

*Webinar*

## MAPS assessment of **South Africa**

25 November 2024

14:00 Pretoria /

13:00 Paris





Submit your questions  
via the  
Zoom Q&A





# Opening remarks

**Paulo Magina**

Head of the Infrastructure and  
Public Procurement Division  
OECD





# Opening remarks

**Ashraf Ayad**

Procurement Manager  
African Development Bank





# Opening remarks

**Elmas Arisoy**

Procurement Manager  
World Bank





# Opening remarks

**Dr. Duncan Pieterse**  
Director General of the National  
Treasury





# Findings and Recommendations

**Amilcar Bilale**

Regional Procurement Coordinator  
African Development Bank





# MAPS for South Africa

Dissemination Event

Reporting Back on the MAPS Assessment and findings

25 November 2024







# What is MAPS?



MAPs is a tool for assessment of procurement systems



It uses a methodology involving indicators and criteria for assessment



It includes assessment of how procurement is operating in practice, from planning to delivery



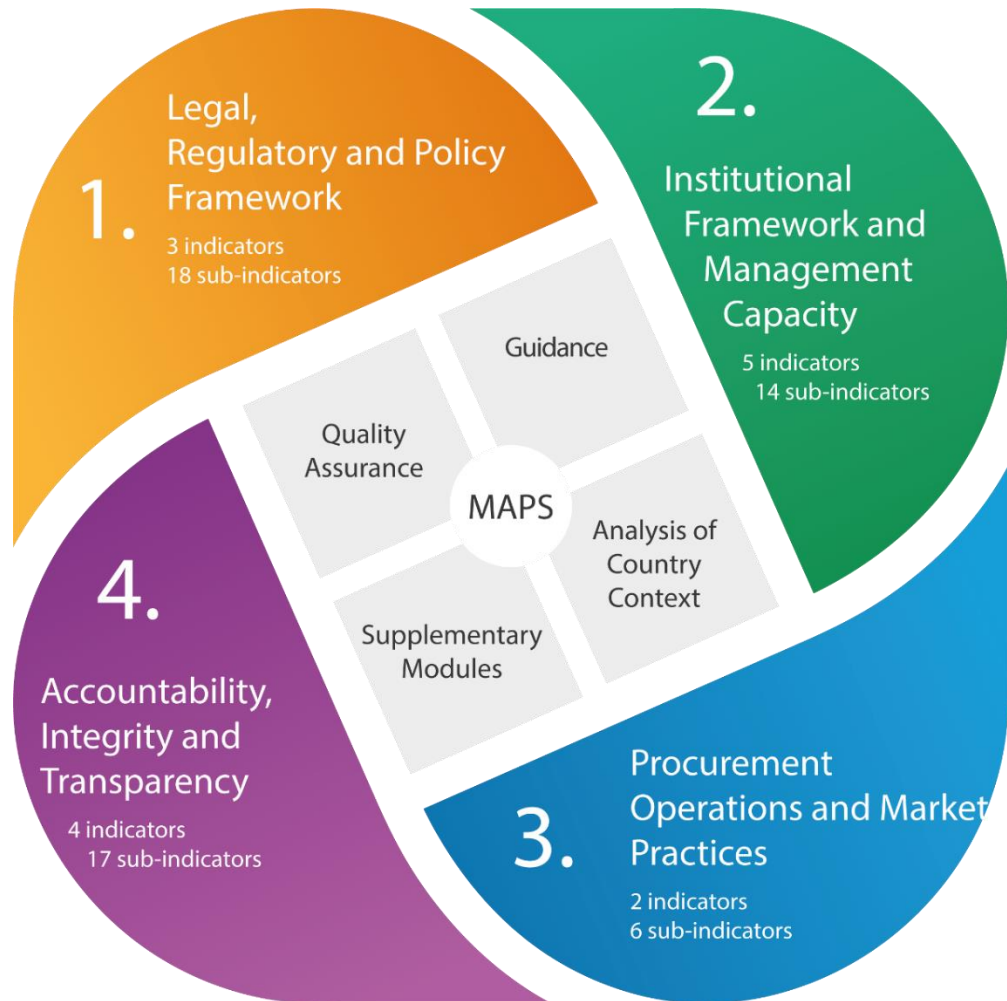
It uses information and data collected from multiple sources including documents, surveys, databases, sampled procurement files and in direct discussions with stakeholders



