STAKEHOLDER INTERACTION IN THE ESTABLISHMENT OF AN OIL AND GAS MANUFACTURING HUB IN SALDANHA BAY

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Thesis submitted in partial fulfilment of the requirements for the Degree of Master

of Technology (Business Administration)

In the

FACULTY OF BUSINESS

At the

CAPE PENINSULA UNIVERSITY OF TECHNOLOGY

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SEPTEMBER 2011

DECLARATION

I, Charles Barends, hereby declare that the contents of this thesis represent my own independent work, and that it has not formerly been submitted for any academic examination to obtain a qualification. It, furthermore, gives a true reflection of my own perceptions or opinions and not necessarily those of the Cape Peninsula University of Technology.

Signature:

Date:

ABSTRACT

Business ventures tend to commit themselves too soon to the twin issues of corporate social responsibility and stakeholder interaction, but in practice normally fail to deliver on all their promises in this regard, which often lead to great disappointment for the local communities involved. The new dispensation in South Africa has currently contributed to a great extent to how communities respond when they face issues of this nature. Sowman and Megan Gawith (1994) are believe that this new approach in behaviour of communities is owing to the recent influence of western models of development on developing areas. An inability of business to adapt to this changed environment will inevitably lead to a fragile relationship between such an entity and the community, which could easily ruin the implementation of development plans and ultimately cause the end of a business. Waddock and Graves (1997) are of the view that if good stakeholder consultation is maintained, it could be favourable for both business and community, and healthy relationships of this nature are always evident in the practice of such a company.

The Stakeholder Engagement Practitioner Handbook (2008:5) is a specific model which is explored by this study in order to prevent a negative kind of relationship between a business and the local community. This is regarded as an imperative tool for comparison purposes to ensure sustainable and sound interaction, whilst identifying potential problem areas and simultaneously serving as a guiding map. The aim of this study was to investigate the ongoing interactions process for the identification of strengths and weaknesses of engagements in the Saldanha Bay venture in order to provide recommendations for improvement accordingly, as well as to determine whether the current process is substantive and responsive enough to the real needs and expectations of these groupings. The research, therefore, reviewed available literature on public paticipation and stakeholder interaction for business success in order to develop a theorethical model based on the strengths and weaknesses of the current engagement process in the Saldanha Bay Municipal area, and to also identify key components for beneficial

dialogue. A descriptive case study technique was adopted as the most appropriate design to focus analytically on the entire engagement process and to extrapolate the nature of the interaction from various stakeholder accounts, in order to emphasise the views of the selected population. The results of this study indicated that the current local engagement process did indeed match most of the elements contained in the proposed model after a comparison was conducted. The research findings further revealed that even though the forum gained enormous momentum during the first phase, the process still lacks a few key areas to ensure more effective engagement. If these key areas are not properly addressed, this situation could at a later stage pose a serious threat to the future sustainability of the forum.

DEDICATION

This work is dedicated to my family because of their support, understanding and endless patience. I would not have been able to complete this research study had it not been for their tireless encouragement.

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1.   Introduction

The advent of democracy, post National Party era, contributed a lot to the current environment in South Africa, which, in particular encourage communities to show a keen interest in developments for their local area. The Constitution of the Republic of South Africa (Act 108 of 1996) and other relevant local government legislation have sealed this paradigm, since it formally established the principle of participatory democracy. This new dispensation in South Africa has also forced businesses to have a totally new approach when dealing with issues that might concern the community. Sowman and Gawith (1994) points out that it makes good sense for businesses to seek and consolidate community buy-in. It is also beneficial for both businesses and the community if effective stakeholder engagement can be maintained for sustainability purposes. Even though businesses are not obliged to engage communities with issues which involve them, but failure to do so can place their future plans in jeopardy. There are also a number of engagement models for a more strategic approach that can be utilised to make sure that all aspects of engagement have been applied for an effective engagement process that will produce the expected outcomes. However, it should be taken into consideration that each engagement is different and, therefore, should be tailored to various circumstances.

1.2.   Explanation of the problem

In June 2006 an announcement was made that the newly-established international multi-national construction and manufacturing company, Ferro Marine Africa, was contracted to develop a manufacturing and service yard in Saldanha to service the needs of the West African oil and gas industry. In this regard, the yard would serve as a centre for the repair and manufacture of oil rigs and related platforms, and would have an initial lifespan of at least 15 years. One of the consortium partners, Grinaker-LTA, at the same time announced that the

consortium would work to together on a continuous basis with local communities and their representatives in order to ensure the success of the venture. At one of the first consultative meetings, which was facilitated by the Municipality of Saldanha Bay and the Office of the Real Enterprise Development Centre (RED Door), a month after the announcement, community representatives, local businesses and the local municipality were shocked to hear that this venture may not deliver on all the promises of training for members of the local community or new opportunities for local businesses (established and emerging). The sentiment of a significant portion of the community was captured accurately by the local newspaper, Weslander (2006), which read: *'Empty promises'*, Saldanha *Steel?* and '*Oil passes West Coast by'*.

Following on the heels of the still fresh disappointment of the local community with the actual benefits of the Saldanha Steel Project, these events pose critical questions about the seriousness and commitment of businesses to the twin issues of corporate social responsibility and community and stakeholder processes. It is also a well-established fact that sound firm-stakeholder interactions are imperative to ensure the profitability of any enterprise. Failure to maintain such relationships may spell the death knell of a business which should be prevented at all costs.

1.3. Problem Statement

This study aims to develop a theoretical model for the Saldanha Bay venture inclusive of the critical success factors and key components for sound firm stakeholder interaction that will be beneficial to both communities and business success. Simultaneously it also investigates the ongoing interactions process for the identification of strengths and weaknesses of engagements in the Saldanha Bay venture in order to provide recommendations for improvement, as well as determine whether the current process is substantive and responsive enough to the real needs and expectations of these groupings. The study therefore intends

to focus analytically on the entire process of interaction in order to extrapolate the nature of the interaction from various stakeholder accounts.

1.4. Research objectives

In pursuance of the abovementioned purpose, the following research objectives were formulated:

Objective 1:

To develop a theoretical model inclusive of the critical success factors and key components for mutually beneficial stakeholder (community and business) interaction and participation for business success; and

Objective 2:

To investigate and identify the strengths and weaknesses of the current consultative process in the Saldanha Bay venture, and to simultaneously make recommendations for improvement.

1.5. Research Questions

In order to accomplish the research objectives, the following questions had to be clarified for the research:

- What processes prior, or in the course of selection, would be followed to ensure that suitable stakeholders are selected?
- What aspects should be taken into consideration when stakeholders are engaged?
- How to would mutual understanding be promoted in order to ensure that both parties benefit?
- What would be the level of depth of participation?
- How would the correct kind of relationship with stakeholders be determined and how can it be maintained?

- How would stakeholder partnerships be sustained and what kind of partnerships should be established in order to sustain successful partnerships?

- What would be an appropriate engagement model?

1.6. Theoretical Overview

The death of apartheid and the advent of democracy in 1994 brought new expectations, priorities and approaches to the order of South African life, including areas of business planning and development. One of the most visible is the requirement to involve beneficiary or affected communities in planning processes when dealing with a particular development. Within business circles it has long been recognized that involving communities is both beneficial for the building of market share and brand recognition. In addition, the Constitution of the Republic of South Africa (Act 108 of 1996) formally established the principle of participatory democracy. Proper consultation could result in a range of opportunities for participants, although it should be borne in mind that contenders will always have conflicting agendas. Conelly (2005:14) believes that due consideration should therefore, be given to these substantive and institutional agendas. In order to gain substantially from public participation processes, it is also advisable for community members to go beyond participation and try to be part of policy processes, as well as form alliances that can lead to acquisition of required skills, knowledge and resources. Over the last 2 years, the South African government, in cooperation with the private sector has begun the process of establishing a manufacturing and service yard in Saldanha Bay to service the needs of the West African oil and gas industry. This has led to increased community mobilisation and pressure on contracted parties to contribute to job creation, and the extension of business opportunities to emerging businesses. Sowman & Gawith (1994) feels strongly that although business is not obligated to adhere to these demands, it makes good sense to seek and consolidate community buy-in especially given the fact that in the past only a small elite

group of professionals and other experts were trusted to participate in planning and decision-making.

Goulet (1989:319) is in full support of these sentiments by the abovementioned scholars and supports the notion that participation is critical for people's own development. Though participation is time consuming, when it is a goal in itself, it leads to better decisions and actions. When utilised as a means, it is the right avenue to finish the business. However, the results of participation will depend on how small or big the scope is in which it operates. Goulet (1989: 320) further observes that participation can also be classified as an originating agent, which means that it can act both as an expert or a non-expert, and can also be promoted as a third party.

Jason (2006:132) argues that if businesses are prepared to work with communities, collaboration between parties will result in both a better mutual understanding of the needs of the specific group, whilst fostering better relations between them. In addition, it will also result in added attention, publicity, and even public policy benefits. Conversely, the involvement of a community group might also enrich the social or individual problems. Businesses would then also be in a much better position to assess the attitudes of their clients, develop coalitions and allow them to have veto power on crucial decisions.

Jason (2006:132) also argues that for successful involvement of communities, a few critical aspects should be considered. Community members have different levels of experience and resources, and therefore, some members will be able to participate at a higher level than others. Another aspect that one should also bear in mind is the different levels of involvement and different phases of intervention in this regard. Based on the different perspectives outlined above, Fraser (2005:286), in turn, has identified four approaches to community participation, namely:

Anti- / reluctant communitarians and economic conservative approaches, technical-functionalist communitarians and managerialist approaches,

progressive communitarians and empowerment approaches, as well as *radical / activist communitarians and transformative approaches.*

According to the *Anti-/ reluctant communitarians and economic conservative approach*, community needs will be taken care of by the community themselves. Participation in this regard is of a short period, goal focused and communities who do not contribute to profit making, are normally ignored. Fraser (2005: 288) furthermore states that this specific community group believes in top-down decision making processes and as a result, will always be in favour of a strong leader.

The *technical-functionalist communitarians and managerialist approach* indicates that those who are in favour regard community engagement as imperative, but not something that should disturb capital operations. According to Fraser (2006:289), this group will only embark on policies and programmes that are scientifically proven to work in order to maintain the current social order. Consultation with community stakeholders will thus be expert-driven, while participation will be selective and at the same time serve to influence others to support expert opinion.

According to Fraser (2006:291), the *progressive communitarian and empowerment approach,* is an approach which argues that the focus of community work is to devise policies and programmes that balance social needs, address social inequality and protect the environment. The central goal of this process is to empower the entire community with each and every engagement.

Conversely, the *radical /activist communitarians and transformative approach* argues that the global socio-economic order should be radically transformed by linking personal issues with local, national and global issues. Fraser (2005: 293) further states that radicals in this group will insist on the redistribution of resources to the needy, and not for profit-making purposes.

1.7.   Research Assumptions

It is assumed that the stakeholders in question are geniunely committed to the consultation process and that they would like to establish a long term relationship with each other. Based on this, it is further assumed that they would see the value of the current study for practice, and that they will give it their unconditional support and even consider using its findings for the benefit of their different operations. It is further assumed that each of the stakeholder groups and the individuals involved has developed a definite view of the nature and quality of the interactions in which they were involved and, therefore, have expressed an opinion as to whether mutual goals have been achieved.

1.8.   Research Design and Approach

This is a descriptive research study, which used the case study procedure. The descriptive case technique is regarded as the most appropriate design, given the fact that its findings would be based on information obtained from a limited number of cases registered on the databasis of the South African Oil and Gas Alliance (SAOGA) and the Saldanha Bay Municipality's Local Economic Development Unit (LEDU). In this regard, the study focused on the interaction process between a sample of eight institutions, which were chosen from an unknown number of similar community-based organisations or social movements within the municipal area, and the partnership consortium of Ferro Marine Africa and Grinaker- LTA. The following local stakeholder organisations were selected:

- Saldanha Bay Business Chamber – representing enterprises in the municipal area;
- Saldanha Bay Broad-based Black Economic Empowerment Forum – representing Black entrepreneurs in the municipal area;
- West Coast Workers Forum – representing unemployed persons in the municipal area;
- Women in construction – representing women's interests in the municipal area;

- Saldanha Bay Local Municipality – the local authority in the area;
- West Coast Business Development Centre (WBDC) – a business support and development organisation within the municipal area; and
- Red Door (Real Enterprise Development) Centre, Vredenburg – a project of the Provincial Department of Economic Development & Tourism, Westen Cape.

