

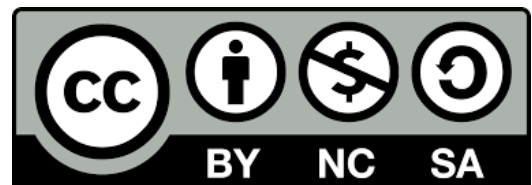
# Non-delivery — causes and solutions



**This document was conceived and written, by Dr J Ostrowick, © 2018-2021, [john@ostrowick.co.za](mailto:john@ostrowick.co.za).**

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## Introduction and Purpose

The government has, to a large extent, delivered on the promise enshrined in the Constitution of the Republic of South Africa (1996, as amended, the “Constitution”), and more relevantly, the original Freedom Charter as declared in Kliptown, Soweto, in 1955 (the “Freedom Charter”) and the National Development Plan (NDP, 2012, the Presidency). However, much work is still to be done to eradicate the damage inflicted by 46 years of the Apartheid system, and before that, the ravages of the 1913 Land Act (“Land Act”) and the long history of colonialism, stretching back even before the year of 1652, to the original arrival of Vasco Da Gama on 22 November 1497.

The Constitution gave all the provinces concurrent functions (*Constitution of the Republic of South Africa, 1996, as amended, Chapter 14: Schedule 4*). Provinces have the freedom to implement any policies that they wish in any area, provided that they align with the Constitution and carry out existing national policies. This includes matters like job creation and entrepreneurship programmes, housing, fire safety protocols, schooling, etc. Hence, as the government has found, it is difficult to make any radical changes to the structure of the country and the apartheid legacy because of structural apartheid and the apartheid-designed bureaucratic processes, which remain in place. This is not to say that officials are in any way directly or deliberately sabotaging governance; but just that the bureaucracy is structured and designed to cope with the governance of the country as it was, 30 or more years ago when it catered only to one small segment of our society, and has not therefore, been effectively modernised, to a notable extent.

Delivery is not being achieved with the existing Annual Performance Plans of departments (APPs), which are typically recycled in a fashion which can only be termed “malicious compliance”. Rather, this document advocates scrapping existing APPs and only accepting revised APPs which directly speak to SONA, the Triple Challenges (poverty, unemployment, and inequality), ANC Conference priorities, and the NDP of 2012. We are spread too thin. Instead, of tinkering with hundreds or even thousands of APPs per Department, therefore, this document proposes ways to reduce this thin spread and refocus.

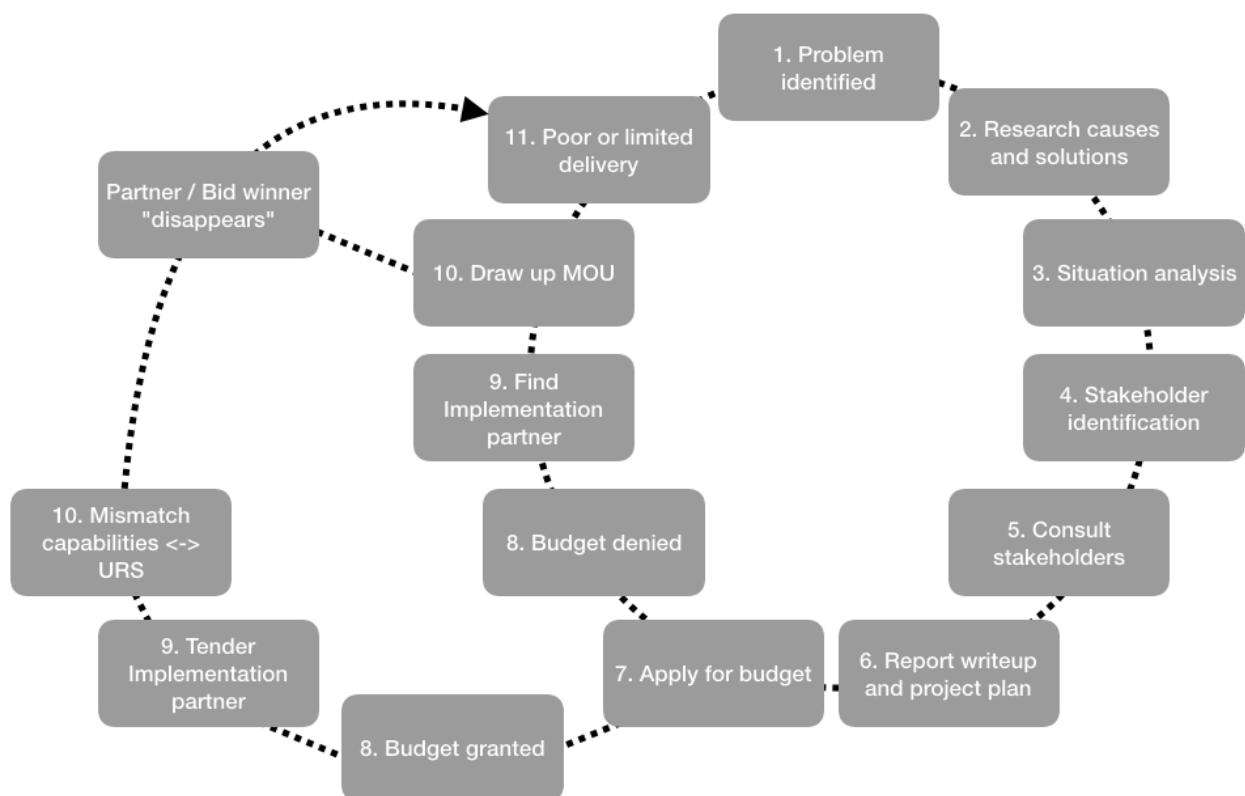
Most departments’ documents, plans and strategies contain extensive lists of what the problem is (also known as “admiring the problem” or “as-is” or “situation analysis”), and then a long list of deliverables or desirable “to-be” scenarios, without specifying how the “as-is” is to be converted into the “to-be”. This, we believe, is the chief cause of failure. Departments focus on diagnosing, reporting, and planning, instead of delivering, and those departments who could deliver — namely the other tiers of government — fail to do so for other reasons, such as misaligned priorities. So, instead of providing a list of deliverables, this document will provide steps or business processes which can realistically lead to these priorities being achieved. There is no sense in rehearsing *what* we want to deliver — as a kind of shopping list, nor is there any sense in rehearsing *what is wrong* — without saying *how* to fix what is wrong.