The output is a report with practical, prioritised recommendations for changes and improvement in the procurement system



# MAPS assesses the system using the MAPS core methodology



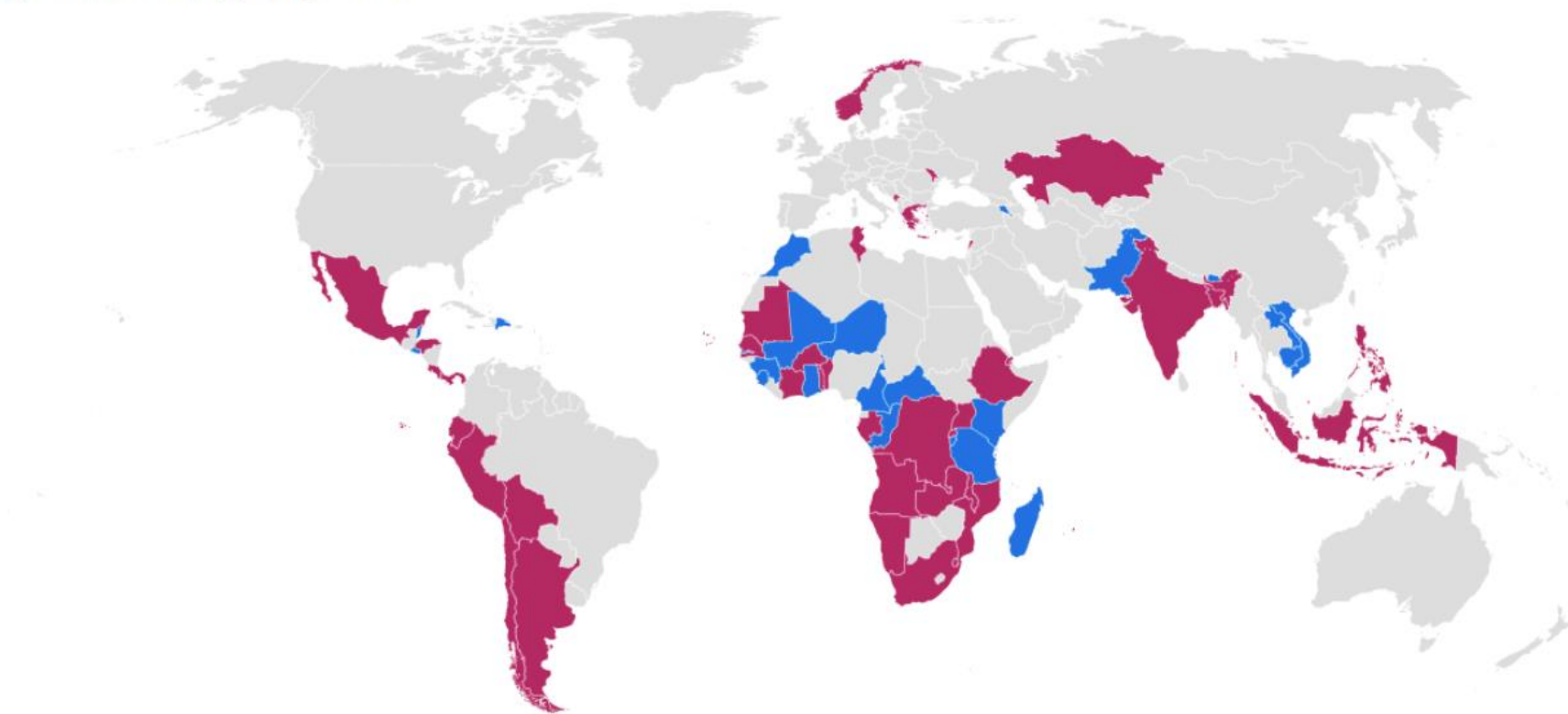
- Four “pillars”
  - Indicators (14)
  - Sub-indicators (55)
- Assessment criteria (210)
  - Qualitative
  - Quantitative