These formations have succeeded in establishing a relatively high visible and vocal profile around local industrial development and are regarded in local municipal circles and the SAOGA as the credible voice of groups that were historically excluded from the mainstream economy. The sample is, therefore, not representative of all shades of Saldanha Bay opinions and findings, therefore, cannot be generalised to all similar communities or even to the full municipal area. It is, however, the intention to focus analytically on the entire process of interaction and to extrapolate the nature of the interaction from various stakeholder accounts. Hence, the views of the selected population were at the forefront and, therefore, emphasised.

1.9. Data Collection

The intention to focus on the entire process of interaction required the use of a variety of collection methods. These included a review of relevant academic literature, observation and content analysis of documentation. During the data collection phase, the researcher conducted fieldwork in order to orientate himself with the operations, key topics, procedures, protocols and programmes of the SAOGA, various local roleplayers and the settings of their engagement. In addition, access to relevant documentation, statistics, key role-players and information sources were sought. This process was further complemented by the use of participant observation during which the researcher attended stakeholder meetings, community consultations, council-business interface events and other similar public and organisational interactions concerning oil and gas. All observations were recorded in a field diary for later use.

1.10 Data Analysis and Interpretation

All collected data was organised in various categories, for example, activities, settings, relationships etc. In order to identify key patterns. Furthermore, qualitative data obtained by means of observation was transcribed and analysed to complement the previous process. This information, especially the unique experiences of various stakeholders, was then systematically analysed and interpreted against the background of the literature that was consulted and used to construct a theoretical model of interaction during the course of the study. In this way a holistic picture of the true nature of the interaction between stakeholders, was constructed.

1.11. Ethical statement:

To ensure the full support of all participants and to protect the confidentiality of information, if so required, the necessary written assurances were given. In addition, to gain access to organisational premises, personnel and business records, permission was sought prior to commencement of the study.

1.12. Work plan

September 2007 – October 2007:   Preparing the Research Proposal

November 2007 – January 2008:   Literature Review

February 2008 – May 2008:   Data Collection

June 2008 – August 2008:   Data Analysis

November 2010 – April 2011   Thesis to be finalised

May 2011 – September 2011   Submit final document

1.14. Chronology of Chapters

Chapter 1 serves as an introduction and background to the study and covers sub themes such as the research problem, research aim and objectives, rationale for the study, research design and approach, as well as data analysis and interpretation.

Chapter 2 reviews the actual available literature on community participation and stakeholder interaction for business success.

Chapter 3 explains a stakeholder engagement model for effective engagement.

Chapter 4 provides a detailed outline of the research design and approach of this study, and deals with methodology, sampling, data collection and research instruments.

Chapter 5 discussed the actual empirical research findings and its accompanying interpretation with regard to the strengths and weaknesses of the current consultation processes.

Chapter 6 covers the main conclusions and recommendations of the research study based on the empirical findings of the previous chapter. In addition, topics for further research are also identified.

Chapter 2

Literature Review: Stakeholder Interaction in the establishment of an oil and gas manufacturing hub in Saldanha Bay

This chapter reviews the available literature on public participation and stakeholder interaction for business success in order to develop a theoretical model based on the strengths and weaknesses of current engagements, and also identifies key components for beneficial interaction. This review pays particular attention to topics, which include stakeholder analysis, stakeholder selection, stakeholder engagement, stakeholder understanding, stakeholder participation, stakeholder relation and stakeholder partnerships.

2.1. Introduction

The new socio-political dispensation in South Africa brought along other expectations and priorities in terms of development, which in most cases urge parties to include communities in any of their intended processes. As a result, participation during this current post apartheid era emerges as a key aspect in development policy, which is clearly illustrated in the Reconstruction and Development Program (RDP White Paper, 1994:7) of the South African government, and is also well supported by the Constitution of the Republic of South Africa (Act 108 of 1996). This significant change in approach regarding development, which was brought about by the advent of democracy, is the total opposite in comparison to with previously where mostly Black people were excluded from participatory processes in South Africa and only a small elite group of professionals were trusted to do the planning and decision making on their behalf.

Sowman and Gawith (1994) is of the view that this paradigm shift can also be attributed to the recent influence of western models of development on developing areas in order for these newer models to be able to create proper

programs. They further state that it has already been evident in participatory models, which assume that the development objectives of outside parties should take the needs and aspirations of ordinary people into consideration for successful engagement. The Stakeholder Engagement Practitioner Handbook (2008:3) proposes a potential model for effective or successful stakeholder engagement, which also enhances corporate governance, since in most cases stakeholder engagement does not provide the expected outcomes.

2.2. Stakeholder analysis

The Stakeholder power analysis tool (2005: 2) describes stakeholder analysis as an instrument that can be utilised to know individuals better and simultaneously determine their influence on policies and entities and visa versa. It further states that this particular tool enables one to pinpoint important stakeholders, evaluate their respective interest and show how they affect the system in which they operate.

Chevalier (2001) states that since the selection of suitable stakeholders is a challenging and complicating exercise, stakeholder analysis has emerged to be an effective strategy that can be applied prior to the selection process and can also simultaneously be utilized by researchers for a variety of standards such as:

- to identify stakeholders;
- characterize their interest;
- evaluate their perceptions of the process or project;
- determine the relevant influence of different stakeholders; and
- devise appropriate strategies to obtain their support.

Chevalier (2001) is also of the view that stakeholder analysis is thus a tool that is flexible and specific to the context with a strong focus on complicated inter-linkages between particular difficulties and players that mark natural resource management. Klaus Hubacek, Christina Prell, Claire Quinn and Mark Reed (2006) state that one should first *understand the cultural and social context*

through preparatory work before doing a proper stakeholder analysis. Chevalier (2001) also believes that one can later do the *identification of stakeholders,* which should include a blend of mainly qualitative methods such as snowball sampling, semi-structured interviews, archival research and the use of secondary sources. A need will then appear to *verify whether all stakeholders are relevant* and, if it is necessary, embark on a second round to make sure that everyone is identified. Concerning stakeholder selection, as a precondition for the successful participatory process paper (Klaus Hubacek, Christina Prell, Claire Quinn and Mark Reed), Ramirez states that once confirmation is received on the relevancy of stakeholders, then *information can be captured* on the interests and views of stakeholders regarding the different questions in order to assist the researcher to identify various similarities of interest and areas of conflict.

Wellman and Berkowitz (1988) state in addition to the above process, that some researchers also believe that in order to enable one to make informed decisions on how to approach stakeholders, a need still exists to study the social networks that bind stakeholders in terms of how they are structured, and why some emerge as more powerful and popular than others. Friedkin (1998) and Marsden and Friedkin (1994) further state through the same paper that stakeholders within these social networks are close to each other based on geographical, emotional, professional or common interest and, are likewise to influence one another's attitudes and behaviours**.** Burt (2001; 2005) is further of the view that if strong ties exist amongst stakeholders within a particular network, a great deal of trust and mutuality is evident, but their chances, conversely, become slim to be exposed to new information, provided they show the necessary keenness to learn innovative ideas.

2.3. Stakeholder selection

Hubacek, Prell, Quinn and Reed (2006), in their paper on *Stakeholder selection as a precondition for successful participatory process*, regard stakeholder selection as a precondition for successful participation, but the same process of

selecting suitable stakeholders becomes a vital challenge. Hence, they propose the following approaches to deal with proper selection of stakeholders, namely:

- *representative of a broader stakeholder community;*
- *constructive engagement in dialogue; and*
- *are well known and respected enough to diffuse ideas from this dialogue to a much wider social network.*

The same paper also points out the following reasons, which in most cases complicate the selection process of stakeholders:

- *the historically marginalization from management of certain stakeholder groups, which complicate identification and involvement;*
- *old friction prevent people from willingly taking part in deliberative processes;*
- *and in addition, research prefers smaller groups for in-depth deliberation and mutual learning.*

Smaller groups referred to above are of particular concern to the authors, since they always create difficulties in terms of proper representation and also hamper the process of obtaining inputs at random, naturally.

2.4. Stakeholder engagement

When dealing with stakeholder engagement, it is necessary to find out why it is pivotal to have interaction in the first place. Backer, Smith and Barbell (2005:11) give the following eight reasons for interaction:

- better the process of grants and additional related issues;
- having a positive influence to source extra finance;
- entities can gain massively from stakeholders on how to enhance accountability;
- stakeholders usually create an atmosphere of openess which improves the flow of information;
- stakeholders can give direction regarding resource investment;
- better the sharing of information to make interaction processes more inclusive;

- stakeholders can foster partnerships between entities and the community; and

- stakeholder engagement platforms will provide an opportunity to empower community representives serving on these platforms.

Although there are more than enough reasons, which justify a participatory approach, one should still know what a stakeholder is. People mostly agree, in general, that relevant stakeholders are those who have a vested interest or stake in the issue that is considered. Welp (2000) based his definition on four characteristics, namely:

- *a stakeholder is affected by or affects a particular problem or issue;*

- *is responsible for problems or issues;*

- *has perspectives or knowledge needed to develop good solutions or strategies; and*

- *has the power or resources to block or implement solutions or strategies.*

Backer, Smith and Barbell (2005:7) believe that a stakeholder is part of a round table discussion where decisions are made regarding resource allocation and activities in certain systems, based on their community legitimacy or their impact on these decision outcomes. Yet it was recently stated in an eBOS Technologies Ltd (2010) article that in spite of regular engagements, business, in general, does not know stakeholders too well, which result in a lack of encouragement regarding stakeholders' participation.

The picture does not look too gloomy, because according to the same authors, flaws of this nature can, however, be solved by stakeholder engagement through establishing strategies, processes and infrastructure in order for the business to:

- realize what is priority to important stakeholders;

- make them a part by feeding them with information on corporate strategies and performance;

- figure out how things can be transformed; and

- monitor and steer stakeholders contributions and satisfaction levels.

Hubacek, Prell, Quinn and Reed (2006) state that there are a range of other important aspects such as language differences, trust, continuity and problem focus that should also be taken into consideration when dealing with stakeholder engagement. The AA1000 Stakeholder Engagement Standard exposure draft (2005:7) further states that the current modified environment, which is created by organisational difficulties and the pursuit for sustainable development, results in new ways and means being applied to involve all kind of stakeholders whereby the quality of the engagement process is normally comprimised. It is, therefore, imperative to establish innovative mechanisms to ensure new accountability in an attempt to ensure high-graded engagement processes. According to the AA1000 Stakeholder Engagement Standard exposure draft (2005:17), the following three aspects are required to ensure a quality stakeholder engagement process:

- accountability (meaning that one should be accountable and responsive to stakeholders as well as complying with all legal and other requirements);
- commitment (meaning that one should be comitted to inclusive processes); and
- the three principles of materiality (knowing stakeholders), completeness (understanding stakeholders) and responsiveness (responding to stakeholders).

2.5. Stakeholder understanding

The eBOS Technology Ltd (2010) publication makes it clear that relationships normally emanate from regular stakeholder engagements and if characteristics of these relations should be developed, the following expectations pertaining to stakeholders should first be understood:

- what concerns them and what is regarded as priorities;
- how they perceive the business;
- with what they will be satisfied; and
- why they want to be there.

The eBOS Technology Ltd (2010) article also pointed out in addition that stakeholder understanding, based on the above aspects, will be beneficial to business, since it enables them to analyse whether various responsibility, sustainability and concerns are relevant in order to:

- make an assessment of opportunities and threats;
- give an indication of existing or potential conflicts of interest; and
- commit to act and keep an eye on its impact.

2.6. Stakeholder participation

Against this background, the same publication pointed out that if a business ignores some of these expectations of stakeholders, it could ruin their chances to build a good reputation or even deny them an opportunity to explore new markets. To some extent it could also cause difficulties for the company regarding lost contracts, workers' strikes and even lawsuits. Under these circumstances the publication purports that a proper way for companies to react to these challenges posed by key stakeholders, is to establish a culture of participation, which could limit the gap between stakeholder expectations and business responses.

To define participation, most development practitioners are in support of the views of Illich (1983, 1976 & 1978) who insists on normalization of all forms of life, including health care, schooling, transportation and planning in order to oblige people to take care of their own lives. The Brazilian pedagogue, Freire (1989), strongly confirms the value of participation over elite decision making when he argues that the essence of development is when people who were previously oppressed and deprived of an opportunity to participate in their own humanization, become active in decision making processes in terms of development. Though it is difficult to define participation, the working definition adopted by Wolfe (1983) and the United Nations Research Institute for Social Development (UNRISD) (1989), was most welcomed in development circles. Wolfe (1983) states that participation indicates organised struggles in order to

obtain more control over resources and regulative institutions on the part of groups and movements that are excluded from such control.

