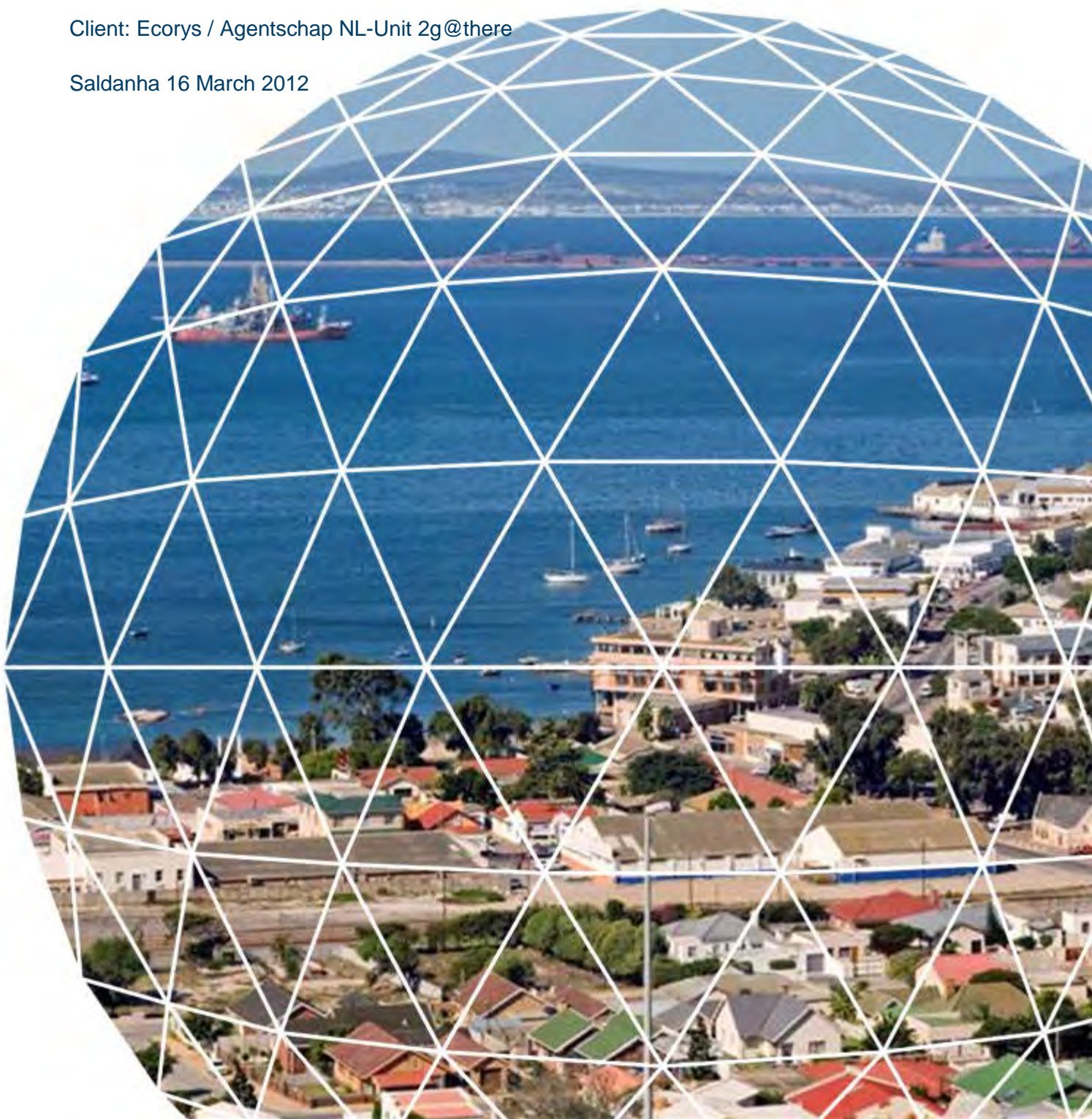
Industrial Development in SBM

A Model for Sustainable Industrial Development in the Saldanha Bay Area

Prepared by: Ecorys and EyeOn Business Development

Client: Ecorys / Agentschap NL-Unit 2g@there

Saldanha 16 March 2012



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2g@there Summary (in Dutch)

Ten behoeve van de rapportage richting Agentschap NL zijn de uitgevoerde activiteiten en resultaten van de studie in onderstaande tabel samengevat. Voor het studierapport verwijzen wij naar de hoofdstukken 1-4 van dit rapport.