***Please note that this document is a summary of a much longer document by the same author.***

In this report we discuss **seven major themes** which need to be addressed to mitigate the problem of low service delivery. These themes are:

1. **The bureaucracy**
2. **Planning and work allocation**
3. **Translating Plans into Delivery**
4. **Outdated business processes**
5. **Persistent apartheid legacy**
6. **SCM, corruption and tenderpreneurs**
7. **Funding and Prioritisation**

### Poisonous cycles: Thrashing or Half-hearted Deliveries



## EXECUTIVE SUMMARY: Problem Identification

1. **The bureaucracy** — The bureaucracy is inefficient and heavily paper-based. Decisions take a long time to make due to the legacy "submissions" mechanism. Consultation, report-writing, and engagement with other stakeholders, takes a lot of time and reduces available implementation time to almost zero. There is also too much siloing between departments, as well as duplication of functions and roles. The list of symptoms of a bureaucratic mindset are enumerated in Tse-Tung, M. (1970), *Twenty Manifestations of Bureaucracy*.
2. **Planning and work allocation** — Expressing an intention or writing up a "plan" or "strategy" is tantamount to merely making a *shopping list*. Planning is not the same as service delivery. Setting unrealistic goals will never result in service delivery. Furthermore, a lot of officials' time is wasted on situation analyses that have been rehashed repeatedly over the years. The situations are well-known. What is required is a process of rationalisation, reduction, and focused delivery.
3. **Translating Plans into Delivery** — The link between what is decided at Conference, in the NDP, or SONA and what is actually implemented, is limited. Pre-existing APPs and policies are adhered to doggedly by officials, rather than adjusting, updating and aligning APPs to Resolutions. In effect, the *bureaucracy* governs, and Conference Resolutions / SONA items / NDP items which cannot be shoehorned into an APP are ignored or explained away due to "insufficient funds". In Provinces and Municipalities, the problem becomes more acute as in some cases those structures are not ANC-led and therefore there is no incentive to implement ANC ideas.
4. **Outdated business processes** — Although the Department of Public Service Administration (DPSA) and National Treasury's Government Technical Advisory Centre (GTAC) have clear and sufficient documentation on how best to run the bureaucracy, using modern project management methods (PPM), to ensure delivery - few departments actually use those techniques and frameworks. A possible diagnosis is that they're too long and tedious. Transversal modernised ICT systems are needed. DPSA has a state-wide ICT strategy as does DBE however these are not implemented. More advice available on request.
5. **Persistent apartheid legacy** — Some departments have it in their mandate to ensure greater social cohesion. However, many departments do not fully succeed in this matter due to failing to effectively deal with legacy policies and after-effects which are hard to remedy. An example might be apartheid legacy spatial planning and bylaws, voting districts, etc.
6. **SCM, corruption and tenderpreneurs**. The finance system is too slow and cumbersome to effectively deliver, and makes room for corruption even though there are controls in place. Entrepreneurs and consultants sometimes do not have the true interests of the people of the country at heart. Instead, they aim to profit extensively, by creating dependencies on their skills and technologies. This is especially risky in the context of Digital Sovereignty, that is, the extent to which we are dependent on and vulnerable to foreign powers who provide technologies.
7. **Funding and Prioritisation** — Due to inefficient use of funds, even if an APP aligns with Conference Resolutions, there are seldom sufficient funding to effectively implement, and even worse, implementation is put out to tender or "pilots" which ultimately terminate. In particular, planning for contingencies is not seen as imperative, but it is needed to avoid de-funding good initiatives to cope with fire fighting. Lastly, there's a failure to correctly link APPs to priorities in the NDP or SONA.