Hubacek, Prell, Quinn and Reed (2006) give three reasons why participation is vital. Regarding the first reason (substantive), which incorporates views on justification of broad democratic participation and open dialogue, Fiorino (1990) argues that ordinary people, in comparison with experts, are of much value in terms of sound and thorough local information owing to their sensitivity to social, ethical and political values.

Rahman (1993) suggests with the second argument (normative) that top-down approaches are irrelevant in a democracy, and it is thus imperative in a democratic order for people to take part in government processes, which have an impact on their daily lives.

The last argument (pragmatic) is based on the statement, that involvement of ordinary people should be recognized, and with the necessary legitimacy gives effect to improved results and sustainability.

Jason (2006:132) also argues that though one cannot deny the importance of participation, the following critical aspects should be taken into consideration in order to ensure successful involvement of communities:

- that community members have different amounts of experience and resources and, therefore, some members will be able to participate at a higher level in comparison with others;
- that there are different levels of involvement; and
- you also obtain different phases of intervention.

Fraser (2005:286), in turn, has identified four approaches to community participation based on the different perspectives outlined above, namely:

Anti- / reluctant communitarians and economic conservative approaches, technical-functionalist communitarians and managerialist approaches, progressive communitarians and empowerment approaches, as well as *radical / activist communitarians and transformative approaches.*

Fraser (2005:288) asserts based on the *Anti-/ reluctant communitarians and economic conservative approach*, that community needs will be taken care of by the community themselves. Participation in this regard is of a short period, goal focused and communities who do not contribute to profit making, are normally ignored. Fraser (2005:288) furthermore states that this specific community group believes in top-down decision making processes and will hence always be in favour of a strong leader.

The *technical-functionalist communitarians and managerialist approach,* in turn, indicates that those in favour regard community engagement as imperative, but not something that should disturb capital operations. Fraser (2006:289) states that this group will only embark on policies and programmes that are scientifically proven to work in order to maintain the current social order. Consultation with community stakeholders will thus be expert-driven, while participation will be selective and at the same time serve to influence others to support expert opinion.

Fraser (2006: 291) furthermore states that the *progressive communitarian and empowerment approach* is an approach which argues that the focus of community work is to devise policies and programmes that balance social needs, address social inequality and protect the environment. The central goal of this process is to try, by all means, to empower the entire community with each and every engagement.

Conversely, the *radical /activist communitarians and transformative approach* argues that the global socio-economic order should be radically transformed by linking personal issues with local, national and global issues. Fraser (2005: 293) is also of the view that radicals in this group will insist on the redistribution of resources to the needy and not for profit-making purposes.

Proper consultation could result in a range of opportunities for participants although it should be borne in mind that contenders will always have conflicting agendas. Connelly (2005:14) argues that due consideration should, therefore, be given to these substantive and institutional agendas. In order to gain substantially from public participation processes, it is also advisable for community members to go beyond participation, and to try to be part of policy processes, as well as form alliances that can lead to the acquisition of the necessary skills, knowledge and resources. Goulet (1989:319) believes that these sentiments of the abovementioned scholars support the notion that participation is critical for the development of people. Goulet (1989:320) furthermore states that researchers also observed that participation can be classified as an originating agent, which means that it can act both as an expert or a non-expert and could thus be promoted as a third party.

2.7. Stakeholder relations

Jason (2006:132) argues that if businesses reveal a degree of willingness and commitment to work with communities, collaboration between the involved parties will result in a better mutual understanding of their respective needs, as well as foster better relations between them. The eBOS Technologies Ltd (2010) publication regards this kind of mutual benefit, a result of an ordinary stakeholder engagement, which has developed into a relationship between a business and its stakeholders. As a prerequisite to determine the correct kind of relationship with stakeholders, the publication further states that business should firstly identify the most important stakeholders and subsequently define the characteristics of stakeholder relationships, which can be grouped as follows:

- participative (stakeholders involvement in decision making);
- collaborative (stakeholders involvement as reviewers, advisors);
- informative (one or two way communications); and
- defensive (intelligence response, negotiation).

2.8. Stakeholder partnerships

When the new government came to power in 1994, it dedicated its efforts to transforming and developing decentralized institutions such as local government with a separate autonomy and a legal status distinct from other spheres of government in order to create an enabling environment for community consultation. Section 152 of the South African Constitution requires of a local authority to 'encourage the involvement of communities and community organisations in matters of local government. The new government has recognized public participation as a critical factor at all levels of government. It became even more endorsed at a local level where municipalities are charged with an enormous responsibility of providing services to disadvantaged communities. Against this background, several government policy documents (including principles for the Reconstruction and Development Programme; White Paper on Local Government; Municipal Service Partnerships, Rural Development Framework and Municipal Community Partnerships), served as the legislative cornerstone, which advocate and promote the need for public participation. The participation process became structured and institutionalized through the enactment of the Municipal Structures Act, which endorsed the creation of municipal councils where citizens may elect their own representatives. Although these legislative guidelines sought to ensure transparency and accountability in the management of local government affairs, they have been proven inadequate in practice owing to:

- Lack of commitment by municipalities to prioritise public consultation;
- General lack of capacity amongst stakeholders;
- Access to information; and
- Failure to recognize and work closely with community based organisations.

Friedman (2004) believes that the post-1994 constitution order has only freed us from racial minority rule, and has not offered citizens effective channels for participation in government decisions. He further argues that in spite of the

progressive legislative frameworks sought to create a conducive atmosphere for meaningful community consultation, in practice there has not been any major progress, the legislations have not yet yielded any major results in as far as transparency, consultation, and accountability in the management of local government affairs. What accounts for this is that not all local government stakeholders are involved or represented in community structures.

The eBOS Technologies Ltd (2010) publication states that there is a global tendency towards a culture of participation, which creates an environment for stakeholders to work in partnerships. In a draft, Local Multi-Stakeholder Partnerships for Sustainability – The Lawson Experience (Potts, Merson, and Kachka 1997), it is stated through Smith and Scott (2006) that partnerships emerge as a valuable solution to deal effectively with environmental issues and at the same time pursue sustainable development. It further states that as a tool, it promotes dialogue, cooperation and education across different sectors, and also allows partners to pool their resources and competencies together(Loza, 2004). As cited in Gibson and Cameron (2001), the draft also regards partnerships as a unifying device in order to regulate government and individuals engagements.

As cited in Brand and De Bruin (1999), it also says that a lot of emphasis have been placed on partnerships as an action lever in the transition to sustainability. The draft thus purports that for partnerships to be successful, ideas and knowledge should be generated from across the board and it should instill a sense of common aim in participants.

Frame and Taylor (2005) also state, in the same draft, a number of several key objectives to achieve sustainability through the role of partnerships such as:

- *combine efforts and resources towards common aims;*
- *share information and expertise;*
- *understand different points of view;*
- *make better decisions; and*
- *create more 'win-win' outcomes.*

Poncelet (2001); Martinez-Fernandez & Potts (2001) believe that although sustainable partnership is effective and will achieve the expected outcomes, it is still a relatively new phenomenon to business, government, community and academia, and these components, if without proper knowledge or experience, should be cautious to manage. However, in order to sustain a local partnership, the following action, according to the draft should be undertaken:

- *the involvement of a cross section of community, business and government sectors;*
- *focusing on a local or regional sustainability issue and generating positive improvement;*
- *considering the triple bottom line and increasing social capital;*
- *encouraging mutual sustainability learning and dialogue across differing perspectives;*
- *being open, accountable and innovative; and*
- *to encourage participatory action, involvement, ongoing commitment and review.*

As cited in Loza (2004), the draft, Local Multi-Stakeholder Partnerships for Sustainability – The Lawson Experience (Potts, Merson, and Kachka, 1997) further moves that recent emerging practices reveal that local sustainable partnerships are searching for broader engagement from business, in particular, which recognize partnership as a tool to achieve Corporate Social Responsibility. As cited in Fermen and Hill (2004), the same draft also purports that sustainable partnerships can be beneficial to both parties involved in the form of fresh data being captured, encountering diverse views or ideas, for finance purposes, human resources, networking and the legitimacy of these partnerships. Potts, Merson and Kachka (1997) is also of the view that if partnerships manage to grow, accomplish goals and enjoy the necessary legitimacy, they can increasingly attract new financial resources, human capital and expertise for investment.

There is, however, a number of obstacles according to the above authors that can threaten the establishment or duration of sustainable partnerships, hence the following should be taken into consideration when dealing with this particular issue:

- friction between short term and medium to long term objectives;
- if one fails to engage the correct mix of stakeholders from the community, business, university and government;
- To ignore the fact that it is often difficult to obtain relevant and reliable information to achieve the objectives of sustainability partnerships; and
- if diverse multi-stakeholder processes that lead to dialogue rather than ground action or policy change are not prevented.

According to the same paper, Local Government plays a critical role in the promotion of local partnerships, and the following policy recommendations are proposed in this regard, namely:

- *to ensure resources for local partnership initiatives;*
- *establish a terms of Reference or Memorandum of Understanding;*
- *building support for the partnership;*
- *building the business case;*
- *using partners' knowledge and skills to maximum effect; and*
- *document and evaluate the process.*

2.9. Public-Private Partnerships (PPP) model

There are currently a number of partnership models in practice, but the most familiar one that the private sector, communities and government is normally involved with is the Public-Private Partnerships (PPP) model. The practical guide, *Partnership between Government and Business in South Africa* (2008:4-5), regards Public-Private Partnerships (PPPs) as an innovative way that is required to address current difficulties in terms of outstanding infrastructure related projects, developmental objectives and to stimulate economic growth. Hence, it should be taken into consideration that in order to form and administer

partnerships, in general, it is a delicate exercise owing to the legal aspects and other conditions they may be involved. The practical guide (2008:9) further states that PPPs have become a global phenomenon and in most cases it is opted to involve people and simultaneously improve government services whether on a short or long term basis. It further states that PPPs are formal agreements between government and business entities, which imply that risks relating to the finance, technicalities and operations of a project have been transferred to the business for benefits in return. Also according to the same practical guide (2008:10) identifies the following two kinds of legal PPPs:

- Firstly, where a business takes over the responsibilty of a government function; and
- Secondly, where the right is transferred to a business for the application of government estates for trade related purposes based on specific conditions through lease agreements, concessions or partial sale of state shares.

It also further stipulates that a legislative framework has been established to serve as guidance for the establishment of partnerships in South Africa owing to continuous growth regarding PPPs. As a result, PPPs, on a national and provincial level, are prescribed by the Public Finance Management Act (Act 1 of 1999) (PFMA) and Treasury Regulation 16 (2004) to the mentioned act, and on a municipal level by the Municipal Systems Act (Act 32 of 2003), Municipal Finance Management Act (Act 56 of 2003) (MFMA) and Regulation 309 that serves as a clarity document to the MFMA. The National Treasury Code of Good Practice for Black Empowerment in Public-Private Partnerships and the Preferential Procurement Policy Framework Act (Act 5 of 2000) are legislations and directives in addition to the above mentioned acts, which also relate to PPPs.

It is, therefore, imperative when considering a PPP, to operate within the legislative framework that is applicable. Also according to the practical guide, Partnership between Government and Business in South Africa (2008:33-41),

hence the following range of aspects should also be considered if one should design a partnership of this nature:

- make a decision on whether it is the right sort of partnership that is workable, beneficial and considerable to all partners;
- taking all the risk factors into consideration which should be shared by all partners;
- make sure that the right partners have been identified through a proper evaluation process and that effective communication regularly takes place;
- a proper plan should be developed, which includes a feasibility study and a business plan;
- the relationship between partners should be cemented by an official agreement in order to assist with unclear issues;
- to ensure that the necessary resources are established to sustain the partnership;
- there should be involvement and commitment from the political and public component; and
- the progress of the partneship should be monitored, evaluated and reviewed on a continuous basis.

The Municipal Finance Management Act 56 (Act of 2003) clearly stipulates that as a pre-condition, local authorities can only foster PPPs if they can prove that the relationship will be financially worthwhile, affordable and all kinds of risks will be the responsibility of the private partner. Once certainty is obtained regarding the aspects of designing a partnership, the practical guide, *Partnership between Government and Business in South Africa* (2008:10) states that partners can choose from a number of different models depending on what kind of services they require from the private component, and models can range from formal PPPs in infrastructure and service delivery to less formal relationships. It also further states that progressive partnerships can have a significant or an intangible influence, while the success of a particular PPP can only be

determined if it accomplishes the aims, works smoothly and ensures that all partners, as well as outsiders gain from the process. Hence, according to the same practical guide (2008:51), the partners should also be alerted to dynamics that could threathen the success of partnerships and, therefore, should be aware of the vulnerability of it to political forces, but at the same time secure political support, adhere to legal difficulties and understand PPPs in general, the need for fit partners, as well as sound and efficient management and the absence of a monitoring of the partnership. The practical guide (2008:51-52) further states that if partners can secure succesful partnerships in the form of PPPs, it should lead to the following benefits for them:

- members who belong to the partnership contribute their different skills and resources;
- service delivery operates more smoothly owing to the commercial principle involved and the bypassing of red-tape pertaining to procurement processes;
- the private partner takes full responsibility of all operational issues;
- since the infrastructure is still in the possession of the public component, all profits are secured this way, while maintenance is conducted by the private sector;
- besides enhancement in the standard of delivery, it is also easy for the private partner to manage the finances involved in the delivery process; and
- more jobs and skills development can be created through PPPs.

