

## **DRAFT #2**

( For insertion into Integrated Management Plan)

### **VREDEFORT DOME: GOVERNANCE AND MANAGEMENT STRUCTURE.**

#### 1. Rightful and significant role players

- 1.1 As creator and international guardian of the Convention Concerning the Protection of the World Cultural and Natural Heritage, the United Nations Education, Scientific and Cultural Organisation (Unesco) is naturally a key player with regard to the Vredefort Dome. In this respect the decisive words are “protection, conservation, presentation and transmission to future generations”.
- 1.2 Incorporating the Convention, the World Heritage Convention Act (Act 49 of 1999) clearly establishes the Minister and the Department of Environmental Affairs and Tourism (DEAT) as national guardians for World Heritage Sites, including the Vredefort Dome. Consequently, the final say resides here and, conversely, also the final accountability for the efficient running of Act 49 of 1999.
- 1.3 The Dome area rests almost completely in private hands. There are about 800 farms within the Dome’s boundaries, with approximately 480 different private landowners involved. Smooth execution of the Act will therefore clearly depend heavily on the buying in and cooperation of the landowners, as a core group of players.
- 1.4 The Dome area straddles the Vaal river border between the provincial governments of North West and Free State, making both major role players. Two district municipalities, Southern District (Potchefstroom and Klerksdorp) and Fezile Dabi (Sasolburg, Parys and Vredefort), are involved players too. Local government-wise, three municipalities are also significant role players, namely: Potchefstroom, Parys en Vredefort.
- 1.5 From the above it is clear that proper governance and management of the Dome will be quite challenging, given all the potential conflicts of inter-governmental control, private landownership concerns and many other diverse interests.

## 2. “Structure follows strategy”

- 2.1 In the rest of the Integrated Management Plan many action plans, on a variety of subjects, are put forward. These plans have to be integrated and implemented, in an environment of diverse interests (as indicated in **paragraph 1** above). Such unique challenges call for pertinent and fitting governance and managerial execution structures. This is in accordance with the general truth that structures have to be determined by what are required from them strategy-wise, and not the other way around.
- 2.2 From an abundance of research and practical experience it is known that whatever the importance of plans (and strategies) may be, the real test for success lies with the efficient execution of such plans. The management of the plans (and the supervision over such management) is therefore even more important than the plans themselves. The management and accompanying supervision (governance) are obviously dictated by choosing the right structures. The World Heritage Convention Act acknowledges the importance of the correct structure by spending two chapters and fourteen sections on various structure choices. Throughout the process of workshops, meetings and facilitation over the last few months, one was constantly struck by the absolutely crucial role that governance and managerial structures are going to play in the Dome’s future.
- 2.3 What are the principles that must be obeyed, as far as such structures are concerned? These principles are to be found in a variety of sources, but nowhere more clearly spelled out than in the stipulations of the Company Law or in good governance instruments like the King Report on Corporate Governance for South Africa 2002 (the so-called KING II). It involves a particular sequence of delegation, initiated by the source of “ownership”. Such delegation is done with the retention of accountability by and to the “owner”. (In our situation this can be equated to the role of the State.) The delegation confers powers of supervision (or governance) to another entity, normally a board or council. Such entity is structured, on the one hand, to accommodate involved stakeholders or interest groups and, on the other hand, to supervise and monitor the actual day to day management in a hands-on fashion. In the final instance, last mentioned entity in turn then delegates the daily management to the actual management cadre. The above three delegation phases constitute the cornerstones of good structural organizing.

### 3. Investigation results

- 3.1 Throughout the investigation process, facilitated by Africa Geo-environmental Services, the choice was constantly for an empowered local representative board coupled to an appropriate management component. Not only did this choice come to the fore at specific workshops for a Dome authority and for the landowners, but also at numerous other workshops and meetings. This is thoroughly confirmed by the report of the task team too, attached hereto as **annexure?**, as well as a written memo from the highly representative **Bawaria** landowners association (see also **annexure ?**). Apparently such an option is also worldwide, with regard to a huge number of World Heritage Sites, a favourite choice. (See the task team's report; **annexure ?**.) Consequently, the local process, in line with the principles stated in **paragraph 2.3** above, points overwhelmingly to a new authority, consisting of a board and an executive staff component, as envisaged by sections 9 and 10 of the World Heritage Convention Act.
- 3.2 Discussions in the course of March 2007 with messrs. van Schalkwyk (chief director) and November of DEAT, however indicated that DEAT prefers to rather go the route of utilizing an existing organ of state as authority, as provided for in section 8 of the Act. This is apparently prompted *inter alia* by public finance considerations, as well as a medium term goal of centralizing the authority of South African World Heritage Sites in one body. The only way in which such an approach can be matched with the choice indicated by the local process, as spelled out at the beginning of **paragraph 3.1** above, as well as the principles set out in **paragraph 2.3** above, is if such an organ of state delegates full governance powers to a local board. Which in turns then delegates further to an executive managerial component. The proviso in this regard is however that such a delegation to a local board could be done in terms of the Act, towards full legal and financial empowerment. If delegation cannot be accomplished by such full empowerment of the board, the board may become just an advisory body. This will endanger the whole governance and integrative function of the board.
- 3.3 The aspect of funding for whatever governance and management structures might be required, can also play an important role: Not so much with reference to the choice of format, but definitively with respect to the design and size of the structures. The question of funding