Studie	A1.2 IDZ feasibility study advice
Doelstelling studie in oorspronkelijk jaarplan:	Komen tot een onafhankelijk advies aan Wesgro over de haalbaarheid van een Industrial Development Zone (IDZ) in Saldanha in lijn met internationaal succesvolle modellen.
Ondernomen activiteiten:	<ul style="list-style-type: none"> • Nauw contact met Gemeente Saldanha, Provinciale overheid, DTI en andere leden van de Operations Committee, verantwoordelijk voor toezicht op voortgang in de haalbaarheidsstudie voor de IDZ. Hierdoor werd globaal inzicht verkregen in de aanpak en voorlopige resultaten van de studie. Hieruit bleek ook dat DTI interesse had voor een meer geïntegreerde aanpak van de studie en het belang van integratie met de haven sterker naar voren wilde laten komen; • Gesprekken met Transnet. Hieruit bleek dat de studie geen aandacht had voor de relatie met de haven in planning en ontwikkeling; • Gesprek met Wesgro, waarin men duidelijk aangaf pas commentaar en suggesties op prijs te stellen na oplevering van de conceptrapportage; • Regelmatig contact met bestaande bedrijven en investeerders in Saldanha met interesse in de IDZ. Hieruit bleek snel dat de private sector niet bij de studie betrokken werd; • Organisatie van een aantal vergaderingen met de nationale overheid, bedrijven en landeigenaren waarin laatstgenoemden hun frustratie uitten over het gebrek aan voortgang en betrokkenheid bij de ontwikkeling en realisatie van beleid ten aanzien van de industriële ontwikkeling van de omgeving; • 'Case study' van Saldanha Steel om de negatieve associaties in de regio ten aanzien van industriële ontwikkeling te doorgronden; • Verwerking van deze gesprekken en inzichten tot een alomvattend plan voor de oprichting van een Non Profit Company ter versnelling van industriële ontwikkeling van de regio. Kernpunten van dit plan zijn de integrale ontwikkeling met de haven, de samenwerking met de private sector, de professionele marketing en promotie van de regio internationaal, het belang van onderwijs en training, ondernemerschapontwikkeling, milieu en het voorkomen van migratie vanuit rurale gebieden; • Bespreken van dit plan met beslissingsbevoegden in private en publieke sector; • Planning, agendering en later uitstel van oprichtingsvergadering; • Bijwonen presentatie IDZ feasibility study eind oktober in Saldanha.
Behaalde resultaten:	<ul style="list-style-type: none"> • Positionering van Ecorys en Nederland in het algemeen als kennispartner in regionale ontwikkeling, master planning, bedrijventerreinontwikkeling en -management, PPPs en havens; • Sterk netwerk van private en publieke partners en potentiële klanten; • Positionering Nederland als kennispartner. De activiteiten hebben interesse gewekt in bestaande modellen van integrale haven- en achterlandontwikkeling in Nederland en daarbuiten. Dit resulteerde in werkbezoeken van een delegatie aan Oman en

	<p>Nederland, met deelname Transnet en de drie overheidslagen. Deze samenstelling is uniek in de Zuid Afrikaanse kontekst en de werkbezoeken hebben Nederland goed gepositioneerd;</p> <ul style="list-style-type: none"> • Zodra de Non Profit Company in welke vorm dan ook wordt opgericht worden de voorstellen en activiteiten van Ecorys t.a.v. skills, Rebel Group en Intent t.a.v. ondernemerschap en DCMR t.a.v. het milieu zeer waarschijnlijk in dit kader ondergebracht.
Input in dagen en kosten:	<p>Werkdagen (subsidiabel): Ecorys 32 dagen</p> <p>Overige kosten (niet subsidiabel): reis en verblijf buiten Saldanha</p>
Heeft u uw activiteiten moeten aanpassen door ontwikkelingen op de lokale markt?	<p>Wesgro bleek uiteindelijk niet open te staan voor advies tijdens het proces. Daarentegen waren DTI en bestaande bedrijven en investeerders zeer geïnteresseerd. De wijziging in aanpak heeft er toe geleid dat STC, RSM en PORint geen rol hebben gespeeld in deze studie. Dit had ook te maken met het feit dat Transnet niet betrokken is geweest bij de IDZ studie.</p>
Zijn de behaalde resultaten in lijn met uw oorspronkelijke verwachtingen?	<p>Boven verwachting. De markt voor kennis en advies in deze onderwerpen is groter dan wij vooraf aannamen. DTI legt jaarlijks EUR 150 miljoen toe op de niet functionerende IDZs in Richards Bay, East London en Coega. Men staat onder druk om banen te creëren en de IDZs en toekomstige SEZs moeten hierbij worden ontwikkeld als belangrijke instrumenten om dit te realiseren. De activiteiten die wij in Saldanha hebben ontplooid kunnen ook toegepast worden op andere locaties en dit schept mogelijkheden voor Ecorys, andere clusterleden en Nederland in het algemeen.</p>

1 Introduction and Rationale

Saldanha Bay is the largest natural deep water port in the Southern Hemisphere. The availability of vast empty land, the 860 km heavy haul rail link to the Sishen mines, the short distance to Cape Town and the expected establishment of an Industrial Development Zone make it an attractive place for companies to operate from.

The local, provincial, and national authorities intend to give a major boost to economic development in the Saldanha Bay region. The Saldanha Bay Municipality (SBM) established the “Advisory Board Saldanha Economic Development” in 2009, consisting of key public and private stakeholders. In addition, Wesgro has been commissioning a range of studies from September 2010 till August 2011 that should be instrumental in applying for an IDZ license with the national Department of Trade & Industry (DTI). These tenders were worth a total of ZAR 10 million and were contracted to various service providers and consultants. The final report on the IDZ feasibility study was prepared on the basis of the outcomes of these independent studies.

The fragmented nature of this process bears in it a considerable risk as to the quality of the final feasibility study, and thus the chances for obtaining the IDZ license. DTI has indicated earlier that the development and management model for the Saldanha IDZ should be different from the models applied in the four IDZs that currently exist in South Africa. When preparing the proposal for the 2g@there programme, our cluster intended to provide advice to Wesgro on the integrated approach of both IDZ and port development, more specifically on land use strategies, IDZ and port spatial planning, environmental framework analysis, investment phasing, and IDZ development and management options. This advice was planned to be delivered in the form of a comprehensive feasibility study, building on the international experience of cluster members such as STC, Ecorys, Port of Rotterdam and DHV.