Conversely, the *Engaging meaningfully with government on socio-economic rights* (2010:6-9) booklet states that it is not sustainable to only foster and maintain partnerships, in general, but parties involved should make sure that their partnerships are meaningful in order to guarantee smooth service delivery with a positive influence on communities. It further states that meaningful engagement will ensure that an interaction process is democratic and considerable to other opinions, but also reactive to difficulties that might occur

during the course of the process. Meaningful engagement thus means that parties involved communicate, tolerate and understand each other.

2.10. Summary

According to the available literature, it is clear that the new democratic environment determines to a great extent how communities have recently responded and behaved when facing issues of concern. The current paradigm is not only conducive to participation, in general, but also encourages people to be part of decision making. Business, conversely, find themselves in similar circumstances as a result of this changed environment and the principle of engagement challenges them to adjust their ways of operation. Though partnerships are, in general, beneficial to all parties involved, one should also be aware of the constraints, which have potential to ruin sustainable relationships.

However, a number of partnerships such as PPPs provide enough options to parties to choose from depending on what their respective circumstances require. It is thus imperative for businesses that are based on the influence of democracy to foster sustainable relations with relevant stakeholders in the area where they intend to develop. If the business sector fails to give recognition to communities when making decisions that might influence them, the consequences in this regard could be negative for their future existence. From a literature point of view it is therefore crucial if businesses do not want to fail, that they should collaborate with communities for better mutual understanding and foster good relationships. An established relationship is beneficial to both businesses, as well as communities and will ultimately lead to a culture of participation that will result in an environment for all stakeholders to work in sustainable partnerships. If a particular partnership is chosen, one should also make sure that the engagements that develop from it are meaningful in order to enhance the sustainability aspect of the interaction process.

CHAPTER 3

STAKEHOLDER ENGAGEMENT MODEL

The previous chapter dealt with key features of stakeholder engagement and the different processes in logical form that one should embark on for an effective engagement outcome. This chapter presents a stakeholder engagement model for a situation which is conducive for proper interaction, and to provide an opportunity to compare the current real engagement process in order to find out whether all aspects for successful interaction were covered.

3.1. Introduction

The Stakeholder Engagement Practitioner Handbook (2008:2-4) reitterates the significant role of stakeholder interaction for business success. It further states that one should also bear in mind that current relationships do exist amongst communities, business and government owing to continuous networking if the opportunity arises. However, it is also clear that engagements of this nature have mostly been approached in an ad-hoc manner and, therefore, will not be sustainable if exposed to extensive pressure. The handbook thus proposes that a strategic way of dealing with engagement should be adopted, which entails a proper analysis process, a plan with clear objectives, successes and evaluations, which will ultimately contribute to more sustainable interaction.   When stakeholder engagement is regarded as a strategic issue, the handbook also recommends that one should have a clear understanding of the difference between strategic and operational rules. The same publication furthermore claims that a strategic approach will be contained in different engagement models, but it is not necessary to base stakeholder engagement on a specific model. Hence, it can serve to find out whether all aspects for successful interaction were covered. The AA1000 Stakeholder Engagement Standard (2005:20) is of the view that interaction in some cases is confined or impossible owing to business and safety causes and therefore, if such causes do appear, it should be recorded and explained in the development of the engagement

process. Calton (2002) proposes a potential model for effective or successful stakeholder engagement which will simultaneously enhance corporate governance, since in most cases stakeholder engagement does not provide the expected outcomes. The Stakeholder Engagement Practitioner Handbook (2008:5) portrays a certain kind of model that is developed for interaction, which focuses on actions for quality stakeholder engagement and comprises three elements with different stages. The AA1000 Stakeholder Engagement Standard exposure draft (2005:28) further states that this particular model usually serves as a framework for stakeholder engagement and the elements involved elaborate systematically through stages in an effort to establish a quality stakeholder interaction process. According to the Stakeholder Engagement Practitioner Handbook (2008:7-13), the following is the first element of a stakeholdder engagement model which consists of four stages as described below.

3.2. Thinking and planning

First stage:

3.2.1 The reason for stakeholders engagement

The reason for simply engaging with stakeholders is to obtain benefits from the process. Stakeholder engagement should, therefore, be regarded as a strategic issue and thus be part of the planning stage of any company. It is normally during the thinking and planning stage where a proper analysis of stakeholders will be conducted for identification purposes and simultaneously determine the benefits and risks or disadvantages that emanate from such a process, depending on the openness and honesty of the company to communicate. One should also be careful not to confuse benefits with objectives, and it is also imperative to compare the risks with benefits.

Second stage:

3.2.2 Identify key stakeholders and significant issues of concern

For the identification of key stakeholders and significant issues of concern, one should know that a key stakeholder is different from an ordinary stakeholder

since the individual not only has a vested interest, but also influences the engagement process. When identifying key stakeholders, it should be taken into account that they vary in terms of team, section and division and could also be transformed owing to circumstances. A perfect way to identify relevant stakeholders is to compile a map where key stakeholders and their relationship to each other are indicated. The map should often be reviewed to keep abreast with changes of stakeholders as a result of circumstances. The media has also been regarded as a key stakeholder and special care will be given to them. Apart from identifying key stakeholders, their significant issues of concern should also be identified, which could be determined through the following two steps:

Firstly, to address the following questions:

- What do these stakeholders regard as important discussion points?
- Which of these points are mostly discussed?
- Will it be possible to identify the real matters?

Secondly, to determine how important these matters are by posing the following questions:

- Is the matter relevant to policy, outcome or output or other community commitment?
- Are there aspects within the matter that can be connected to financial or legal compliance?
- Will these matters have an influence on the decisions and the behaviour of stakeholders?
- Can any kind of norms be spotted?

Third stage:

3.2.3 Analyse and plan

There is not much emphasis on research during an engagement process, though it enables one to identify one's strong and weak points, which can ultimately lead to a proper strategy for effective interaction. One should also take into account that it is preferable to utilize all available sources for research purposes in order to do a wide range of analysis of all matters that concern stakeholders, including

current or past relationships, available resources and limitations. It is thus beneficial to follow this particular route by compiling a development plan for stakeholder interaction. The strategic development plan should also make provision for ways and means to evaluate and monitor the quality of the engagement process. Performance indicators should also be established to measure what one has accomplished. According to a Tech Team Government Solution (2009:1), document models that have been developed should provide solutions to difficulties that are of paramount importance to evaluators, but can still be of no interest to stakeholders. The document further states that logic models are subject to change depending on the stakeholder engagement program under assessment that might deviate, or new information proves the real model to be wrong or stakeholders feel obliged to reconsider their program owing to unforseen circumstances. Though, according to the same document, it is imperative to assess stakeholder interaction models from time to time, it is equally important not to obtain rid of older models owing to the following two reasons:

- Firstly, that evaluation data that is of utmost importance might be attached to the changes; and
- secondly, that owing to agreement demands, there might be a need to assess the original model.

Fourth stage:

3.2.4 Risks and opportunities

It is of paramount importance to have a risk management plan ready from the beginning when consulting with stakeholders to serve as safeguard against any changes that might cause a risk to the engagement process. The following aspects should also be taken into consideration when dealing with risks while continuous interaction takes place with stakeholders:

- Establishing the context;
- Identifying the risks;
- Analysing the risks;

- Evaluating the risks; and
- Treating the risks.

According to the Stakeholder Engagement Practitioner Handbook (2008:15-17), the second element of a stakeholder engagement model also consists of four stages, which are presented below.

3.3. Preparing and engaging

First stage:

3.3.1 Defining the rules of engagement

Stakeholder interaction will demand from one to establish the rules of engagement, which should be known to stakeholders and should entail the scope, status, reason for conversation and one's capability to address the needs of stakeholders. If one intends to work with stakeholders, but is bound by certain policies and laws, it should be clearly explained to stakeholders for clarity purposes. An engagement that fits the different requirements and needs of stakeholders can be designed once a reaction in this regard has been determined.

Second stage:

3.3.2 Communication is fundamental for stakeholder engagement

Communication is a key aspect for all kinds of relationships including stakeholder engagement, though it is extremely difficult to maintain the right negotiation skills. Normally, negotiation provides an ideal platform for bargaining, but the authority is mostly vested in one party, which can have an impact on the existing relationship. Thus for two way communication to work properly, some kind of transparency should exist regarding your intentions and aims.

Third stage

3.3.3 Strengthen the engagement capacity

A SWOT analysis should be conducted in order to strengthen the engagement capacity. The various skills of different stakeholders, as identified in the analysis,

should be applied in such a way to enhance the stakeholder engagement process. If any problem areas, shortcomings or constraints have been encountered during the same exercise, ways and means should be designed accordingly in an attempt to address it. This will ultimately give shape to a tailor made engagement strategy.

Fourth stage

3.3.4 Define the process and engage

If one experienced all the different stages of identification, research, planning and your necessary capacity programmes are established, one can move immediately to a more implementing phase. During this phase one should develop a proper stakeholder engagement plan, which will comprise of one's aims, work, way of operating and timeframe. One should after all be in a position to determine the best suited stakeholder engagement process. It is also necessary ensure that there is alignment between the stakeholder engagement plan and the overall business plan.

3.4. Responding and measuring

The Stakeholder Engagement Practitioner Handbook (2008:20-21) presents the above aspect as the last element of a stakeholder engagement model which comprises of the following stage:

3.4.1 Act, review and report

Information of any nature which flows from the stakeholder engagement process during this particular phase should be activated and the outcomes of these engagements should be recorded. It will also be proper to occasionally have an introspection, and if the need arises, revise one's overall strategy. A performance measuring mechanism should be established in order to determine whether one's engagement process was successful. In addition, the AA1000 Stakeholder Engagement Standard exposure draft (2005:23) reconfirms the need for an entity to simultaneously evaluate and re-list stakeholders if they are busy re-defining their stakeholder strategy.

3.5. Summary

It is imperative that one should recognise that all stakeholder interaction is unique and, therefore, there is no particular blueprint for a particular engagement process. One should also bear in mind that all community groupings have their own shortcomings, aspirations and difficulties and a stakeholder engagement process should thus be designed accordingly.

There is an obligation on all parties that are involved to ensure a quality stakeholder engagement process in order to promote sustainability. Usually a number of stakeholder engagement models are available that can be utilised as a framework for interaction processes provided that a lot of attention is given to the quality aspects, but it is not always necessary to make use of models. The model or framework will in fact enable one to determine whether the process is correctly approached, is still on the right track and if there is a need to review certain aspects of the process.

CHAPTER 4

RESEARCH METHODOLOGY AND APPROACH

In this chapter the research methodology and approaches that were used to execute the current study, are explained.

4.1. Research Design

The research approach that was adopted in this study was determined by the research objectives and research questions. The research is overall qualitative in nature. This is a descriptive research study, which used the case study procedure. Robson (2002:178), cited in Saunders, Lewis and Thornhill (2003:93) argues that case study research is a strategy that includes an empirical investigation of a particular feature within its real life context by using a number of sources of evidence. Such a case study can also refer to an individual or multiple individuals or a process. The descriptive case technique is regarded as the most appropriate design given the fact that its findings in the Saldanha Bay scenario were based on information, which was obtained from a limited number of cases registered on the databasis of the South African Oil and Gas Alliance (SAOGA) and the Saldanha Bay Municipality's Local Economic Development Unit (LEDU).

4.2. Research Population

For the study to answer the research questions and meet the objectives of the research, it focussed on the interaction process between a sample of eight institutions, which were chosen from an unknown number of similar community-based organisations or social movements within the municipal area, and the partnership consortium of Ferro Marine Africa and Grinaker- LTA in the Saldanha Bay Communication Forum. This consultative forum aimed to increase communication and local support for economic development opportunities amongst community-based business groupings, labour organisations, local government, business development support organisations and other interest

groups through information sharing, dialogue, capacity building, consultation on matters of mutual interest and communication with the local community. It was thus a relevant example of a case study of an organisation. The following local stakeholder organisations were selected:

- Saldanha Bay Business Chamber, which represents enterprises in the municipal area;

- Saldanha Bay Broad-based Black Economic Empowerment Forum, which represents Black entrepreneurs in the municipal area;

- West Coast Workers Forum, which represents unemployed persons in the municipal area;

- Women in construction, which represents womens' interests in the municipal area;

- Saldanha Bay Local Municipality – the local authority in the area;

- West Coast Business Development Centre (WBDC) – a business support and development organisation within the municipal area; and

- Red Door (Real Enterprise Development) Centre, Vredenburg – a project of the Provincial Department of Economic Development & Tourism Westen Cape.