## Recommendations 1: Fixing the Bureaucracy

Problem	Recommended solution
<b>Reporting burden</b>	<ul style="list-style-type: none"> <li>Reduce the number of meetings requiring reports. Simplify reports. Propose that reporting is centralised and meetings draw reports from a central system.</li> <li>DPSA, DPME, NT should collaborate closer and get <b>one</b> set of reports, e.g. from a departmental project management system or BI, ie digital QPRS/eQPRS</li> </ul>
<b>Excessive consultation</b>	<ul style="list-style-type: none"> <li>Reduce the number of meetings with stakeholders and keep the consultation process to near the end of the drafting process, and do via video conferencing.</li> <li>Focus on consulting with politically risky stakeholders at depth rather than many stakeholders at breadth</li> </ul>
<b>Deception and Concealment</b>	<ul style="list-style-type: none"> <li>Insist on reports that show delivery per month rather than year-to-date;</li> <li>Do not accept CSI or MOU projects as deliverables;</li> <li>Interrogate whether all stakeholders are pulling their weight or have disappeared</li> <li>Honestly report progress including problems and failures</li> <li>Insist on context and raw numbers as well as baselines and previous values (progress indication), not just percentages.</li> <li>Officials use numbers where they look good, and percentages when that looks better. E.g. 100 000 digital tablets sounds good, but it's 0,8% of all learners.</li> <li>Do not celebrate low-percentage of target. Do not accept unambitious targets.</li> </ul>
<b>Avoiding responsibility</b>	<ul style="list-style-type: none"> <li>Require work allocations that identify who is responsible for what so that causes of non-delivery can be pinned on specific persons</li> <li>Avoid dependencies on other departments, stakeholders or provinces, or task them from presidential authority to collaborate. Departments not contributing to a project, when it is in their mandate to do so, must be met with consequence management measures. E.g. delivering connectivity.</li> <li>Choose APPs which have concrete deliverables (objects) as their output only</li> <li>Cancel all projects which have not delivered within one MTEF cycle or which are older than one MTEF and still have no concrete outputs</li> <li>Ensure each directorate is responsible for one concrete deliverable only</li> </ul>
<b>Fear, Inertia and Compliance</b>	<ul style="list-style-type: none"> <li>Encourage innovation.</li> <li>Discard old ideas which have not delivered within one MTEF;</li> <li>Take bold steps and make big decisions with big impact. Be decisive. Failure is better than mediocrity because failure is a result of trying, whereas mediocrity is a result of cowardice.</li> <li>Post-failure, write a report on what caused the failure so that the mistake is never repeated.</li> <li>Ban bullying. Allow officials to speak truth to power without consequences of punishment.</li> <li>Managers must not be allowed to ignore a project or innovation until it dies. They must either officially cancel it or officially state why they reject it.</li> </ul>