In April 2011 Wesgro indicated it was not interested in such independent second opinion advice whilst the IDZ feasibility study was still in progress. At the same time the developments in the relation between TNPA and Port of Rotterdam did not encourage PORint to undertake activities in this direction.

From our regular contact with immediate stakeholders such as DTI, Provincial Government of the Western Cape (PGWC), the Saldanha Bay Municipality, and existing and incoming industries in the Saldanha Bay area we concluded, however, that the feasibility study was not addressing all success factors considered to be critical for a successful Industrial Development Zone. Members of the Operations Committee that governed the development of the study, including DTI, the lead consultant and the Manager Industrial Strategy of the Saldanha Bay Municipality, indicated that the following factors were not taken into account:

- The importance of a strong relation with the Port of Saldanha and Transnet in general;
- The need to get a proper marketing and business plan in line with international best practices, including a clear view from existing and incoming industries on the potential of the IDZ to determine short-term and future demand for land and infrastructure;
- The need to coordinate the impact on regional planning and infrastructure endowments of investment projects of incoming industries, possibly materialising prior to IDZ realisation;
- The need to fully address the social impact of a possible IDZ, including the need for skills, development of a service industry, and prevention of unemployed migration from rural areas.

Parallel to this, the “Advisory Board Saldanha Economic Development”, established by SBM in 2009 and consisting of key public and private stakeholders advised the municipality that a Non Profit Company shall be established to take a leading role in addressing the many industrial -and social- challenges in Saldanha Bay. Ecorys attended this meeting as project manager of the 2g@there programme, as representative of a cluster of companies with interest to invest in the region.

On behalf of the 2g@there programme Ecorys presented the intentions of the cluster and depicted a vision for Saldanha, based on the municipality’s “Saldanha Clean Tech Bay” vision:

- an interconnected world-class port and industrial area ;
- a great place to live, work, leisure and retire in;
- an international example of sustainable port development, protecting the pristine environment surrounding the bay; and
- a worldwide renowned knowledge centre for applying clean technologies in industrial development.

This vision received very positive feedback from the meeting, including from the Chairman of the Saldanha Bay Tourism Organisation, ArcelorMittal, and from some representatives of incoming industries. Based on the outcome of this meeting Ecorys decided to reorganise this current study and work with EyeOn Business Development to analyse the required ingredients to come to an overarching model for industrial development in Saldanha. In addition we organised a series of meetings with the public sector and with C level representatives of existing and incoming industries to understand the conditions under which stakeholders would cooperate in accelerating industrial development of the area.

Early August Ecorys and EyeOn organised a meeting hosted by the Department of Trade & Industry in Pretoria and attended by representatives of important corporate organisations and the two most important land owners in the Saldanha Bay area. We preliminary presented some elements of this overarching model and announced to further detail this model in the form of a business plan for a possible Non Profit company. This company was intended to become a platform where incoming and existing industries and the three tiers of government could exchange views, lobby, and agree to jointly develop projects in master planning of industrial and port development, energy, water, education, enterprise development, etc.

An important spin-off of this meeting was the successful demonstration of our knowledge, both of Ecorys and EyeOn, as well the 2g@there cluster and the Netherlands in general. If the model would be implemented it could institutionalise at once all 2g@there efforts in the fields of master planning (PORint, DHV, Ecorys), skills development (Ecorys, STC-SA), enterprise development (Rebel, Intent), securing power supply (Aeolus), stakeholder communication (BKB) and environmental protection. The radical changes in the cluster since November 2011 have obviously put these efforts in a different perspective.

What follows is a summary of this overarching model.

2 Model for Sustainable Industrial Development Saldanha Bay Municipality

2.1 Introduction

What follows is a presentation of the overarching model for sustainable industrial development in Saldanha, as developed by Ecorys and EyeOn over the course of this study. This model is based on active engagement between the three tiers of government and the private sectors, and rolling out strategies for regional master planning and community upliftment.

2.2 Vision and mission

Vision:

By 2040 Saldanha Bay area will be:

- an interconnected world-class port and industrial area;
- a great place to live, work, leisure and retire in;
- an international example of sustainable port development, protecting the pristine environment surrounding the bay;
- a worldwide renowned knowledge centre for applying clean technologies in industrial development.

Mission:

The mission and overall objective is to accelerate sustainable industrial development of the Saldanha Bay region to achieve the overall vision.

'Sustainable' should be more than a fashionable concept. The public and private partners working together should agree on a Saldanha Bay definition of sustainable industrial development that will at least comprise:

- maximising the employability of the local labour force through a regional skills development programme;
- investing in the development of a local services industry;
- investing in the start-up and growth of local Small and Medium Enterprises through training, support to tap into the supply chains of large industries, and equity financing;
- ensuring environmental management, protection, and compliance, using Best Available Techniques;
- community-based communication; and
- working towards a 'Saldanha Clean Tech Bay': driving development through clean technologies, i.e. technologies and industrial solutions that optimise the use of natural resources while minimising the environmental impact.

When companies and public organisations meet in complicated economic development plans such as in Saldanha good intentions to cooperate are often frustrated by differences in pace, bureaucracy, decisiveness, and difficulty to align short term political gains with longer term planning arrangements. A proven way to overcome these differences is to set up an organisation with its sole purpose to achieve the commonly agreed short term objectives and focus on a clear set of deliverables. In the Saldanha Bay context establishing a Non Profit Company could thus accelerate the sustainable industrial development of the region.