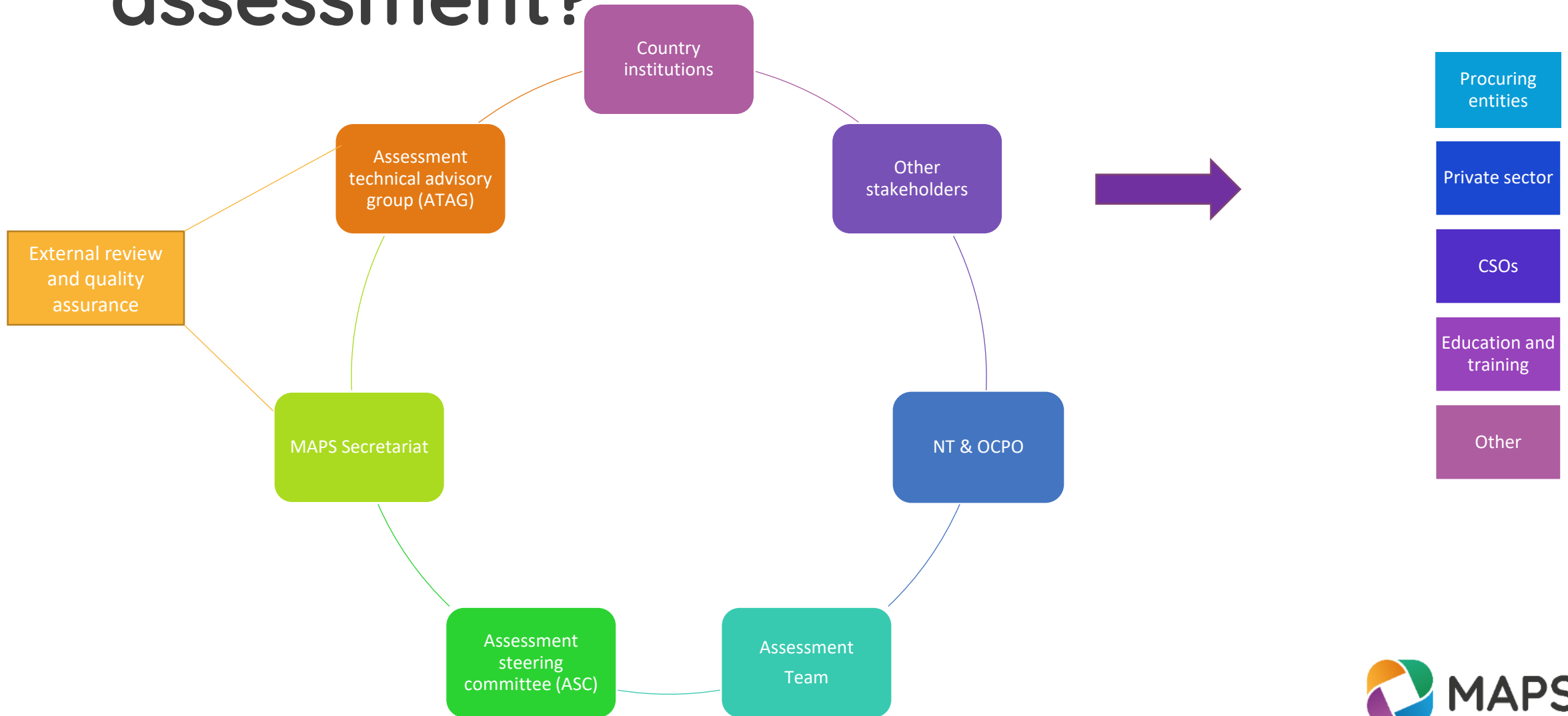
# MAPS worldwide

■ Concluded assessment ■ Ongoing assessment





# Who is involved in a MAPS assessment?







# Main findings and recommendations

An overview of main conclusions from the MAPS  
assessment of South Africa across all 4 MAPS  
Pillars