<b>Problem</b>	<b>Recommended solution</b>
<b>Being Bureaucratic</b>	<ul style="list-style-type: none"> <li>• Discourage the attitude of bureaucracy</li> <li>• Train staff to focus on what is the right thing to do to achieve NDP goals rather than just bureaucratic process.</li> <li>• Hierarchy is of lesser importance than service delivery.</li> <li>• Never ask as your first question "Who authorised this?"; rather ask "will it achieve the APP?"</li> <li>• Reward courage and innovation.</li> </ul>
<b>Stuck on one idea, or only discussing ideas</b>	<ul style="list-style-type: none"> <li>• Do not recycle old ideas.</li> <li>• Stop consulting and start delivering.</li> <li>• If a manager is obstructing innovation, demote him or her.</li> <li>• If an innovative idea will deliver and existing ideas have thus far not delivered, focus on the innovative idea and fund it.</li> <li>• If there is a shortage of HR, reprioritise funds and hire relevant people rather than overburden existing staff.</li> <li>• Do not change focus on a regular basis or do knee-jerk responses to emergencies, rather plan ahead for all types of known emergencies, e.g. riots</li> </ul>
<b>Delivery of relevant products</b>	<ul style="list-style-type: none"> <li>• Ensure that you deliver what citizens ask for that is within mandate.</li> <li>• If a project has not delivered within one MTEF, cancel it and do not reincarnate it. It's a white elephant.</li> <li>• One directorate, one APP, one product (emphasise: product).</li> </ul>
<b>Prestige culture</b>	<ul style="list-style-type: none"> <li>• Senior management should recognise competent junior officials and identify which junior official supported which project in an annual report so that juniors are recognised and promoted beyond the KPI/KPA system.</li> <li>• Seniors must not be allowed to bully juniors by being inflexible and rejecting juniors' knowledge, proposals, or responses. Often juniors know more or are specialised, and have expert knowledge. If a junior who is an expert in an area says that something is impossible, the senior, if they are not equally an expert, should accept that statement.</li> <li>• Ensure that all meetings have a competent, qualified, knowledgeable official to give an opinion. This is especially true of ICTs where serious purchase decisions are taken without input from ICT technicians. This is a side effect of considering technical staff to be juniors. It can result in the wrong solution being chosen.</li> </ul>
<b>Short contracts and Presentism</b>	<ul style="list-style-type: none"> <li>• Short-term contracts encourage accountability and delivery. Permanent employment encourages "presentism" - just showing up at work. However, the former are unethical over longer periods of time. Therefore, officials must be beholden to APPs and if they fail to deliver they must be placed on probation - subject to instant termination - until they deliver, regardless of employment status.</li> <li>• Unions must be objective and not de-facto support an indolent official just because he is not in management.</li> <li>• It must be possible to dismiss non-performing officials without CCMA and union conflicts. Objective assessments of officials' performance should therefore include union representatives.</li> <li>• Each department should appoint a clinical psychologist to be on-site once a week to deal with mental health support when an official is stressed or underperforming.</li> </ul>



Problem	Recommended solution
<b>Culture of concealing bad news; Failure to “speak truth to power”</b>	<ul style="list-style-type: none"> <li>• Officials who identify and admit to problems in their projects, and who ask for assistance, should be given further support rather than condemned.</li> <li>• Those concealing failures should be questioned rather than promoted.</li> <li>• Honestly admitting failure is better than hiding it.</li> </ul>
<b>Office hours</b>	<ul style="list-style-type: none"> <li>• Staff should be allowed to take leave rather than exploited</li> <li>• Staff should not be forced to work on holidays or weekends; contingency planning should be in place</li> <li>• Staff must not be pressurised telephonically/digitally to work after hours except in actual emergencies where life is at stake.</li> </ul>
<b>Work from home</b>	<ul style="list-style-type: none"> <li>• Covid has shown us that WFH is possible.</li> <li>• All appropriate staff should be provided with:               <ul style="list-style-type: none"> <li>• mobile devices or SIMs</li> <li>• uncapped data bundles</li> <li>• laptops</li> </ul> </li> <li>• So they can work from home, e.g. in pandemic scenarios, or for reasons of reducing travel and hence carbon footprint.</li> <li>• Laptops, data and cellphones are not a privilege, they are a tool of trade.</li> <li>• Staff must be measured on outputs, not on whether they arrive at a building. Presentism does not equate to outputs.</li> </ul>
<b>Lack of relevant knowledge</b>	<ul style="list-style-type: none"> <li>• Staff should have relevant qualifications or at least extensive experience directly in the relevant industry, for example: 10 years experience programming in a bank; not: 10 years experience in drawing up government ICT policies. Another example: 10 years in running a commercial farm; not: 10 years in drawing up agricultural policy. Drawing up policy gives experience in drawing up policy, it does not give understanding of what the policy is about.</li> <li>• Staff should identify relevant courses to improve their knowledge levels in their area of work, or, their area of career trajectory. For example, if a driver wishes to obtain a post in SCM, she should be encouraged to enrol for a BCom or MBA or similar, and the state should cover the fees.</li> <li>• If staff do not know how to deliver they must attend training courses or be replaced if they are unwilling to upskill.</li> </ul>