2.3 Short term objectives

International and local companies that currently intend to invest in the Saldanha Bay area can together go a long way in transforming the regional economy, creating jobs, and uplifting the local communities. Each company has its specific business case with specific requirements, risk factors, timelines, capital expenditures, and possible impact on the economy and the environment. The common factors between each of these companies however are their objective in maximising the economic impact and attractiveness of the location factors. Based on our analysis of these common factors, we suggest the short term objectives of the Non Profit Company to be:

1. To legally and operationally establish the Non Profit Company;
2. To recommend a framework for IDZ and port development and help develop a full business plan, feasibility study, and *integrated* master-plan for the industrial development in the *port and back-of-port* area, building on the results of the IDZ feasibility study;
 - a. engage with Wesgro, the Provincial Department of Economic Development and Tourism (DEDT), and Saldanha Bay Municipality on the IDZ feasibility study process;
 - b. agree on the roles of and interaction between public stakeholders, industry, and possibly international knowledge partners;
 - c. establish corporates' interest in a framework of investment incentives to operate in Saldanha Bay, such as an IDZ;
 - d. negotiate with DTI the framework for investment incentives available to industry.
3. To ensure affordable supply of energy and bulk water matching industrial demand;
 - a. secure a Power Purchase Agreement for an initial 50 MW base load power installed by 2013, to grow to 350 MW by 2015;
 - b. secure a Power Purchase Agreement for an initial 2 ML per day bulk water installed by 2013, to grow to 5 ML per day by 2015;
 - c. secure a long term solution for bulk water.
4. To establish a Skills Development and Human Resource Centre and ensure employability of the local labour force through training and skills development of current and future labour force in line with international standards;
5. To create jobs by supporting small- and medium enterprises and developing a local services industry:
 - a. develop the West Coast Business Development Centre as lead enterprise development agency;
 - b. provide a business support programme through this Centre;
 - c. develop an SME Equity Fund for expanding SMMEs;
6. To establish the Saldanha Bay Environmental Management and Protection Agency as a solution for sustainable environmental management practices; and
7. To fully engage stakeholders and communities in the development process: implement an announcements and PR/marketing campaign and create a business platform.

In principle these short-term objectives could all be achieved within one year of establishing the Non Profit Company. Additional deliverables could be added to the list upon request of prospective Member companies.

2.4 Governance of the Non Profit Company

In line with the recently adopted Companies Act, the Non Profit Company should be governed by a Board of Directors (BOD). Based on our knowledge of existing governance models and after analysing the current relations between stakeholders we suggest the following composition:

- Four representatives of industry addressing the sectors Mineral beneficiation, Energy and Renewable Energy, the Oil and Gas sector and Transnet/Port of Saldanha;
- Three representatives of DTI, Provincial Government of the Western Cape (PGWC), and SBM;
- One independent international knowledge provider/port company with experience in integrated port- and back-of-port-development, and port management, maritime trade flows, Foreign Direct Investments, and industrial park development; and
- One representative of trade unions.

The BOD should subsequently elect a chairperson, appoint a spokesperson, and establish a financial audit committee. We envisage each Board Member to 'adopt' a specific deliverable.

A BOD with this composition would typically convene at least on a quarterly basis and monitor progress in achieving the annual objectives and approve the annual business plan.

The agenda of deliverables to be achieved by the Non Profit Company is to be discussed by the BOD.

3 Components of the Model

3.1 Introduction

In this Chapter we specify the components of the overarching model and activities to be carried out to achieve the short-term objectives. Each Section follows the same structure: i) short description of the component (s), ii) activities to achieve intended result, and iii) timeframe.

3.2 Components, activities and timing

3.2.1 To legally and operationally establish the Non Profit Company

The standard Memorandum of Incorporation should be tailored to the objectives of the company and the tasks of the Board of Directors. Legal advice should be obtained with regard to non-disclosure agreements, codes of conduct, and intellectual property rights of the information shared and results of the studies undertaken by the Non Profit Company.

<i>Component</i>	<i>Indicative timeframe</i>
1. Non Profit Company established to achieve member objectives	2 months
<i>Activities</i>	
1.1. Decide on composition of board of directors, 1:1 meetings	
1.2. Engage with Saldanha Bay Municipality and Provincial Government and agree on BOD representation	
1.3. Nominate chairperson, spokesperson, and other Board Members	
1.4. Agree on roles and responsibilities of Board Members, meeting schedule, decision powers	
1.5. Tailor Memorandum of Incorporation, Non-Disclosure Agreements, treatment of intellectual property	
1.6. Regular meetings, monitor progress, representing corporates interests, financial management, record of decisions	

3.2.2 To recommend a framework for sustainable industrial development

It is in the interest of the member companies that an Industrial Development Zone (IDZ) will be established in Saldanha. A full feasibility study is one of the documents required to apply for an IDZ license with DTI. The feasibility study to establish an IDZ in Saldanha is currently being carried out under the management of the Western Cape Investment and Trade Promotion Agency (Wesgro). It is expected that the Wesgro, the Department of Economic Development and Tourism (DEDT) of the Provincial Government Western Cape (PGWC), and the Saldanha Bay Municipality (SBM) will set up a License Company to apply for the IDZ license in 2012. DTI will finally decide on the IDZ management model.