These formations have succeeded in establishing a relatively high visible and vocal profile around local industrial development and are regarded in local municipal and SAOGA circles as the credible voice of those groups that were historically excluded from the mainstream economy. They are locally based, and represent various mandates with different needs, aspirations and expectations if engaging on issues of community interest. Mouton (2001:152) is of the view that this particular case is therefore a representative or probability sampling, since the chance of each case that is selected from the community in terms of this particular sampling is known and is usually equal for all cases. Mouton (2001)

further states that this specific sampling technique enables a response to the research questions and objectives that require an estimation of the characteristics of the community from the sample. Mouton (2001:152) also believes that it is thus time saving, as results are produced speedily, and the data is also detailled. The sample was, therefore, not representative of all aspects of Saldanha Bay opinion and findings, therefore, it could not be generalised to apply to similar communities or even to the full municipal area. It was, however, the intention to focus analytically on the entire process of interaction and to extrapolate the nature of the interaction from various stakeholder accounts. In this case, the views of the selected population were at the forefront in order to be given the necessary emphasis.

4.3. Data Collection and Organisation

A descriptive study was conducted with the intention to focus on the entire process of stakeholder interaction, which required the use of a variety of collection methods that included a review of the relevant academic literature, observation and content analysis of all relevant documentation.

Literature study

Babbie (2001), cited in De Vos *et al.* (2002:275), states that before case study researchers conduct field research, they first familiarise themselves with relevant literature that deals with this particular field. An in-depth literature study was, therefore, conducted on public participation and stakeholder interaction for business success from which a theoretical model based on the strengths and weaknesses of the current engagement process was developed and simultaneously identified key components for beneficial interaction.

The intention to focus on the entire process of inter action required the use of a variety of collection methods. These included the following:

- *a review of relevant academic literature*:

Mouton (2001) is of the view that this chapter comprises of the theorethical framework that has informed the research and it should include elements of

the introduction, definition of key concepts, discussion of the literature that was read and a summary of the key conclusions and findings;

- *observation:*

Wilkinson (2003) states that it is a process where the researcher watches how people behave under circumstances and different situations to obtain a clear perspective on them; and

- *content analysis of documentation:*

Wilkinson (2003) furthermore states that the content analysis give meaning and significance to the data collected and also demonstrates typical patterns in the text.

During the data collection phase, fieldwork was undertaken for orientation purposes with regard to the operations, key topics, procedures, protocols and programmes of Grinaker-LTA, the various local role players and the settings of their engagement. This process was further complemented by the use of participant observation during which the researcher attended all stakeholder meetings, community consultations, council-business interface events and other similar public and organisational interactions concerning oil and gas. All observations were recorded in a field diary for later use. In addition, access to relevant documentation, statistics, key role-players and information sources were sought. All observations were recorded in a field diary and relevant documents such as minutes, workshop outcomes, protocols, codes of conduct and agreements were used for proof as part of the research study.

4.4. Data Analysis

All collected data was organised in various categories, for example, activities, settings and relationships and key patterns were identified in this regard. Furthermore, qualitative data obtained by means of observations were transcribed and analysed to complement the previous process. The information regarding the unique experiences of various stakeholders was systematically analysed and interpreted against the background of the literature that was

consulted. The theoretical model of interaction, as presented in the literature, was applied to determine through a comparison whether the current local engagement process did indeed match most of the elements contained in the proposed interaction model. Hence, a holistic picture of the true nature of the interaction between stakeholders was constructed.

4.5. Summary

The case study procedure that is regarded as the most appropriate design was used for the Saldanha Bay scenario. In order to answer the research questions and meet the objectives of the research, the study focussed on the stakeholder engagement process between a sample of eight institutions which were chosen from a number of entities within the municipal area, and Grinaker-LTA in the Saldanha Bay Communication Forum. The interactions were aimed to extend communication and local support for economic opportunities amongst local entities from the Saldanha Bay municipal area through dialogue and consultation on matters of mutual interest and communication with the local community. Since the descriptive study intended to focus on the entire stakeholder interaction process, it requires the use of various collection methods that included observation, content analysis of all relevant documents and a review of relevant academic literature. All collected data that emanated from the various methods, was organised in categories to identify key patterns in this regard. The information was subsequencely analysed and interpreted against the background of the literature that was consulted.

CHAPTER 5

RESEARCH FINDINGS AND ACCOMPANYING INTERPRETATION BASED ON THE ANALYSIS

This chapter presents the findings of the research that was conducted. In order to make sense of, analyse and draw conclusions based on the responses of various participants in the stakeholder engagement model, the data was subjected to the pencil and paper method of analysis and interpretation.

5.1. Thinking and planning

First stage:

The Stakeholder Engagement Practitioner Handbook (2008:13) states that owing to the strategic nature of stakeholder engagement, it should be dealt with as part of the planning stage of a company since the reason for engagement is to obtain benefits from the process. Sowman and Gawith (1994) also argue that this notion has already been evident in participatory models which assume that the development objectives of outside parties should take the needs and aspirations of ordinary people into consideration for successful engagement. Ferro Marine Africa was mindful of community involvement when they reveal their plans to develop a fabrication yard in Saldanha to service the needs of West African oil and gas industry, since Grinaker-LTA, a consortium partner, announced at the same time that they would strive to interact on a regular basis with local communities in order to ensure the success of this initiative. Waddock and Graves (1997) moves that a number of social scientists in the business field with a specific focus on the benefits of proper stakeholder engagement continuously attempt to persuade managers that good stakeholder consultation does not only favour business alone, but also the community. Based on the abovementioned, the municipality agreed to collaborate with Grinaker-LTA when approached in June 2006 to jointly communicate with the local community in order to foster good relationships for the benefit of the intended business initiative. The Stakeholder Engagement Practitioner Handbook (2008:12) further moves that it

is normally during the thinking and planning stage where a proper analysis of stakeholders is conducted for identification purposes and simultaneously to differentiate between ordinary and key stakeholders. Chevalier (2001) supports this notion in the literature review when he states that stakeholder analysis has emerged to be an effective strategy that can be utilized by researchers for the identification of stakeholders. All stakeholders who are part of the current local engagement process were identified through a selective process after a proper analysis of stakeholders by the parties involved and was composed from the four sectors such as business, government, labour and civil society that represent different groups. The Stakeholder Engagement Practitioner Handbook (2008:10) regards the media as a key stakeholder in the engagement process for the dissemination of correct information, even though the media is not represented on this specific consultative platform owing to the fragile relationship of many of these formations, in particular the SBM with the local media.

The Stakeholder Engagement Practitioner Handbook (2008:12-13) also proposes during the third phase of the first element that a strategic approach should be adopted with the engagement process in order to identify the strong and weak points, which can subsequently give effect to a proper strategy for effective interaction. In this regard, forum members arranged a workshop for a proper analysis of the protocol document and simultaneously to collaborate on a strategic action plan for community consultation. At the same workshop a number of strategic decisions were developed such as the:

- forum to be beyond Oil and Gas initiatives, and to use it for the communication of any such similar initiatives, which focus on economic development of the region;

- expansion of stakeholder engagement in order to ensure that broad representation particularly of local entities is guaranteed on the forum;

- Local Economic Development office responsible for the secretariat role of the Communication Forum provided that the local council systematically capacitates LED in order to fulfill this role properly;

- Department of Economic Development and Tourism assisting SBM with the facilitating of this particular interface for communication in their capacity as interim chair of the engagement process; and

- Protocol document should be submitted to obtain the buy-in from the local council and the forum to be launched, which should be locally owned.

All these strategic activities were implemented, which ultimately concluded the interim process and the forum is already busy with a second strategic session to compile a proper development plan for stakeholder interaction for completion early 2011. During the first strategic session the forum actually failed to establish a proper monitoring and evaluation mechanism, as well as key performance indicators, and if these imperatives are not addressed the second time around, it could endanger the lifespan of the current engagement process. The Stakeholder Engagement Practitioner Handbook (2008:13) recommends that a risk management plan should be compiled for protection against any changes, since it could pose a threat to the sustainability of the stakeholder engagement process.

5.2. Preparing and engaging

A protocol document was compiled by the Saldanha Bay Municipality as part of an agreement with Grinaker-LTA, which expound on how communication currently proceed. The Stakeholder Engagement Practitioner Handbook (2008:15) in this case relates directly to the rules of engagement that should be known to stakeholders as established in the protocol document. The Saldanha Bay Communications Forum came into being as a result of the protocol document to give practical effect to the municipality's constitutional responsibility to involve stakeholders in a public participation process on issues of public interest of which economic and business development, as a strategic matter clearly qualifies. The protocol was forwarded for council submission in order to obtain political buy-in for the engagement process and was official endorsed, which gave the document legal status for implementation. A number of corporate social responsibility aspects such as jobs, economic opportunities and skills

development are regarded by local stakeholders as common ground for engagement and these issues are mostly discussed amongst them. However, communication still seems to be a problem for the forum, since obtaining information from corporates involved was and remains an uphill battle from the start, particularly in the absence of a signed confidentiality clause. Another aspect which the forum failed to address during the first strategic session was the compilation of a communication strategy of how information is disseminated to the community. The forum is already busy with a second strategic session where a SWOT analysis was conducted to compile a proper implementation development plan for stakeholder interaction that will be completed during 2011.

5.3. Responding and measuring

The Stakeholder Engagement Practitioner Handbook (2008:20) prescribes that information should be activated and the outcomes should be recorded during this current phase of the engagement process, but it is a difficulty that the forum has encountered since the start of the process owing to the reluctance of corporates to share valuable information. The Practitioner Handbook further states that it will also be proper to occasionally have an introspection of the engagement process and if the need arises, revise one's overall strategy, but equally important is to ensure that a performance measuring mechanism is established in order to determine whether your engagement process was successful. Stakeholder responses during the past two years of existance provide a chorus of evidence in support of the strategic importance of the Saldanha Bay Communications Forum. In addition, the first phase of the SBCF produced an organized multi-stakeholder resource pool with:

- an efficient, capable secretariat and administration;
- a multi-stakeholder pool of institutional knowledge united by a common vision, mission and purpose; and
- a multi-stakeholder pool of complementary capabilities and institutional networks.

At the same time a range of opportunities emerged from these engagement platforms, which profile a rich harvest of potentials that could be harvested if present imperfections are remedied. Moreover, these opportunities re-inforce the strategic importance and significance of an optimally functioning Saldanha Bay Communications Forum. It is a constitutional necessity and not an institutional luxury, since as the founding Protocol of the S.B.C.F. correctly highlights:

> Section 152(i) (c) and (e) of the Constitution of the Republic of South Africa (Act 108 of 1996) dealing with the objects of local government states that the objects of local government is "to promote social and economic development" and "to encourage the involvement of communities and community organisations in the matters of local government" (Saldanha Bay Municipality, Proposed Saldanha Bay Communications Protocol, Section 3.1 page 5, July 2008).

Conversely, the weaknesses on the otherhand highlighted a number of organisation imperfections that warrant urgent attention, including the following:

- An operational plan;
- A performance management system, instruments and indicators;
- A way to monitor and evaluate the quality of the engagement process;
- A risk management plan;
- A regular, scheduled meeting slot;
- Type(s) of industry information required, for example, the number of jobs/type of jobs/type of skills/skills gap analysis;
- Inclusion of the local media to disseminate or communicate the correct information to the community; and
- A marketing strategy, plan and actions to inform stakeholder constituencies of the goal, purpose, roles and responsibilities of the Saldanha Bay Communications Forum.

A strategic threat, which the S.B.C.F. should confront and turn around derives from the lack of political will, which is evident from the SBM and this is reflected in the following failures of the municipality:

- The most senior officials including councillors that serve on the Mayoral committee do not attend S.B.C.F. meetings;
- The municipality has failed to refer investors to the S.B.C.F; and
- The S.B.C.F. is invisible in discussions of the Industrial Development Zone on strategic platforms.

The current review process of the forum will most probably address these issues and hence establish a performance measuring mechanism in order to determine whether the current engagement process is meaningful.