## Recommendations: 2: Planning and work allocation

Problem	Recommended solution
<b>Lack of Project Management</b>	<ul style="list-style-type: none"> <li>Formalise project management using a streamlined version of GTAC's PPM</li> <li>All new projects should be managed in the PPM method and track activities using the templates and Gantt Charts</li> <li>The key five phases of project management for any state project should have a template completed for it.</li> <li>BI dashboard should be created to report in to DPME is recommended. Suggest using hosted BI. This will obviate the need for manual reporting altogether. COTS solutions exist but beware of dependencies/TCO.</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>Require compliance with the PPM process in order to receive funding from National Treasury.</li> <li>Ensure projects of national importance are funded.</li> <li>Initiate and complete projects within one MTEF if possible.</li> <li>Release funds in tranches according to completion, not in one payment.</li> </ul>

## Recommendations: 3: Translating Plans into Delivery

Problem	Recommended solution
<b>Mismatch between resolutions and APPs</b>	<ul style="list-style-type: none"> <li>Revise APPs to match Resolutions, SONA or NDP</li> <li>Remove or merge similar APPs</li> <li>De-silo APPs within a department</li> <li>One directorate, one APP, one product, as far as possible.</li> </ul>
<b>Misalignment of MTEF, MTSF, IDC, etc.</b>	<ul style="list-style-type: none"> <li>Realign all government cycles to coincide with each electoral administration. Otherwise a new administration comes in half way through a project.</li> </ul>
<b>Project manage</b>	<ul style="list-style-type: none"> <li>Do proper project management as per Recommendations 2 above.</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>Hold tender bid winners or MOU-holders accountable for delivery once they have a delivery mandate.</li> <li>Accountability must be legal and enforceable with financial penalties.</li> </ul>
<b>Ministerial and deputy ministerial qualifications</b>	<ul style="list-style-type: none"> <li>Ministers and DMs must have relevant qualifications to their role</li> <li>Ministerial staff must be held accountable for non-delivery and not receive a ministerial post again if their department fails to meet its APPs</li> <li>Changing a minister or DM's portfolio too often stops the individual from gaining necessary knowledge or experience in that ministry's mandated area of expertise and creates a leadership and competence gap, therefore, "cabinet reshuffles" should be used only as a last resort</li> <li>Concurrent functions prevent National departments from disciplining Provincial departments that fail to deliver on national priorities. Consider a constitutional amendment.</li> </ul>

## Recommendations: 4: Outdated business processes

Problem	Recommended solution
<b>SOPs outdated</b>	<ul style="list-style-type: none"> <li>Modernise according to DPSA OMF and BPM. Standardise. Digitise.</li> </ul>
<b>SS unmet</b>	<ul style="list-style-type: none"> <li>Adhere to Batho Pele (<b>Annexure 3</b>)</li> <li>Service standards are uniform across government hence there should be one standard, e.g. Batho Pele.</li> </ul>
<b>SC out of date</b>	<ul style="list-style-type: none"> <li>SC should be standard.</li> </ul>
<b>SDIP nonexistent</b>	<ul style="list-style-type: none"> <li>This chapter constitutes the recommended SDIP for most departments, namely, reduce the APPs and ensure delivery on just those reduced APPs.</li> </ul>
<b>SDM too complex/ poorly defined</b>	<ul style="list-style-type: none"> <li>Revising SOPs and revising APPs should entail a revised SDM.</li> <li>Defining realistic standards and expectations in virtue of reducing APPs will entail a revised SDM as to what can be realistically achieved and who (national, provincial or district level) will achieve it.</li> </ul>
<b>Analysis Paralysis</b>	<ul style="list-style-type: none"> <li>Focus on implementation, enough analysis has been done in the last 27 years and the situation analysis has hardly changed.</li> </ul>
<b>No close-out reports or measurable achievements</b>	<ul style="list-style-type: none"> <li>More accurate success measurement methods need to be built into the design phase of each project or business process, and into KPIs/KPAs for PMDS.</li> <li>Digital project tracking and BI can mitigate, amongst other solutions.</li> </ul>
<b>Similar processes</b>	<ul style="list-style-type: none"> <li>Processes that are similar, and directorates performing similar functions, should be merged and de-siloed.</li> </ul>
<b>Paper</b>	<ul style="list-style-type: none"> <li>Eliminate paper processes and make all processes digital, including signing off of documents and projects - ECT Act permits this. Digital workflow solutions exist. More information available.</li> <li>Each department must maintain a document server for National Archives purposes. More information available.</li> </ul>
<b>National Archive</b>	<ul style="list-style-type: none"> <li>The National Archive format 1/2/3/4 is paper-based but it is archaic for the purposes of storage and retrieval of data, especially emails,Whatsapps, etc. Instead, a proper searchable relational database should be preferred.</li> <li>Email is archival as it has a paper trail. It merely needs to be archived/stored.</li> </ul>
<b>Slow communication</b>	<ul style="list-style-type: none"> <li>Digital communication is to be preferred, as are digital signatures, to ensure speed of communication and completion of tasks. ECT Act permits this. More info available.</li> <li>Email must replace "submissions". It does the same job and has a paper trail.</li> <li>Managers must be required to adhere to SLAs on responding to submissions from juniors. It is not fair to expect juniors to deliver on unrealistic deadlines and then managers dawdle on making decisions (e.g. due to fear of failure or change).</li> <li>Any colleague of any rank must be entitled to email any other colleague. The status/prestige attitude is a key cause of non-service delivery.</li> </ul>