Representing the interest of a number of existing and incoming industries that want to operate in the IDZ, the Non Profit Company will be in a position to recommend the preferred management model to DTI and the license company.

Development and management of the IDZ

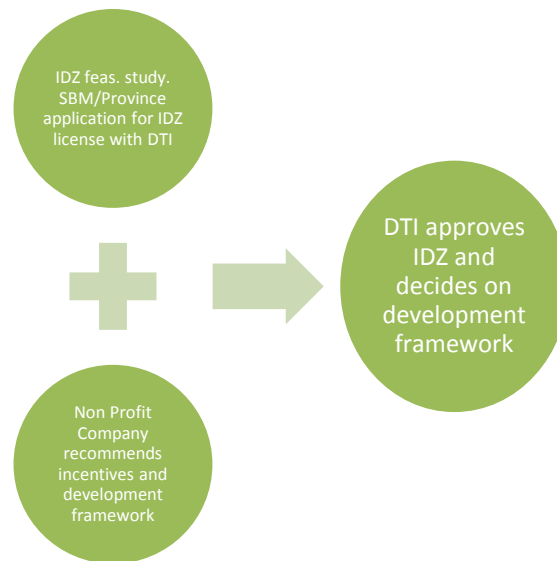
The development of the IDZ will take place in an international context with countless locations competing for foreign direct investments (FDI). In this competitive environment it is crucial to understand location decisions taken by investors and what location factors they consider to be of prime importance (e.g. skills availability, infrastructure, land, etc.). This requires a development model that first and foremost focuses on the (international) investor's perspective, based on a full

location audit. In developing a proposal for a follow-up study it is important to assess the extent to which all critical factors for a successful establishment of the IDZ are sufficiently addressed in the IDZ feasibility. The draft final feasibility study of the IDZ was presented to the public on 24 October 2011. Based on our analysis of this study we suggest the Non Profit Company will complement this study with:

1. A benchmarking analysis: Benchmark Saldanha against the other IDZs and 5-10 international competing locations specialised in oil and gas services, incl. rig and ship maintenance and repair, steel and mineral beneficiation, and development of renewable energy solutions;
2. An analysis of existing Institutional and Management Frameworks globally;
3. A series of training workshops on Public Private Partnerships in industrial development;
4. A set of Institutional and Organisational Model options for Saldanha IDZ;
5. An inventory of the need for incentives among the Board Members;
6. A desktop study on available incentives in the other IDZs in South Africa, Free Economic Zones, and Export Processing Zones; and
7. To develop an incentives framework for negotiations with DTI.

The analysis of existing institutional and management frameworks can be done in conjunction with the study on available incentives frameworks in competing locations.

Figure 2 Relation between on-going study and activities proposed for Non Profit Company



Integrated port and back-of-port development

The Department of Trade & Industry has expressed its keen interest to develop the port and the back-of-port area in conjunction. As it will be up to Transnet to decide on this, the possible integrated development of the port and back-of-port development is as of yet not part of the local agenda. In case Transnet decides to cooperate with an international port developer the Non Profit Company could be in a position to approach Transnet to decide together on the development model for the port and back-of-port areas.

From a financial and development point of view it is recommendable to look at an integrated model of port and industrial development. If this model is politically feasible the study approach will be adapted.

<i>Component</i>	<i>Indicative timeframe</i>
2. Framework for sustainable industrial and port development recommended	6-8 months
Activities	
2.1. Assess IDZ feasibility study results and propose follow-up approach	
2.2. Benchmark Saldanha against national and international competing locations	
2.3. Analysis of existing Institutional and Management Frameworks globally	
2.4. Training workshops DTI, Treasury, Transnet, Public Enterprise, PGWC and SBM	
2.5. Training workshops for members on Public Private Partnerships in industrial development	
2.6. Develop Institutional and Organisational Model options for Saldanha IDZ and recommend to DTI	

3.2.3 To ensure affordable supply of base load energy and bulk water

The affordable supply of base load energy and bulk water will be a decisive factor for the development of an industrial area. Prefeasibility studies undertaken by incoming industries show that sustainable energy can be obtained for 0.65 Rand per kWh, based on coal gasification. In addition, prefeasibility studies with respect to recycling grey and black water show that potable drink water can be obtained for 5.5 – 6.5 Rand per kilolitre. Plans are under development for seawater desalination.

<i>Component</i>	<i>Indicative timeframe</i>
3 PPA secured for initial 50MW by 2013, expanding to 350 MW in 2015 at R 0.65-0.70/kWh	6 months
Activities	
3.1. Bankable feasibility study 50 MW coal gasification in Gauteng	
3.2. Wheeling agreement Eskom	
3.3. Off-take agreement Saldanha Bay IDZ industries	

4. PFSB for 2-5 Ml/day drinking water at R 5.50/kiloliter	4 months
Activities	
4.1 Bankable feasibility study 2 to 5 Ml/day drinking water at R 5.50/kilolitre	

5. Long-term bulk water solution secured	7 months
Activities	
5.1 Situation Assessment	
- Information gathering part 1: assembling completed, studies and assessments, meet authorities, departments and specialists	
- Information gathering part 2: site meetings, industrial demand and involvement, terrain assessment	
- Scoping Report and Situation Assessment Report	
5.2 Water Demand and Water Supply Strategy and Planning	
- Water demand in various industrial scenarios	
- Infrastructural development needs vs. various scenarios	
- Budgetary requirements for various scenarios	
- Supply strategies, including PPP model	
5.3 Waste Water Management and Treatment Strategy	
- Waste water treatment, re-usage, industrial, domestic	
- Infrastructural requirements, various scenarios	
- Budgetary requirements various scenarios	
- Waste water treatment strategies, including PPP model	
- Waste2Energy Strategy	
5.4 Final report + focus study meetings	