5.4. Summary

With due consideration of the abovementioned analysis, it is obvious that the current local engagement process did indeed match most of the elements contained in the proposed model if a comparison is undergone and the forum also gain enormous momentum during the first phase of existence through this. Conversely, one should also take note of the few shortcomings that the process still lacks to make the engagement more effective, since it could pose a serious threat to future sustainability of the forum. On the whole, stakeholders are consistently becoming more frustrated with the fact that information about jobs, economic opportunity and skills development, as previously promised, is currently being withheld by the corporate sector for one or other reason, which is unknown to the forum. Furthermore, the lack of full support particularly from the local municipality in this regard certainly has a negative impact on the current engagement process.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

The aim of this study was to investigate the ongoing interactions process for the identification of strengths and weaknesses of the engagements in the Saldanha Bay venture, in order to provide recommendations for improvement accordingly and to determine whether the current process is substantive and responsive enough to the real needs and expectations of these groupings. Equally important to this, is the development of a theoretical model inclusive of the success factors and key components for mutually beneficial stakeholder interaction (community and business) and participation for business success. To achieve these objectives, a proper analysis of data that was collected regarding the engagement process was conducted based on the following elements, as contained in the stakeholder engagement model, which was presented in Chapter 4, and dealt with all the various learning disciplines in order to determine whether each and every aspect for successful interaction was covered:

- Thinking and planning;
- Preparing and engaging; and
- Responding and measuring.

The stakeholder engagement model relates to a key component which entails that one should take cognisance of current existing relationships amongst communities, business and government owing to the continuous networking sessions which occur occasionally. However, most of these engagement sessions are being conducted in an adhoc manner which precisely contributes to the vulnerability of the interaction process if exposed to extensive pressure. The thinking and planning phase is the first stakeholder engagement element and comprises of four different stages. In this particular first stage it is recommended that a strategic approach needs to be adopted when dealing with the stakeholder interaction process which entails a proper analysis, plan with objectives an evaluation. In the Saldanha Bay venture a consultant was appointed to take the

stakeholder engagement forum through a strategic process which thoroughly dealt with all the above mentioned aspects. The second stage is dealing with the difficulty of identifying key stakeholders and to distinquish them from ordinary stakeholders. In order to make sure that the relevant stakeholders have been identified, the model further proposes that a map should be compiled where key stakeholders and their relationship to each other are indicated. This is an aspect that was really lacking during the Saldanha Bay stakeholder engagment process. The third phase emphasises the need to design a development plan with the necessary performance indicators for stakeholder engagement. Although a protocol was drawn up during the strategic session with the consultant after a proper analysis was done of the Saldanha Bay situation, they failed to compile a development plan with performance indicators. According to the last stage of this stakeholder engagement element, it is imperative to have a risk management plan during commencement of the interaction process. However, this particular feature was not taking into consideration when the Saldanha Bay stakeholder engagement process was started.

Another important element of the stakeholder engagement model is the preparing and engaging phase which also includes four stages. The rules of engagement as prescribed in the first phase of this particular element were adequately captured in the tailor-made protocol of the newly established Saldanha Bay Forum. Communication as an important part of the second phase was regarded as a contentious matter, since the Saldanha Bay Forum was occasionally kept at ransom by LTA-Grinaker owing to a sour relationship with the local municipality. The third phase is dealing with engagement capacity while the fourth phase relates to an implementing phase. A proper SWOT analysis was done in this regard with the intention to identify gaps in the stakeholder process, but nothing was put in place to address all these problem areas in the Saldanha Bay situation.

Responding and measuring is the last element of the stakeholder engagement model and although it is comprising of only one stage, it is imperative that the

Saldanha Bay stakeholder engagement process embarks on an introspection session as soon as possible, in order to determine whether it is neceassary to revise their overall strategy.

The literature on stakeholder engagement indicates that the current democratic environment is favourable for both the corporate sector and communities to foster healthy stakeholder relations in order to create a conducive platform for consultation. However, the selection of stakeholders is a challenging and delicate process and the literature recommends in this regard that an analysis should first be conducted for the identification of relevant stakeholders. If the abovementioned aspect is taken into account, the engagement process should be without problems and will ultimately lead to better mutual understanding of the consultative phase. Also, from a literature point-of-view, smooth engagements will establish a culture of participation and good relations amongst stakeholders. An established relationship is beneficial to both businesses, as well as communities, and will result in an environment for stakeholders to work in sustainable partnerships.

Based on the available data, it is clear that the local stakeholder engagement process with due consideration to a comparison, did indeed match most of the elements contained in the proposed model. The first phase of the SBCF produced an organised multi-stakeholder resource pool with:

- An efficient, capable secretariat and administration;
- A multi-stakeholder pool of institutional knowledge united by a common vision, mission and purpose; and
- A multi-stakeholder pool of complementary capabilities and institutional networks.

Conversely, one should also take note of a few shortcomings, which the process still lacks to make the engagement more effective, since it could pose a serious threat to future sustainability of the forum. The absence of the media from the multi-stakeholder platform compromises the credibility of the process and should be seriously considered. On the whole, stakeholders are constantly becoming

more frustrated with the fact that information on jobs, economic opportunity and skills development, as previously promised, is currently being withheld by the corporate sector for one or other reason which is unknown to the forum. Furthermore, a lack of full support from the local municipality in this regard certainly has a negative impact on the current engagement process. It is thus clear that the current process is not substantive and responsive enough to the real needs and expectations of these groupings. To achieve this objective, a lot more should be done to obtain real commitment from key role players, in particularly from the local municipality since it is the first point of communication for investors.

Hence, it is essential for the forum to take this particular initiative to a more permanent second phase in order to sustain the process for better outcomes by providing an opportunity to establish a strategic framework that can serve as further guidance to the forum. In addition, the final product should also make sure that important information does reach those that it was intended for.

This study, however, had limitations and weaknesses that should be highlighted. The first and most important factor was the fact that only seven of the twenty stakeholders actually participated in this study. It was, therefore, not possible to make a proper diversion of the views of the entire stakeholder group that participated in the forum. Conversely, what was much more encouraging in spite of the fact that the study only focussed on 35% of the stakeholders, is that most of the responses and behaviours were similar owing to the dominant local factor. This means that this specific local proportion of the forum did find concensus on issues of common interest as the programme developed. The study was also negatively affected by the fact that the most senior municipal officials and key councillors were poorly attended or in some cases, did not attend the forum meetings, hence it was difficult to obtain a true reflection of their behaviour and responses towards certain accusations regarding their lack of commitment towards the engagement process.

In the absence of a similar local study on stakeholder engagement, at least two topics for further study and research were identified. Given the role of the local municipality in multi stakeholder engagements and the right organisational fit of a multi stakeholder engagement forum for the execution of a Corporate Social Investment plan, including data capturing instruments that could be used by a multi stakeholder forum for the purpose of determining the number/type of jobs, downstream economic opportunities and skills warrant further research. The local municipality is crucial in a multi stakeholder engagement process since community members normally behave in an unprofessional and unorganised manner when it comes to issues of concern. Therefore, they are dependent on municipal technical or physical support and resources if they want to achieve effective and sustainable stakeholder engagement with the corporate sector. However, if communities manage to shift to a more proactive approach to stakeholder engagement in order to be prepared for these consultative platforms, better outcomes can be expected. Despite all the shortcomings, this study still contributes to investigating the potential of using a stakeholder engagement model to analyse whether engagement processes of ordinary communities do match most of the elements contained in it

RECOMMENDATIONS FOR PRACTICE:

Based on the findings of this study, the following menu of recommendations are for implementation by the forum to address the identified gaps in the current stakeholder engagement process. These may include:

- Formulate a 3 – 5 year plan with tarobtained results, activities and key performance indicators;
- Formulate a strategic action plan with key actions, performance Indicators as well as monitoring instruments and agents to remedy imperfections identified during the Diagnostic Review;
- Formulate a clear communications, networking and marketing strategy to develop an optimally functioning and efficient public participation process

for the sustainable economic development of the Saldanha Bay Municipality;

- Ensure a commitment from the Saldanha Bay Municipality for the most senior administrative and political representation on the forum;

- The Saldanha Bay Municipality to refer each and every investor to the Saldanha Bay Communications Forum in order to engage them in a public participation process; and

- The Saldanha Bay Municipality to resource the operations of the Saldanha Bay Communications Forum by committing to a budget allocation as well as continuing with their secretarial support.

RECOMMENDATION FOR RESEARCH

Given the absence of a similar local study that deals with stakeholder engagement for municipalities, the following three topics for further study and research have been identified:

- The role of municipalities in stakeholder engagement processes within their area of juridiction;

- A design for a fit organisational structure to implement a plan for an effective stakeholder engagement process; and

- How to design a performance management framework for a unique stakeholder engagement process, which also takes into account the risk analysis.

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APPENDIX A

Dear Colleague

Re. Analysis of a stakeholder Interaction in the establishment of an oil and gas manufacturing hub in Saldanha Bay Municipal area

The Local Economic Development unit has currently undertaking an analysis of the stakeholder interaction process of the Saldanha Bay Communication Forum which came into being on request of Grinaker-LTA. Saldanha Bay municipality is a key role-player and an active participant in the local forum, owing to the resources it provides.

The aim of this study is to investigate the ongoing interaction process for the identification of strengths and weaknesses of the engagement in the Saldanha Bay venture, and to determine if it does respond to the needs and expectations of stakeholders serving on the forum.

The findings of the study can be utilized as a model for future engagement processes between business and communities in the Saldanha Bay municipality area. It will thus be in the interest of Saldanha Bay municipality to allow the study to determine whether the role of the municipality is effective and simultaneously identify the gaps and weaknesses of the engagement process of the forum.

Kind regards

………………………………………..

Councillor R. Jager
Executive Mayor
201-09-13

APPENDIX B

SALDANHA BAY MUNICIPALITY

PROPOSED SALDANHA BAY COMMUNICATIONS PROTOCOL

JULY 2008

1. **Background**

In March 2006, an announcement was made by MAN Ferrostaal at the Oil Africa 2006 Conference and Exhibition that they will invest in a fabrication yard in Saldanha Bay (as part of their offset obligations to the South African Government) to service the needs of the West African Oil & Gas Industry. MAN Ferrostaal created a company called FerroMarine Africa with shareholders MAN Ferrostaal, Atlantis Corporation and potential shareholders Industrial Development Corporation (IDC) and DEG KFW Bankengruppe. The fabrication yard would serve the fabrication of platforms and marine structures for the oil and gas industry and would have an initial lifespan of at least 15 years.

MAN Ferrostaal announcement also included the formation of Operating Companies in Saldanha Bay and Cape Town. The Operating Company in Saldanha would consist of South African companies, Grinaker-LTA and DCD-Dorbyl. The Operating Company would commence business after FerroMarine Africa had completed the re-commissioning of the old Mossgas site in Saldanha Bay. The business of the operating company would be to pre-qualify the site, tender for international projects, secure orders and fabricate the structures that were required by clients. The Operating Companies would not be involved in the re-commissioning of the site as that would be the responsibility of FerroMarine Africa.

Grinaker-LTA approached the Municipality of Saldanha Bay in June 2006 to see if the Municipality of Saldanha Bay would be prepared to jointly communicate with the local community in order to foster good relationships between municipal structures and community representatives. Grinaker-LTA stated that one of its key deliverables would be to train members of the local community and sub-contract work to local business. Grinaker-LTA had already engaged 20 local learners to be trained in welding at the West Coast

College in Vredenburg. This commitment by Grinaker-LTA was conducted despite having no firm contract between FerroMarine Africa.

At this meeting Grinaker-LTA and the Municipality of Saldanha agreed that a protocol will be drafted by the Municipality which will be forwarded to Grinaker-LTA for their input on how this communication should proceed.

Following on the heels of the still fresh disappointment of the local community with the actual benefits of the Saldanha Steel Project, the lack of constructive engagements with local communities pose serious questions about the seriousness and commitment of business to the twin issues of corporate social corporate responsibility and community and stakeholder processes. It is also a well-established fact that sound business-stakeholder interactions are key to ensuring the profitability of any enterprises. Failure to maintain such relationships may spell an unsuccessful or struggling business which in this case should be prevented.

PGWC, SBM & COMMUNITY MEETINGS AND PERCEPTIONS

Previously the lack of a clear communication strategy/protocol on the part of SBM was raised as a weakness, as no one wanted to take responsibility. At the meeting held on 20 July 2007 discussions centred on community involvement and exploring of economic opportunities.

Based on the protocol document requested by Grinaker-LTA of the Municipality, it was agreed to be explore the implementation thereof. This needed support and buy-in of the various role players which might not have been involved in the lead up to this point.