## Recommendations: 5: Persistent apartheid legacy

Problem	Recommended solution
<b>Apartheid enforcement practices</b>	<ul style="list-style-type: none"> <li>Review business processes and policies which implicitly support apartheid, eg bylaws and spatial apartheid, the mere existence of townships which have yet to be converted into CBDs or suburbs, etc.</li> </ul>
<b>Apartheid perpetuated via Equitable Share</b>	<ul style="list-style-type: none"> <li>Review how the Equitable Share is handled and ring-fence for apartheid-perpetuating projects such as suburban development, funding for schools in suburbs vs townships, etc.</li> </ul>
<b>Apartheid legacy in Law</b>	<ul style="list-style-type: none"> <li>Review all laws and policies, particularly around bureaucracy, which pre-date 1994, as they may implicitly perpetuate apartheid.</li> <li>Review traditional lands to see how they do not in fact perpetuate "bantustans" and hence architected poverty.</li> <li>Consider China's modernisation approach and de-ruralisation.</li> </ul>

## Recommendations: Duplicate and wasteful knowledge-gathering

Problem	Recommended solution
<b>Excess conferencing</b>	<ul style="list-style-type: none"> <li>Conferences are excessively expensive and should be managed digitally.</li> <li>As an indulgence, staff should be allowed to "work from home" when at a conference to minimise workplace interruptions, otherwise their normal work routine will prevent conference attendance.</li> <li>Only if there is a substantial reason to travel should conference travel be permitted, e.g. on-site visits to inspect physical implementations.</li> </ul>
<b>Site inspections</b>	<ul style="list-style-type: none"> <li>Ideally, digital self-reporting, with photographic evidence, would be preferable, or crowdsourcing, e.g. allowing citizens to report problems through an app. A good case study is "Fix My School" app in Eastern Cape or Johannesburg Road Agency's pothole app.</li> <li>Obtaining data is generally a Provincial or Municipal competence and should be done properly, national should be entitled at all times to request it.</li> <li>Verification can almost always be done remotely e.g. videoconferencing, drones, etc.</li> </ul>
<b>Siloed data stacks</b>	<ul style="list-style-type: none"> <li>StatsSA should be provided with a robust transversal data repository and all Departments should upload data into that repository.</li> <li>Overlapping stacks such as HANIS, EMIS, HEMIS, need to be reviewed.</li> </ul>

## Recommendations: SCM Inefficiency

Problem	Recommended solution
<b>Foreplanning for emergencies</b>	<ul style="list-style-type: none"> <li>Identify how often emergencies come up in your sector and plan to cover those costs every year.</li> <li>Centralise and digitise reporting systems in BI.</li> <li>Avoid ad-hoc reprioritisation especially for political gain.</li> <li>Anticipate scope and time creep of 100% on projects and budget for it.</li> </ul>
<b>TCO and expertise</b>	<ul style="list-style-type: none"> <li>Ensure that all projects include experts with professional competence</li> <li>Do not allow committees to approve procurements without such expertise who can comment on ROI/TCO on the project/appropriateness.</li> <li>Ensure that all projects handed over by consultants without a dependency being created.</li> </ul>
<b>Allow ad-hoc petty cash procurement and facilitate payments</b>	<ul style="list-style-type: none"> <li>Give directors and above a simple solution to pay at Retail for small purchases. Intention is e.g. for emergency small purchases such as toner, USB disks, paper, etc. Obviously mitigate against abuse.</li> <li>Allow directors to sign contracts with ISPs and telcos for the department against e.g. a department account or credit card, with appropriate approval. This obviates bureaucracy around tenders and SITA. Again, further thought needed to counter abuse.</li> <li>Waiting for a tender or official supplier can often waste weeks.</li> </ul>
<b>Avoid consultants and tenders</b>	<ul style="list-style-type: none"> <li>Hire new in-house staff to mitigate costs of consultants on a project.</li> <li>Buy retail supplies, even building materials, to avoid price gouging by tenderpreneurs, SITA, etc.</li> </ul>
<b>Allow other managers to sign</b>	<ul style="list-style-type: none"> <li>Allocate a directorate a budget and allow it to be spent as per their project plan! No need for DG to sign for everything.</li> <li>Delegation of sign-off powers subject to proper SCM processes being followed. Let DDGs, for example, sign off on 10 million, Chiefs on 5 million, Directors on 1m, etc., provided that the tender process was followed</li> </ul>
<b>CMU</b>	<ul style="list-style-type: none"> <li>A Contract Management Unit as part of the CFO office should be created in each department and must be present at meetings where stakeholders discuss, propose, or onboard projects, to ensure there is oversight.</li> <li>There should be a gap between the person accepting and signing the contract (CMU), and the person requesting it (A director).</li> <li>All contracts and MOUs must be followed up with by the CMU regularly as to progress</li> <li>Funds must be released in tranches subject to completion.</li> </ul>
<b>Tender system</b>	<ul style="list-style-type: none"> <li>The tender system has been shown to be incapable of preventing corruption therefore it needs revision. See more on this later.</li> <li>However the tender system is also exceptionally slow and causes delays of up to 6 months if not a year in some cases.</li> <li>Tender creation must be digitised e.g. by a system kept by National Treasury as part of their finance systems. More discussion available.</li> </ul>