3.2.4 To establish an Industrial Skills Academy and Human Resource Centre

The availability of a skilled workforce is of paramount importance to the further development of existing investors (to enable them to invest more) and to the attraction of new international investors. To this end, it will be of primary importance to provide vocational and occupational training programmes to the existing population in the area. One way to ensure these programmes are provided at international standards is to work closely with incoming and existing corporates. Our proposal in this regard would be to establish an Industrial Skills Academy on the West Coast. Looking at practices in the UK (eg. City & Guilds) and the Netherlands (eg. DeltaMetaal), this Industrial Skills Academy could contain a Skills Development Centre and a Human Resource Centre and as such play a pivotal role in matching the demand and supply side of the labour market.

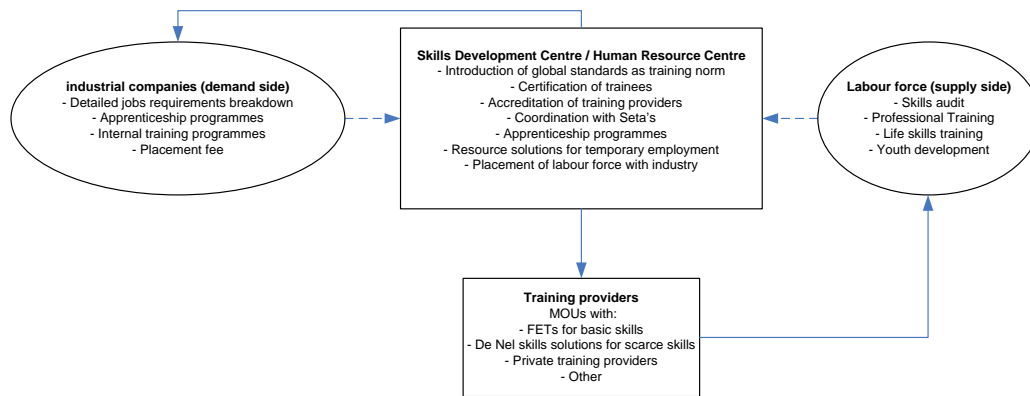
The Skills Development Centre will be responsible for training of the local workforce in close cooperation with the investing corporates and the accredited training providers in the area. It can build on the local skills database that is being populated and currently contains data of around 4,500 people living in the Saldanha Bay municipal area. The database contains information about current competencies (knowledge, skills and attitude), formal qualifications, work experience (formal and informal), participation in recent (re)training activities (on- and off-the-job), motivation/ambition and willingness to enter (re)training activities, and impediments to the participation in (re) training activities. It is expected that a total number of 6,000 profiles will be included in the database. The people included thus far are currently awaiting official skills assessments, pending the establishment of the Skills Development Centre. Once established, the Centre can carry out a local skills audit in the West Coast annually, result annually in 6,000 people identified, interviewed, assessed and ready to enrol in further training programmes.

As corporates currently complain about the existing skills level in the region we advise that the Skills Development Centre will develop its own 'FET-plus' certification and accreditation programmes that exceed existing curricula accredited by the Seta's. The Skills Development Centre should cooperate closely with the Seta's to upgrade curricula applied in existing training organisations. Apprenticeship programmes with industry can be part of the training programmes.

To make use of the knowledge and experience of established training providers in the region, the Centre could sign Memoranda of Understanding with the FETs, including the West Coast College in Vredenburg, Denel Personnel Solutions for higher education and training, and other existing accredited training providers in the region.

To address fundamental problems persisting among youth with regard to life skills (such as confidence, assertiveness, team play, and responsibility), the Skills Development Centre should have a dedicated programme on life- and occupational skills, career path development, environmental awareness, HIV/Aids, and education programmes that trigger interest in science, engineering, mathematics, computer literacy, etc. Cooperation should be sought with the primary and secondary schools in the West Coast region to start these types of intervention as soon as possible.

Figure 2 Industrial Skills Academy and Human Resource Centre



It is important to note that the Skills Development Centre should train for jobs: Trainees that have completed their training will be contracted by the Human Resource Centre. As indicated earlier, the Human Resource Centre there are a range of existing models such as the City & Guilds (UK) or DeltaMetaal (NL) that integrate training and placement with the private sector as and when required. A placement fee can be charged in case the industry decides to hire staff permanently.