# Coverage of the Assessment under Pillar I

- The assessment coincided with final stages of process for consultation, amendment and adoption of the new Public Procurement Act 2024
- Assessment is of legal & regulatory framework in force as of 30 April 2024 (excluding local government (municipal) sphere)
  - Annex noting when and to what extent the Public Procurement Act 2024 addresses recommendations in the MAPS Report for changes to the legal framework.





# Pillar 1 Legal, Regulatory and Policy Framework

- **30+ Gaps & Recommendations in total under Pillar I**
  - *See Report for full list and explanation of all findings, Gaps and detailed Recommendations*

## General overarching findings

- Extensive, complex and fragmented legal & regulatory framework
  - not fully updated and not always well aligned with other legislative frameworks, with significant potential for legal uncertainty & differences in interpretation and application in practice
- At level of procurement operations, PFMA and CIDB regimes mean parallel systems, one more prescribed than the other.





## Pillar 1 Proposed priority actions

# Procurement methods & standards for competitive procedures

### Findings & Gaps

Open competitive bidding default method above threshold but no single, clear and unambiguous list of procurement methods with associated conditions for use.

Standards for competitive procedures not sufficiently well defined, affording wide discretion and resulting in lack of clarity and coherence.

### Recommendations

Legislation to include single list of available procurement methods and associated conditions for use.

The single list and associated conditions for use should:

- be placed in a high level legal instrument, to provide both stability and consistency
- apply to the procurement of goods, services, consulting services and construction-related procurement.





# Pillar 1 Proposed priority actions

## Suspension and debarment

### Findings & Gaps

High level of local discretion in deciding on debarment of suppliers from doing business with government, by inclusion in the Restricted Supplier List

This raises risks of inconsistency and/or bias in application of grounds for restrictions on participation

### Recommendations

Review operation of the processes and outcomes of the system for adding suppliers to the Restricted Supplier List.

Review should explore, in particular:

- the detailed grounds upon which the decision is made
- consistency of decisions
- resulting periods of debarment

If inconsistencies, bias or other issues are flagged, identify measures to remedy these issues to ensure the system is fit for purpose





# Pillar 1 Proposed priority actions

## Sustainable Public Procurement (SPP)

### Findings & Gaps

No single policy or strategy and supporting implementation plan to draw together and address *all* aspects of sustainable public procurement – economic, social and environmental - as a coherent whole.

Notable lack of environmental factors to be incorporated at all stages of the procurement cycle

### Recommendations

Develop a single, consolidated SPP policy/strategy & implementation plan, drawing together all elements of SPP – *economic, social* (including gender equality and aligned with PPPFA and B-BBEEA frameworks) and *environmental* (including climate change considerations).

SPP policy/strategy should support national policy objectives and include assessment of whether current measures, including local preference, enhance or hinder domestic and international competition, achieve stated aims and contribute effectively to Sustainable Development Goals.



# Findings and Recommendations

**Matthieu Cahen**

Senior Policy Analyst  
OECD







## Coverage of the Assessment under Pillar II

- Assessment is of legal & institutional frameworks in force as of 30 April 2024 (excluding local government (municipal) sphere)
  - Annex noting when and to what extent the new **Public Procurement Act 2024** addresses recommendations in the MAPS Report for changes to the legal and institutional frameworks.
- Discussions and interviews with relevant stakeholders





## Pillar 2 Institutional Framework and Management Capacity

- **33 Gaps & Recommendations in total under Pillar II**
  - See Report for full list and explanation of all findings, Gaps and detailed Recommendations

### General overarching findings

- The **degree of autonomy conceded to organs of state creates significant potential for legal uncertainty & differences** in interpretation and application further reinforced by the complexity of the normative environment.
- The procurement system **lacks a robust and integrated data ecosystem** which would reduce red tape, support performance management and foster accountability.