## Recommendations: Wasteful Expenditure

Problem	Recommended solution
<b>SITA pricing</b>	<ul style="list-style-type: none"> <li>SITA Act should be adjusted to allow competitors.</li> <li>ICT hardware procurement should be allowed from any well-known BEE-credentialed retailers.</li> <li>Services should only be procured from SITA if they are cost-equivalent. Sample: Hosting at Afrihost of website: R 30/month. SITA price: R 120 000 per month.</li> </ul>
<b>Travel stipends</b>	<ul style="list-style-type: none"> <li>The stipend should be claim-based and awarded only for food, forex costs, and transport, not paid in advance, and paid to only cover actual costs.</li> </ul>
<b>Expensive caterers, car hire, and air tickets</b>	<ul style="list-style-type: none"> <li>Commercial non-SOE providers should be allowed to quote, even if not on CSD, for catering and travel supply</li> <li>Transversal tenders should be encouraged for economy of scale but the tender bid must be open to any supplier with suitable BEE credentials.</li> </ul>
<b>Excessive personnel and departments</b>	<ul style="list-style-type: none"> <li>The state is very top-heavy. Reconsider again quantities of departments.</li> <li>It is proposed that the SETAs, ICASA, SAQA, Umalusi, SANRAL, and other similar or Chapter 9 institutions, be merged back into their parent departments so as to reduce excessive CEO salaries.</li> <li>Provinces need at most an HOD who reports to DG in Pretoria. Making this move will reduce salary bill and prevent provinces from ignoring national mandates like Operation Phakisa. Will require constitutional amendment.</li> </ul>
<b>Selecting projects</b>	<ul style="list-style-type: none"> <li>Projects that are ill-conceived or duplicate lead to wasteful expenditure.</li> <li>Projects shall be approved based on meeting these requirements: <ul style="list-style-type: none"> <li>compliance with PPM</li> <li>compliance with SONA, NDP or Conference deliverables</li> <li>alignment with a relevant APP</li> <li>meet SMART requirements</li> <li>make use of local talents, skills and projects to a specific percentage</li> <li>make use of open source software as far as possible</li> <li>deliver concrete deliverables, e.g. a school, a clinic, a textbook, a medicine shipment, a road, etc.</li> <li>demonstrate that they do not duplicate a similar existing project.</li> </ul> </li> <li>Treasury must make provision for emergencies which do happen. Again, in practice, this is done, however it is not always possible in practice to access that funding even in genuine need. Emergencies must be clearly defined.</li> </ul>