<i>Component</i>	<i>Indicative timeframe</i>
6. 6,000 people ready to enrol in training programmes	Annually
Activities	
6.1 Skills audit entire West Coast <ul style="list-style-type: none"> - Community meetings in each ward to collect education and job profiles - Verification and validation of data - Building of personal electronic skills profiles database - Further training needs per individual defined by accredited assessor 	
6.2 Assessment of each individual by accredited assessor	
6.3 Further training needs defined and tailored training programme agreed per individual	
7. Skills Academy operational as Skills Development and Human Resources Centre	1 year
Activities	
7.1 Determine requirements to unlock budget for Skills Development Centre	
7.2 Agree with DTI and Departments of Education on organisation model	
7.3 Lodge Skills Academy and appoint management team	
7.4 Sign MoU with FETs, private training providers, and Denel Personnel solutions	
7.5 Set up and run Skills Academy	
7.6 Gap analysis: <ul style="list-style-type: none"> - Collect job breakdown requirements of industry - Establish global curricula as training standard - Assess capacity of assessors - Assess capacity of existing training organisations and trainers - Train assessors and trainers to global trainers levels 	
7.7 Develop and implement Youth development programme	

3.2.5 To develop a local supply chain & services industry –Source Saldanha

A strong local base of construction companies, subcontractors, and service suppliers is a prerequisite for local communities to participate in the benefits of regional economic development. As small- and medium enterprises have proven worldwide to be the engine for growth, local supply chains need to start developing. The West Coast Business Development Centre (WCBDC)

was set up to foster enterprise development in the West Coast. Despite the initiatives of the West Coast Business Development Centre and the procurement of services by the existing companies in the region, the number of small and successfully emerging companies in the region is limited.

Successful SMME development in South Africa is predominantly associated with SMMEs tapping into the supply chain of large corporate companies and/or making use of the downstream opportunities these companies create. The West Coast economy is expected to attract a wide range of (international) corporate companies over the coming decades. In order to obtain and increase their BBBEE rating, each of these companies will need to demonstrate Corporate Social Investments into historically disadvantaged communities. The WCBDC is focused primarily, though not exclusively, on SMME development in these communities. Approaching companies directly and building corporate awareness with the purpose to channel their CSI funds spent on BBBEE enterprise development through the WCBDC will ensure the sustainability of this initiative.

With the increase in the number of corporates over the coming years, it is proposed to have the WCBDC develop into the lead enterprise development agency in the West Coast.

The WCBDC has recently applied for financing from the Job Fund to develop as lead enterprise development agency. The two-year project proposed consists of three phases: i) gap analysis and capacity building within the WCBDC, ii) a pilot with five SMMEs receiving direct and tailored advice to increase their sales to corporate clients, and iii) replication of the pilot with 15 other and newly emerging SMMEs. The project value is R 10 million.

With its strong linkages to Corporate Social Investments this project could be implemented under the umbrella of the Non Profit Company. This means that if the Jobs Fund funding fails to materialise the Company should try to raise the required financing.

<i>Component</i>	<i>Indicative timeframe</i>
8. West Coast Business Development Centre built up as lead enterprise development agency	> 1 year
<i>Activities</i>	
8.1 Develop business plan of the WCBDC	
8.2 Capacity building programme	
- Develop objectives, design, planning, and manual and implement capacity building programme	
- Upgrade WCBDC toolkit to best practice standards	
- Coaching WCBDC staff as understudies in SMME support activities	
- Develop internal process documents, checklists, and support manual	
8.3 Communications and marketing	
- Publicity campaign to improve WCBDC profile	
- Develop brochure and website	
- Corporate awareness programme	
- Securing annual corporate donations	
9. Corporate support to SMMEs institutionalised	1 year (5 pilot SMMEs supported)
<i>Activities</i>	
9.1 Small enterprise audit: assess capacity/growth potential existing vendors and SMMEs	
9.2 Selection of SMMEs and detailed assessment	
9.3 Expert meeting with corporates to identify additional SMME supply services to corporates	
9.4 Develop, agree, and implement tailor-made support strategies to each pilot company	
9.5 Training and support SMMEs in product- and process innovations	
9.6 Assist SMMEs to get equity participation in company expansion	
9.7 Agree with members on WCBDC sustainable funding mechanism	

Activities with regard to equity provision to successful SMMEs will fit into the current initiatives being undertaken by a number of Western Cape and international organisations to set up an SMME equity fund for South Africa.

3.2.6 To establish the Saldanha Bay Environmental Protection Agency

Saldanha Bay and the West Coast are famous for its natural beauty and several nature and game parks. The West Coast Natural Park is part of the RAMSAR protection programme, the Convention on Wetlands of International Importance. The tourism industry is well-established and attracts tourists from South Africa and abroad. Inhabitants of the surrounding tourism centres have concerns about the existing industrial activities.

Against this background and bearing in mind the mission to accelerate *sustainable* industrial development there is a strong need for a dedicated Environmental Agency in Saldanha Bay. A local Environmental Agency will be focused on implementing the 'Saldanha Clean Tech Bay-concept', monitoring the environmental parameters, controlling the emissions of companies by frequent inspections, providing a 24/7 centre for environmental information, complaints, and capacity building. One of the key elements of the Saldanha Bay Environmental Agency (SEPA) will be an integrated approach towards companies, authorities, inhabitants and other stakeholders, a so-called "one-stop-shop" for all environmental relevant issues.

Although it is possible to make SEPA a full governmental agency, several stakeholders recommended establishing an NGO as an independent environmental control entity. This makes it possible to finance the Agency by companies and government together, while the powers of SEPA are on one side limited (Advise to government with EIA's, permits, etc.) and on the other side very practical when it comes to inspection and enforcement. The SEPA will be a non-political body that is guided by rules, regulations and knowledge of the local environmental situation.

The Non Profit Company proposed in this study could push the development of this Agency in a direction that facilitates industrial development while protecting the environment. Introducing the legal and regulatory concept of 'Best Available Techniques-Not Entailing Excessive Costs' (BATNEEC or simply BAT) will be an important pillar in this Agency. BAT strikes a balance between the best available technology and what the sector of industry can generally afford in mitigating the environmental impact of its operations. It has been successfully applied in the EU as it creates a level playing field for industries and transparency to all stakeholders.