in this regard has to do with who all will contribute to the envisaged costs of the Dome's governance and management structures and, in each case, to what extent? The intended process in paragraph 5.3 hereunder, as well as the Business Plan, should shed more light in this regard

#### 4. Recommended structure: Format

- 4.1 For the reasons advanced above the first choice for the Vredefort Dome, as far as governance and management structures goes, is a board, appointed as authority in terms of section 9 of the Act, along with a managerial executive component.
- 4.2 As a second option consideration can be given to an organ of state appointment in terms of section 8 and a full delegation to a board, for further delegation to a management component. The proviso in paragraph 3.2 above is, however, crucial in this regard. The chief director DEAT suggested "Joint Management Board" as a suitable name for such a board. Another possibility is to call it "The Dome Governance Board".
- 4.3 If one of the above options is not implemented, the implication may be that some of the key role players mentioned in paragraphs 1.3 and 1.4 above might, without a suitable participation vehicle, feel and act left out and uncommitted. Something like this can jeopardize the whole exercise and threaten the very purpose of the Dome Heritage Site. Here notice must also be taken of flaws in the Dome's *status quo* structures, as set out in the task team's report; annexure ?
- 4.4 As indicated in the previous paragraph the present steering committee is not really functioning well and much of the drive with regard to the process over the last few months has come from the consultants. With the conclusion of their task the managerial drive of the consultants will cease. It is therefore vital that an authority is established as soon as possible. This should happen during the second half of 2007.

#### 5. Recommended structure: Composition

- 5.1 Assuming that an fully empowered board (as set out in paragraphs 3.1, 3.2, 4.1 and 4.2 above) is established, it will be done by the Minister in terms of section 14 of the Act. This section supplies a whole list of possible representatives and the section prescribes that the board must have between five and nine members and that nominations must be

invited. It also states that the board must “be broadly representative and multidisciplinary, with members who may make a contribution towards the proper functioning of the authority.”

5.2 During the consultation and workshop process many opinions were obviously aired with regard to the composition of a board. At the landowners workshop for instance, an opinion was expressed that the landowners should have the majority representatives on the board. In contrast opinions were given at a governmental liaison meeting that landowners should have just one representative on the board. However, trying to assist DEAT and the Minister in deciding on a board composition, such inputs have little constructive value. Consequently it was decided that principles should rather be deduced from those activities during the process that were specifically dedicated to authority and board composition inputs. These activities were: an authority workshop on 22 February 2007; a task team investigation and report led by dr Annalise Venter; a requested memo from the Bawaria landowners association; and a discussion with the Chief Director DEAT on 30 March 2007 ( lastmentioned two activities were sanctioned by a governmental liaison meeting). The above activities produced the following principles with regard to a board:

- Governmental representatives (provincial, district and local) should constitute between 33% and 50% of the members of the board;
- Landowner representatives should constitute between 25% and 50% of the members of the board; and
- Representatives from DEAT, SAHRA or an expert o geology could constitute other members of the board.

5.3 To further assist DEAT and the Minister in this regard, consideration is being given to a process whereby all the major stakeholders will be furnished with an opportunity to indicate their own board representation requirements, as well as their intended contributions. This can obviously only take place after the initial IMP has been made available to such stakeholders. The intention is then to include such presentations in the final IMP.

5.4 It is proposed that the board itself decides whether it wants to function with a “permanent” chairperson or if it should be a rotating one (shifting for instance every year or two years). At the beginning at least, it is suggested that the board meets on a monthly basis. The remuneration of the board should be linked with the attendance of meetings and should be conservatively low. This will prevent

membership of the board becoming a status issue and should ensure that passion for the cause remains the driving force for board membership.