At a meeting on the 9th October 2007, it was raised that clarity on the status of the protocol document was needed urgently, and to address this issue engagement with the top structures of SBM was needed. This was deemed

urgent in order to finalize it before the coming Imbizo, because people were going to ask questions about Oil & Gas. In this meeting it was confirmed that Grinaker-LTA approached SBM to establish the proposed forum as mentioned in the protocol to mobilize businesses.

For implementation of this protocol, the SBM has assumed the secretariat responsibility, as they expressed their limitation. It was stressed that without resources and finances the document will become dormant, and will leave the municipality red faced. The crux of the meeting therefore is business people seeking information and who will be responsible for the communication. At this meeting, the SBM emphasized that it was impossible for them to be the information centre or disseminators of information, based on there budobtain constraints, and that another entity or structured needs to be explored.

It was reported that the Community Development Trust Foundation that is spearheaded by Grinaker-LTA raised questions about money, participation. It was also mentioned that Grinaker-LTA sent an invitation to SBM to participate on the trust but got no response from the municipality. The document also stated that there is a Board of Directors and that the forum might feed into the broader LTA Community Trust Foundation.

The Chairperson expressed his concern about the issues in the Oil & Gas, and that people had dragged their feet for too long, resulting in the community being disadvantaged.

It was recommended that Grinaker-LTA had to take the document (protocol) forward as they approached the municipality and should use it as a guideline. The Chairman differed on this point and responded that it is in fact the function of the municipality and that the ward councillors should do their work in this regard. The document for that matter cannot be handed over to Grinaker-LTA and then wishing for things to happen. This resulted in a

meeting between Grinaker-LTA, SBM and Province, to look at establishing a functional structure, with clear roles and responsibilities.

In terms of the Constitution the draft protocol document seemed to be in right direction and it was moved that the proposed stakeholder/role-players should come on board for the process to unfold.

A reference group was identified to participate in this process. The next step towards an efficient platform for these collaboration efforts is a strategic workshop where the reference group can develop a strategy and action plan for implementation.

PGWC, SBM and Grinaker-LTA Meetings

At a meeting held on the 15th October 2007 the chairperson stressed that several meetings were held regarding the dissemination of information to local communities interested in job or business opportunities and Corporate Social Responsibility/Investment at Oil & Gas. What emerged as a point of concern was how to take the process of community consultation forward. In order for SBM and the Department of Economic and Tourism to meet their objective of job creation and business opportunities with regard to Oil & Gas, the need to put a proper process/structure established becomes vital.

According to the chairperson the only outstanding aspect was to obtain clarity on the status of the protocol and to identify who is responsible for taking the communication process forward. To address this issue, there is an urgent need to engage with the top structure of SBM. It was then agreed to hold a strategic planning workshop to explore these issues, and develop actions to progress these discussions.

PGWC, SBM and Community Workshops

On the 13th March 08 this workshop was held which resulted in several actions.

Actions were:

- Develop a business plan to establish an office
- Develop a communications strategy
- Skills audit and SMME support structures (database of local SMME's & registration process)
- Stakeholder engagement expansion
- Approve formal structure, protocol and code of conduct

At this workshop a strategic decision was made to expand the forum to be beyond just the Oil and Gas initiatives, and to use it for the communication of any such similar initiatives focusing on economic development of the region. Also applicable to existing corporates like Mittal Steel, Namakwa Sands, Duferco, etc. and explore mechanisms to deal with this issue.

At a follow-up meeting on the 23rd June 2008 stakeholders agreed to change the name of the forum to Saldanha Bay Communications Forum. It was also agreed to expand the stakeholders and edit the initially proposed protocol document submitted by the Municipality.

2.   **Request:**

Edit the proposed protocol document as presented at the strategic planning workshop of the 13th March 2008. The Department of Economic Development and Tourism, was asked to facilitate an interface for communication and collaboration between the corporate citizens and the community of the Saldanha Bay area, focussing on matching economic opportunities with members of the local community. Business Presentation group was asked to facilitate a stakeholder workshop and a follow-up meeting where the finalisation of the protocol document was requested. This protocol document

outlines the framework, purpose, stakeholders and roles and responsibilities of the forum. Subsequently forward the proposed protocol document for Council endorsement and Board approval from Grinaker-LTA.

3. Legislative and Policy Framework

3.1. Section 152 (1) (c) and (e) of the *Constitution of the Republic of South Africa* (Act 108 of 1996) dealing with the objects of local government states that the objects of local government is "*to promote social and economic development*" and "*to encourage the involvement of communities and community organisations in the matters of local government*"

3.2. Section 156 (5) of the *Constitution of the Republic of South Africa* (Act 108 of 1996) dealing with the powers and functions of municipalities state that:

"*A municipality has the right to exercise any power concerning a matter reasonably necessary for or incidental to, the effective performance of its functions*

3.3. Section 26 (c) of the Municipal Systems Act (Act 32 of 2000) dealing with the key or core components of the municipality's integrated development plans states that such plans should reflect "*Council's development priorities and objectives for its elected term, including its local economic development aims ....*"

Therefore, in conducting its business local government should deliberately and purposefully seek to achieve its constitutional and legislative obligations by amongst other acting as a facilitating agent to the mutual benefit of local communities and business.

4. Name of the Forum / Structure

The consultative structure shall be known as **Saldanha Bay Communications Forum.**

5.   Composition of the Forum

The Saldanha Bay Communications Forum will consist of representatives from the following institutions, groups and sectors:

5.1.   Business Sector

5.1.1 Grinaker- LTA (as a pilot organisation with focus on Oil and Gas)

5.1.2 West Coast Business Development Centre (1)

5.1.3 Saldanha Bay Broad-based Black economic Empowerment Forum (1)

5.1.4 Women in Construction (1)

5.1.5 Sakekamer (1)

5.1.6 SAOGA (1)

5.2.   Government

5.2.1 Saldanha Bay Municipality (SBM)

5.2.2 Department of Economic Development and Tourism (DEDT)

5.2.2 The Mayor or representative from the office of the Mayor (1)

5.2.3 4 Ward Committee Representatives (They could also be seen as representing civil society)

5.2.4 RED Door (Provincial Economic Development) (1)

5.2.5 PLEK Plan (Provincial Economic Development) (1)

5.2.6 West Coast District Municipality (1)

5.2.7 Department of Labour (1)

5.3   Labour

5.3.1 Workers Forum (1)

5.3.2 Unions: COSATU & FEDUSA (2)

5.4   Civil Society

5.4.1 Youth Forum (1)

5.4.2 Saldanha Bay Tourism Organisation (1)

5.4.3 Environment (Saldanha Bay Forum) (1)

5.4.4 SALMINOR (1)

The Forum may invite any person not mentioned above to the meeting of the Forum except members of the press or media. Formal representation is seeks to follow the NEDLAC model in order to be inclusive…not exclusive.

Representatives should:
1.   Not be a political structure
2.   be organised…with a formal membership structure
3.   have an interest in Saldanha Bay region
4.   be actively functioning within the community

The Chairperson of the Forum will be determined by the Forum itself after a process of open discussion and a consensus-seeking.

6.   Terms of Reference

The Saldanha Bay Communications Forum is a consultative Forum aimed at increasing communication and local support about the economic development opportunities amongst community-based business groupings, labour organisations, local government, business development support organisations and other interest groups through:

(a)   Information-sharing
(b)   Dialogue
(c)   Capacity-building
(d)   Consultation on matters of mutual interest and
(e)   Communication with the local community

7.   Scheduling of SBCF meetings

7.1.   The Saldanha Bay Communications Forum will meet as frequently as needed depending on the timeframe of the project in question but initially on a bi-   monthly basis and thereafter at least every quarter based on an on-going assessment by the stakeholders

7.2.   SBCF meetings should take place as scheduled and should not be cancelled   unless there are exceptional circumstances

7.3   Standing Agenda

8.   Functions of the Chairperson

The Chairperson shall:

8.1.   convene the Consultative Forum in consultation with 4 sectoral representatives

8.2.   invite suggestions for inclusion in the agenda of the meeting

8.3.   consider suggestions and determine the agenda of the meeting

8.4.   convene meetings with the relevant stakeholders

8.5.   ensure ratification of the minutes of the last SBCF meeting

8.6.   report back to the SBCF on follow-up actions and resolutions taken at the previous meeting

8.7.   report to the different principals about resolutions taken and on matters needing mediation and intervention

8.8.   in consultation with all stakeholders determine a schedule containing dates and venues for SBCF meetings

8.9.   on consultation with all stakeholders, a schedule of report back meetings with the local community and businesses

8.10.   produce an Annual Report on the achievements and progress made to the Forum and the Community.

Only the Chairperson may cancel or postpone a meeting in order to seek a new mandate or to consult with the main principals namely the 4 sectoral

representatives. If the situation arises the Chairperson should attempt to reconvene the meeting within seven days of the scheduled date.

9. Role of the SBCF Secretariat

9.1. The Saldanha Bay Municipality Directorate of Social and Economic Development (LED Officer) is responsible for the provision of a secretariat to record proceedings on an interim basis but the responsible entity still to be identified to fulfil this secretariat role owing to financial implications involve

9.2. The secretariat will be responsible for:

9.2.1 sending invitations and coordinate attendance of all stakeholders

9.2.2 preparing the draft agenda in consultation with the Chairperson

9.2.3 ensuring that the timeframes for the submission of the agenda items, other documentation and if so decided presentations are adhered to

9.2.4 copying and distributing all correspondence and other documentation to all stakeholders at least seven days prior to the meeting

9.2.5 making logistical arrangements (ie. Venues, registration, equipment, catering etc.)

9.2.6 drafting action minutes and distributing it to all stakeholders for any omissions, additions or corrections within 10 days after the meeting.

9.2.7 drafting SBCF meeting minutes and distributing it to all stakeholders for any omissions, additions, or corrections within 10 days after the meeting.

9.2.8 following-up on actions emanating from the last meeting with stakeholders and drafting a progress report.

9.2.9 drafting an annual report on the achievements and progress made by the SBCF during a specific year.

APPENDIX C

(Invite of the Saldanha Bay Communication forum).

Dear Forum Members

We hereby extend a formal invitation to you to attend and contribute to discussions at the follow-up Oil & Gas Forum meeting scheduled to take place:-

Venue: Council Chambers, Vredenburg

Date: Thursday, 07 August 2008

Time: 10h00

Flowing from the discussions at the previous session held on 24 June 2008 the following action plans emerge as Agenda points for the above meeting:

- o **Develop a business plan to establish an office**

  At next meeting a written report should be submitted (relevant committee)

- o **Develop a communication strategy**

  Using Peter's strategy as a blueprint but still some linkages and updating with regards to various aspects needs to be conducted

- o **Skills Audit**

  The District Skills Audit Report to be made available for discussion

- o **SMME Support Structures**

  Link into big organisation doing this as part of CSI

- o **Stakeholder engagement expansion**

  LED to invite additional organisations as agreed upon

- o **Approve formal structure, protocol and code of conduct**

  Forum still to be finalized

  Editing of protocol to be conducted and reported on

Please Note: The different committees should be prepared to report on the above tasks allocated to them in the previous meeting.

Enquiries and RSVP can be forwarded to the LED office:

Tel: 022-701 7034 / Fax: 022-715 1101

APPENDIX D

(A local newspaper article on the official launch of the Saldanha Bay Communication forum).

DRAFT NEWSPAPER ARTICLE FOR ENDORSEMENT

Following on the heels of the still fresh disappointment of the local community with the actual benefits of past industrial projects, the lack of constructive engagements with local communities pose serious questions about the seriousness and commitment of business to the twin issues of corporate social responsibility and community and stakeholder processes. It is also a well-established fact that sound business-stakeholder interactions are the key to ensuring the profitability of any enterprise. Failure to maintain such relationships may spell an unsuccessful or struggling business which in this case should be prevented.

In March 2006, an announcement was made by MAN Ferrostaal at the Oil Africa 2006 Conference and Exhibition that they will invest in a fabrication yard in Saldanha Bay (as part of their offset obligations to the South African Government) to service the needs of the West African Oil & Gas Industry. The fabrication yard would serve the fabrication of platforms and marine structures for the oil and gas industry and would have an initial lifespan of at least 15 years. The Operating Company in Saldanha would consist of Grinaker-LTA that would commence business after FerroMarine Africa had completed the re-commissioning of the old Mossgas site in Saldanha Bay. The business of the operating company would be to pre-qualify the site, tender for international projects, secure orders and fabricate the structures that were required by clients. Grinaker-LTA approached the Municipality of Saldanha Bay in June 2006 to see if the municipality of Saldanha Bay would be prepared to jointly communicate with the local community in order to foster good relationships between

municipal structures and community representatives. A protocol was drafted by SBM as result of an agreement in that particular meeting which was subsequently forwarded to Grinaker-LTA for their input on how this communication should proceed.