## Recommendations: Corruption and Tenderpreneurs

Problem	Recommended solution
<b>Corruption detection</b>	<ul style="list-style-type: none"> <li>• All government officials and bidders' directors, who are signatory to, or involved in a tender or MOU, from DD level upwards, should submit their unredacted cellular telephone call history records for the past year, their unredacted bank statements for the past year, and their company directorships with their registration dates with their bid documents. The cost of drawing these bank statements must be carried by the state.</li> <li>• Privacy rights law must be suspended in relation to finances for officials capable of drafting a tender (DD upwards) in relation to the above as it will clash with the above.</li> <li>• These records should be examined for linkages and to establish a likelihood that the officials and the bidders have a financial arrangement.</li> <li>• No company which has not existed for at least two years may bid for a tender as they do not have relevant experience. They must also provide a company portfolio of previous similar work to demonstrate competence. This will prevent cases like the Covid-19 PPE corruption.</li> </ul>
<b>Independent evaluators</b>	<ul style="list-style-type: none"> <li>• ICT and Construction projects should be approved on cost and rationality by a randomly-selected non-departmental expert panel or jury of a sort to prevent cost overrun and URS match.</li> <li>• ICTs are particularly prone to corruption as politicians generally do not understand the true costs of solutions (TCO). More discussion available.</li> <li>• Construction costs have a known per-square-metre cost, currently around R3500 to R8000, and any cost over that is probably corruption.</li> </ul>
<b>Tenders and corruption</b>	<ul style="list-style-type: none"> <li>• Bidders should not bid as consortia. Bidders should not subcontract, but should deliver 100% as one entity. In some cases Bidders "front" using this method, with the "Bidder" having the necessary credentials but the actual work delegated to service providers outside the Bidder's company.</li> <li>• All members of BAC and BEC should be rotated on a quarterly basis to prevent them being incumbents.</li> <li>• BSC, BAC and BEC must contain relevant experts.</li> <li>• Projects which do not entail concrete deliverables — e.g. feasibility studies — should be performed by in-house staff - not consultants.</li> <li>• No URS which can be met by only one specific solution, should be permitted. This would mitigate bid-tailoring (editing a bid specification so that only one company can meet it). If there is in fact a monopoly on a particular product or service, then that monopoly needs to be demonstrated (i.e. that there are no viable competitors).</li> </ul>
<b>Time Wastage</b>	<ul style="list-style-type: none"> <li>• unsolicited proposals from would-be tenderpreneurs waste officials' time due to the Batho Pele responsiveness requirement.</li> <li>• Place an "unsolicited ideas" policy on govt websites and implement it. A proposed policy is available.</li> </ul>
<b>MOUs</b>	<ul style="list-style-type: none"> <li>• MOUs can be used as vehicles for corruption</li> <li>• The partner proposes a "free" project, obtains endorsement, uses the endorsement to get funding, and then does not deliver.</li> <li>• MOUs must be enforceable.</li> </ul>



<b>Problem</b>	<b>Recommended solution</b>
<b>Consultants</b>	<ul style="list-style-type: none"> <li>• Entrepreneurs and consultants should either be completely disallowed or required to do a full knowledge transfer on closure of a project. They should also not be paid at any rate higher than their equivalent post in government.</li> <li>• Before a project is accepted for tender it should undergo a TCO analysis: what training and support costs, repair and maintenance costs, are entailed, and for how long?</li> </ul>
<b>Failure to transfer knowledge</b>	<ul style="list-style-type: none"> <li>• Existing contracts should be brought gracefully to closure with knowledge transfer.</li> <li>• If the State lacks expertise in any particular department to directly be involved in implementation, project management, or planning, the State should train staff or identify staff suitable for roles based on objective competency measures.</li> </ul>
<b>Trojan Horses</b>	<ul style="list-style-type: none"> <li>• No free solutions can be accepted without guarantees of being 100% free in perpetuity for support and development. These solutions breach the tender process by pretending to be free, obtaining an MOU, then introducing costs once the solution is entrenched.</li> <li>• Social Development Bonds and loans should always be rejected as they create further debt to foreign agencies.</li> <li>• IT projects must provide rationales for not using open source (free) solutions, and these reasons should be supported by evidence, e.g. that no open source solution exists. Commercial Off-the-Shelf (COTS) solutions often do not match the URS and are expensive and represent digital sovereignty threats. More info available.</li> </ul>
<b>Holding external stakeholders accountable</b>	<ul style="list-style-type: none"> <li>• Large procurements at provincial level over a specified amount must be ratified by national departments to prevent provincial level corruption, e.g. the Freestate Asbestos and Dairy Farm cases.</li> <li>• All bidders on tenders should identify responsible staff in their bid, by name, identifying their roles, and provide their CVs, as proof of competence in delivering that type of project.</li> <li>• All bidders /MOU holders should agree to an SLA and penalties for non-delivery.</li> </ul>
<b>Equitable Share</b>	<ul style="list-style-type: none"> <li>• Revision to the notion of Equitable Share needs to be considered to avoid untraceable corruption at provincial and district level.</li> <li>• National Government departments which have concurrent function departments at provincial level get reduced to paper tigers without budget as the implementing departments at provincial level are sent a large share of the budget; yet; those provincial departments demonstrate low level of delivery for that large budget. This could be due to limited national powers and accountability.</li> </ul>

END.