- 5.5 The Minister appoints the chief executive manager, after nomination by the board. Consideration should be given to make the appointment on a five year contractual basis, renewable after expiry of the period. Such person should have ample managerial experience, which is something different than just administrative experience. Preferably, knowledge of and passion for environmental management should carry a lot of weight with such an appointment.
- 5.6 The tasks contained in this Integrated Management Plan should decide the extent of the rest of the personnel. One can however assume that there will be a small managerial component. In this regard the chief director DEAT made an interesting suggestion: That two assistant managers are appointed, one for the Free State side and one for the North West side, with such assistant managers having close ties with the operational functioning of the two provincial governments respectively. Such a suggestion is supported. It is recommended that the one assistant manager should be a civil engineer, whilst the other should be a town and regional planner. If one assumes that, apart from the above, there will be three other managers, it is recommended that functions be distributed as follows: One must take responsibility for the financial aspects; one should be an environmental expert (especially covering geology and cultural heritage); and one must focus on communications (marketing) and the socio economic facets (like small and medium business development). There should clearly also be an administrative component, as well as a few supportive staff. In general the creation of jobs should initially be very conservative, allowing growth when and where required by practice, during the unfolding of the Dome's operations.
- 5.7 On the management side of the Dome structures, one of the most important activities will be networking. Collaboration with DEAT, provincial, district and local governmental structures, landowners, community, SAPS., environmental experts, etc. on a variety of issues will be absolutely critical for the execution of the Dome's plans. The extent and variations of such collaboration makes it impossible to try and structure here. However, some instruments can be recommended here. Provincial governments and local municipalities will be heavily involved as far as land use and infrastructure are concerned. Therefore, a permanent "land committee", to be chaired by the chief executive

manager, is recommended. All provincial and local departments involved, should be presented and the committee can convene on a regularly basis. Similarly, consideration can be given to a “scientific committee”, making it unnecessary for the staff through permanent appointments to cover all the Dome’s required expertise angles. The task team’s report (annexure ?) also put forward the possibility of a “stakeholder committee”, which may include business people. As far as collaboration with landowners is concerned, guidelines for concluding agreements with them are attached hereto as annexure ?. Collaboration with the South African Police, as part of a security network, is covered by an exposition of sector policing, attached hereto as annexure ?. As the Dome board and managers start to function other instruments will come to the fore. But, most importantly, it should be remembered that collaboration depends in essence on inclination (attitude) and skills. Consequently, the board members and staff should be exposed early on to a one day course/workshop about how liaise, collaborate and negotiate. In conclusion, however, it should be remembered that the main instrument for meaningful and effective collaboration resides with the Dome governance structure provided that it functions as a seat where all the main stakeholders can participate in, in an empowered and candid manner.

## 6. Resource and financial implications

- 6.1 The report of the task team (attached as annexure ?) covers some of the possible human and physical resource and financial implications. However, not knowing how the governance and management structures will really look like, it is virtually impossible to even supply a ballpark estimate. In the report’s figure of about R 2 000 000, provision was made for an office building, but no provision for vehicles, telephone costs, etc. The figure of R2m to get such structures up and running appears to be just too much on the conservative side. Even if a very lean projection is made for the first year, providing for a personnel of ten and no own office building, it comes out at about twice this figure. A more detailed projection is provided in the Business Plan hereunder, but here it can be stated that the “own” operating cost may just come out slightly below R 3.5m and the “establishment” capital expenditure at about R700 000.
- 6.2 The above guesstimate only refers to the governance and management

structures' own costs and obviously does not include the costs for all the anticipated activities that will have to be undertaken to execute the Integrated Management Plan with regard to the conservation of the Dome. Such costs will be spread out over the whole Integrated Management Plan. In the Business Plan, hereafter, an endeavour will be made to give an overall picture in this respect.

## 7. Major risk factors

7.1 In other areas of the Integrated Management Plan risks have to be analysed and identified. However, here we have the advantage of a world wide research already been done by Unesco. In the task team's report (attached hereto as **annexure ?**) a list is supplied of major World Heritage Sites' shortcomings. It reads as follows:

- Inadequate professional personnel, skills and equipment;
- Lack of scientific information to enhance and update the management knowledge and method;
- Lack of financial resources to manage WHS;
- Little or no involvement of civil society and NGO's; and
- No dialogue, co-operation and collaboration among the various stakeholders.

This list strikes one as spot on. In the South African situation it is just maybe necessary to also add "security".

Contemplating such a risk list, it seems that if one has to look for a "common denominator" among them, the choice must surely fall on "poor governance and management". Obviously, training of the involved people may provide increased capabilities, as set out above and also in the task team's report; annexure ?. However, the last underlined phrase also takes us back to what had carefully been expounded in paragraphs 1 to 4 above. Without the right governance and management structures it becomes virtually impossible to conceive proper and effective execution of this Integrated Management Plan or whatever other actions and projects are undertaken. On the other hand, with the right structures one will already be halfway *en route* to success.