<i>Component</i>	<i>Indicative timeframe</i>
10. Saldanha Bay Environmental Management and Protection Agency established	1 year
<i>Activities</i>	
10.1. Obtain buy-in industry, SBM, Province, national government to establish Agency	
10.2. Establish Steering Committee Industry-SBM-Province, roadmap, process steps, and funding	
10.3. Workshops on Best Available Techniques and organisational models available	
10.4. Establish financial formula and develop municipal by-law for approval by SBM Council	
10.5. Develop and agree on agency's constitution among all stakeholders	
10.6. Register trust, accounts, NGO registration, tax exemption registration etc.	
10.7. Develop environmental policies and implementation strategies	
10.8. Appoint and train staff-fully operational end of 2012	
10.9. Agency implementation-fully operational end of 2012	

3.2.7 To engage & update stakeholders on industrial developments in Saldanha

Over the past couple of years rumours around the possible IDZ developments have dominated facts. This has created uncertainties among the various groups of population which go back to the time Saldanha Steel was established. Poorer communities fear that the developments will pass them by as they do not avail of the right skills. Contractors will be hired from the Gauteng area, bringing their own skilled labour force and not looking at creating employment among local population. Among the richer communities, tourism industry, and environmentalist fears develop that the industrial development would lead to an influx of polluting industries and of unskilled people from other parts of (South) Africa, ruining their environment and the West Coast life style.

Private and public sector stakeholders need to be fully informed of all port and back of port developments in Saldanha Bay in three languages: English, Afrikaans and Xhosa. As the different communities in the region avail of different media, communication should be done tailored to the different target groups. Tools to be used include online communication channels, collateral, tailored radio programmes, broadcast videos, print media, billboards, municipal bills, etc..

The announcement and communication campaign should have a central message that is relevant to all target groups. We suggest it focuses on a interlinked vision:

*Attracting FDI - Creating Jobs - Attaining a sustainable lifestyle - Attaching well
trained work force to career paths within industry - Sustainable living in a
protected environment.*

The campaign should also address investors with respect to the multitude of opportunities, match job seekers with adequate training, and focus on SMME development and environmental awareness and care taking.

<i>Component</i>	<i>Indicative timeframe</i>
11. Professional communication strategy implemented	Continuous
<i>Activities</i>	
11.1. Develop Communication strategy incl. awareness building, public participation	
11.2. Develop branding and cross marketing strategies IDZ and port area	
11.3. Develop brand position of Industrial Skills Academy, SEPA and SMME development	
11.4. Develop business platform and downstream-upstream interface	
11.5. Design and build online Announcement Campaign incl. implementing	
11.6. Develop and implement weekly radio programme	
11.7. Produce a corporate broadcast video about Saldanha IDZ	

3.2.8 Redistribute wealth to rural areas: bio diesel and agro-villages

One of the problems associated with industrial development is that availability of jobs will attract job seekers. This will cause depopulation of rural areas and will lead to unwanted pressure on the existing social and educational frameworks in the Saldanha Bay area.

The phenomena of immigration can be addressed in the South African context by exporting wealth to the rural areas by implementing biodiesel projects and developing sustainable agro-villages. A group of Western Cape farmers have developed a project to establish a biodiesel plant in the Saldanha Bay IDZ that will produce 100 million liter of biodiesel and 200,000 ton of protein meal annually, while creating jobs in rural areas through making the feedstock supply of seed.

The job creation will be a black empowerment exercise whereby farm workers lease land and equipment from current farmers in the Western Cape or form a partnership. In the Western Cape 150,000-250,000 hectare of land once used for wheat production has already been identified as suitable for the growing of the Camelina crop. Calculated on the basis of five people to work on 100 hectares leased to produce 200 ton of seed, the project will empower 7,500 workers on 150,000 hectare. The income generated for five workers will be 400,000 Rand for 200 ton of seed. The total wealth creation of the project will be close to 2 billion Rand annually. Cooperation will be sought with the Department of Agriculture, Forestry and Fishing (DAFF) to ensure compliance with (inter-)national environmental and food security policies.

<i>Component</i>	<i>Indicative timeframe</i>
12. Redistribution of wealth to rural areas: bio diesel plant and agro-villages established	1 year
<i>Activities</i>	
12.1. Develop TOR project, funding model and steering committee	
12.2. Identify 250,000 hectares of land in the Western Cape not viable for food production	
12.3. Develop technology for biodiesel based on Camelina crop	
12.4. Develop environmental and food security policies	
12.5. Develop a bankable business plan for the Western Cape Province	
12.6. Roll out the project in other parts of Southern Africa	

4 Conclusion

The overarching model for sustainable industrial development was presented at several occasions. The overall response was positive and most of the private sector companies approached have committed themselves to become a Board Member of the Non Profit Company.

Most recently, there was a meeting organised in Cape Town end of February 2012 that grouped together RMI, ArcelorMittal, Sunrise Energy, Business Connexion, the Saldanha Bay Municipality, and Transnet. This meeting agreed to take the initiative further and the process to establish a Non Profit Company is currently on its way.

This Non Profit Company will first and foremost have a role as platform and lobby organisation for private companies, with the public sector as endorsing partners. Ecorys and EyeOn intend to be closely involved in this partnership.



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