After much consultation and several meetings a Saldanha Bay Communication Forum which comprise of various stakeholders was established. The purpose of this Forum is to ensure the implementation of the protocol, to identify and evaluate economic and job opportunities by providing a communication platform as well as enabling accountable action by all stakeholders.   The Department of Economic Development and Tourism (DEDT), Grinaker-LTA and SBM were tasked to facilitate an interface for communication and collaboration between the corporate citizens and the community of the Saldanha Bay area.   It was also decided in a forum meeting that a workshop should be arranged to do a proper analyses of the document and simultaneously collaborate on a strategic action plan for community consultation. At this workshop a strategic decision was made to expand the forum to be beyond Oil and Gas initiatives, and to use it for the communication of any such similar initiatives focusing on economic development of the region.   The workshop also deemed it necessary to expand the stakeholder engagement in order to ensure that broad representation particularly of local entities is guaranteed on the forum. According to the agreement between SBM and Grinaker-LTA as stated in the protocol document the LED office is responsible for the secretariat role of the Communication Forum provided that Council systematically capacitate LED in order to fulfil this role properly for forum engagements with future industries. The edited protocol document was forwarded and approved by both Council and the Board of Grinaker-LTA and it was agreed to explore the implementation thereof.   Hence it was decided in a meeting that before the formal structure could be launch, a proper confidentiality agreement

should first be established for the dissemination of information to the community. A detailed presentation on a Confidentiality Agreement was given by Grinaker-LTA and circulated to all members of the Forum for scrutiny. The draft Confidentiality Agreement was accepted by the Forum provided that the principles are fair; the information is appropriate; transparent; acceptable; genuine; honest and deals with the issue of job creation and economic opportunities.

It gives the Saldanha Bay Communications Forum therefore great pleasure to officially announce the launch of this structure on 30 September 2009 where all relevant entities and government departments will be invited. This particular vehicle is a result of a collective effort by community, government and business in an attempt to ensure proper transparency and information sharing in order for the wider public to benefit from developments in our area.

APPENDIX E

(A programme of the launch of the Saldanha Bay Communications Forum).

You are cordially invited to attend the launch of the Saldanha Bay Communications Forum to be held on 30 September 2009 in Vredenburg (Council Chambers) commencing at 12h00

Programme Director:
Elton Lesch

TIME	ITEM	FACILITATOR	ORGANISATION
12h00	Welcome & Opening	Deputy Executive Mayor Frank Mbanze	Saldanha Bay Municipality
12h10	Significance of Protocol document and Partnerships to ensure CSR/I	Representative	Department of Economic Development and Tourism (DEDT)
12h20	Expectations : Business Expectations: Community	Andries Beukes	Saldanha Bay BEE Forum
12h25		Tony Vaughan	SALMINOR
12h30	Questions and Answers	Programme Director	
12h35	Closure	Portfolio Councillor Adele de Bruyn	Saldanha Bay Municipality
12h40	Refreshments		

APPENDIX F

(A proposed confidentiality agreement for the purpose of the forum and Grinaker-LTA)

This Confidentiality Agreement ("Agreement") is made and effective the _____ by and between the
and _____ ("Recipient").

Saldanha Bay Communications Forum

1. Definitions

The following words and expressions shall have the meanings assigned to them, except where the context otherwise requires

- "Confidential Information" shall mean, all proprietary data, drawings, films, cost documentation, technical information, sales and marketing information, computer software and information of all kinds and in whatsoever form disclosed by one of the Parties to the other.

- "Recipient" shall mean the Party who receives Confidential or Proprietary Information from Saldanha Bay Communications Forum.

2. Confidential Information.

The Saldanha Bay Communications Forum proposes to disclose certain of its confidential and proprietary information (the "Confidential Information") to Recipient. Confidential Information shall include any information disclosed or submitted, orally, in writing, or by any other media, to Recipient by the Saldanha Bay Communications Forum.

3. Recipient's Obligations.

A. Recipient agrees that the Confidential Information is to be considered confidential and proprietary to the Saldanha Bay Communications Forum and Recipient shall hold the same in confidence, shall not use the Confidential Information other than for the purposes of its business with Saldanha Bay

Communications Forum, and shall disclose it only to its officers, directors, or employees with a specific need to know. Recipient will not disclose, publish or otherwise reveal any of the Confidential Information received from Saldanha Bay Communications Forum to any other party whatsoever except with the specific prior written authorization of Saldanha Bay Communications Forum.

B. Confidential Information furnished in tangible form shall not be duplicated by Recipient except for purposes of this Agreement. Upon the request of the Saldanha Bay Communications Forum, Recipient shall return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, within ten (10) days of such request.

4. No Publicity.

Recipient agrees not to disclose its participation in this undertaking, the existence or terms and conditions of the Agreement, or the fact that discussions are being held with the Saldanha Bay Communications Forum.

5. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Republic of South Africa and Recipient consents to the exclusive jurisdiction of the South African courts for any

APPENDIX G

(Minutes of the Saldanha Bay Communication forum).

MINUTES   OF THE SALDANHA BAY COMMUNICATIONS FORUM (OIL &
GAS) HELD ON 30 September 2009 AT 10H00 IN THE COUNCIL
CHAMBERS, VREDENBURG

ATTENDANCE

J van der Rheede	DEDAT (Chairperson)
N J Molisi	DEDAT
S Hrabar	Grinaker-LTA
A Van Zyl	Labour (Fedusa)
E Potgieter	Saldanhabaai Sakekamer
H Stoffberg	Ward Committee Member
P Swartz	West Coast WIC
A Prins	Workers Forum
T Vaughan	Salminor
P Fabricius	Saldanha Bay Forum (Environment)
J A Tshefu	Saldanha Bay BEE Forum
Siviwe Somwahla	Ward Committee Member
N van der Heever	Ward Committee Member
G Van Zyl	West Coast Business Development Centre
C Barends	SBM (Secretariat)
H Boks	SBM (Secretariat)

	ACTION	TIMEFRAME

1. WELCOME
The Chairperson welcomes all Forum members present.
 	
2. OPENING
The Chairperson officially opened the meeting and then asked for any apologies received.
 	
3. APOLOGIES RECEIVED
L Gaffley   SBM Spatial Planning
 	
4. APPROVAL OF PREVIOUS MINUTES (DATED 26 August 2009)
The Minutes was adopted by the meeting as proposed by A Kruger and seconded by S Hrabar.
 	
5. AGENDA POINTS
 	
5.1 STAKEHOLDER ENGAGEMENT EXPANSION
 	
(a) **UNIONS (FEDUSA & COSATU)**
The Secretariat reported that the invitation, minutes and other relevant documents were forwarded to both Fedusa and Cosatu. Fedusa sent their representative but no feedback was received from Cosatu in this regard. Fedusa further reported that:
   • it is his first time attending this forum;
   • both Fedusa and Cosatu are serving on a Provincial Council Marine cluster and he will forward the		

particulars of the Cosatu representative to the secretariat. **5.2 PROTOCOL DOCUMENT** The secretariat reported that the forum encountered a number of technical problems during the last meeting and recommended that the issue regarding meeting procedures be discussed after the launch at another engagement. The meeting agreed that: • the necessary additions should be included in the Protocol document. **5.3 CODE OF CONDUCT** The Chairperson in summarizing the discussion concluded that since the document has been discussed on several occasions the necessary changes should be made by the secretariat. Once the document has been finalized in terms of the names and other aspects, it should be presented to the members for signing at the next engagement. It should also be taken into consideration that labour (Fedusa) is not prepared to sign the Confidentiality Agreement and how will the Forum deal with this particular issue in taking it forward. **5.4 PRESENTATION ON GENERIC OPPORTUNITIES (SAOGA)** There was consensus that this issue should be referred to the next meeting since the representative of SAOGA is not present without an apology. The secretariat was also instructed by the meeting to obtain in contact with SAOGA for clarification on their non-attendance.		

5.5 UPDATE REPORT ON OIL & GAS (GRINAKER-LTA)

An e-mail was forwarded to the Municipal Manager (MM) by the secretariat to obtain a response on the request of Grinaker-LTA for offline discussions. Since the Municipal Manager (MM) failed to respond, the Chairperson stated that this will not impact negatively on the launch of the forum. Once the forum is launched, it will hopefully have a stronger impact on SBM so that aspects of a similar nature can be followed up properly. The Chairperson of the forum will also be in a position to put pressure on municipality so that things can obtain moving. The moment it is brought from an outside recognized forum the MM will react more positively and speedier.

It was agreed:

- That another reminder should be forwarded to the MM in this regard.

5.6 LAUNCH OF THE FORMAL STRUCTURE

The launch proceedings were presented by the secretariat according to the proposed program in writing that was forwarded to all forum members.

6.   GENERAL

6.1 Chairperson

In response to a question regarding the future chairmanship of the forum the Chairperson recommended that the chair should ideally be from this area in order to liaise with the secretariat on a regular basis. It will also be proper for the forum to consider how to deal with the chairmanship of the forum at the next meeting however, Province is still committed to see this

process through until a chair has been officially elected.

6.2 IDZ

Since the municipality is part of the Communications Forum and is fully aware of the purpose of this vehicle, the concern of the meeting remains why the forum has been ignored throughout the IDZ process. Secondly the forum also needs to find out how the IDZ impacts on the Communications Forum and how does this forum take up the broader IDZ initiative in order to be included in the Protocol document.

63. IDZ LEAD CONSULTANT – SBM

It came to Grinaker-LTA's attention that the consultant of SBM has been derogatory about them and is seeking for parties to terminate the lease on the land. Grinaker-LTA is not prepared to sign the Protocol or the Code of Conduct when he represents the views of the municipality and he stabbed Grinaker-LTA behind the back. This is not acceptable to Grinaker-LTA and they would like to have clarification about that. The acting Municipal Manager was willing to arrange an engagement between Grinaker-LTA and SBM as soon as possible to discuss this matter.

CLOSURE

The Chairperson officially closed the meeting at 11h00.

Date of next meeting: 6 November 2009

APPENDIX H

(Terms of reference for a strategic session of the SBCF).

Terms of Reference for Saldanha Bay Communications Forum by Core Purpose and Deliverables; Core Activities; Implemenation Schedule and Cost of Implementation.

1. Core Purpose: To Design, facilitate and document a participatory Strategic Planning process which results in the following outputs/deliverables:

   (i) A diagnostic assessment of the Saldanha Bay Communications Forum during the first phase of its operational life cycle.

   (ii) A 3 – 5 year Strategic Framework with clearly formulated Tarobtained Results, Core Activities and Performance Indicators for the second phase of its operational life cycle.

   (iii) An Appropriate Institutional Framework for implementing phase two of the programme.

   (iv) A Short-Term Action Plan of Corrective Activities with clearly formulated Activities, Roles and Responsibilities, Means of Verifying Performance and Time-Frames in order to prepare the ground for launching phase two.

2. Core Activities: 2.1. Design, facilitate, document a SWOT analysis of the Communications Forum by Core Development

Themes, Expected Performance, Actual Performance, Organisational Capabilities.

2.2. Design, facilitate, document a Performance Gap Analysis for Institutional Learning/Knowledge Management.

2.3. Design, facilitate, document a Strategic Listing, Clustering and Ranking of Key development themes/challenges that should be confronted and mastered during the second phase.

2.4. Design, facilitate, document a participatory module for formulating a 3 – 5 year Strategic Plan to focus and direct the operational activities of the second phase.

2.5. Design, facilitate, document a participatory process of selecting an Appropriate Institutional Framework for implementing phase two of the programme.

2.6. Design, facilitate, document a Short-Term Action Plan of Corrective Actions to create a platform for implementing 2.4. and 2.5. above.

2.7. Compile a report of the Strategic Planning Workshop.

3. Implementation Schedule.

3.1. The core activities can be clustered into the following two broad categories or themes:

(a) Diagnostic assessment of /learnings from the first phase – activities 2.1. to 2.3. above.

(b) Strategic planning for the second phase taking account of insights and learnings from (a) above – activities 2.4. to 2.6. above.

3.2. These two themes can be covered in two separate workshops. The first workshop is a two-day workshop covering theme (a) above (activities 2.1. to 2.3.) which is scheduled for 29th – 30th November. This workshop will be followed by a Report which will cover item 1.1. of the deliverables/outputs.

3.3. The second workshop should be scheduled for or at most two weeks after the first workshop and should be organised over 4 days. The second workshop will engage participants in activities 2.4. – 2.6. above. This second workshop will produce deliverables/outputs 1.iv. – 1.iv. and will be followed by a Workshop Report which will be submitted within 7 working days after the workshop.