## Pillar 2 Proposed priority actions

### Strengthening the attractiveness of competitive procurement

#### Findings & Gaps

NT recently loosened rules around availability of funds before issuing competitive procurement procedures. It introduces significant risks to the attractiveness of tenders.

Late payment of invoices seems excessively widespread. The exact extent of the issue remains unknown; however, estimates suggest it could be as high as 18,5% of the total amount of invoices.

#### Recommendations

NT could reintroduce a formal obligation to ensure sufficient budget availability before issuing tenders or price quotation, inspired by provisions existing for major capital projects.

Reinforce oversight around timely payments within the prescribed timelines by collecting information on the total number of and amount of invoices processed by organs of state and expanding reporting requirements to large organs of state such as public entities.





## Pillar 2 Proposed priority actions

# Developing a digital procurement ecosystem to foster accountability

### Findings & Gaps

Absence of vertical integration with other e-government systems and minimal horizontal integration contribute to a very fragmented e-procurement landscape.

Extremely limited insights on procurement caused to a great extent by very low compliance of organs of state with publication requirements. Only 12% of organs of state registered on eTenders have uploaded procurement plans in the FY 2023-2024 while 73% of organs of state have published tenders. Only 3% of these institutions published related contract notices.

### Recommendations

Expand the coverage of the e-procurement system to cover exceptions and deviations, and integrate with internal financial management systems (implementing IFMSII) to provide for an end-to-end e-procurement ecosystem.

Identify organs of state with the lowest adherence to publication obligations and investigate further reasons why these organs of state do not comply with such obligations.



## Pillar 2 Proposed priority actions

# Strengthening the procurement workforce both in number and skills

### Findings & Gaps

Reinforcing the authoritative standing of the OCPO can only be addressed with sufficient human resources. Of the 140 approved positions, only 80 positions are filled and 60 remain vacant, showing a vacancy rate of 43%, almost three times National Treasury's average.

The professionalisation of the SCM function remains limited and lacks stewardship. The Interim SCM Council, created in 2018, has not been active since its inception. Further, existing training requirements do not apply to entities listed in Schedule 2 and 3B of the PFMA.

### Recommendations

National Treasury needs to address the severe issue of vacancy rates in the OCPO to provide the institution with the human capacity necessary to carry out its mandate.

Reactivate the Interim SCM Council so a professionalisation roadmap can be developed and implemented across the South African public procurement system. Dedicated training is provided to SOCs' supply chain management function.



# Findings and Recommendations

**Knut Leipold**

Lead Procurement Specialist  
World Bank







## Coverage of the Assessment under Pillar III

- Procurement data from **166 contracts** was reviewed for actual procurement case assessment, from **13 representative organs of state**
- **366 responses** to the **Private Sector Survey**
- Discussions and interviews with relevant stakeholders





## Pillar 3 Procurement Operations and Market Practices

- **19 Gaps & Recommendations in total under Pillar III**
  - *See Report for full list and explanation of all findings, Gaps and detailed Recommendations*

### General overarching findings

- **Need for enhanced procurement planning, improved transparency, and stakeholder engagement** throughout the procurement process to address communication gaps, confidentiality issues, and delays in contract management.
- **Need for a holistic approach to procurement dialogue and capacity building**, addressing challenges in stakeholder engagement, information dissemination, and systemic weaknesses to enhance governance and economic development.



## Pillar 3 Proposed priority actions

### Public procurement practices

#### Findings & Gaps

##### **Procurement Planning:**

- Focus on clear requirements in line with national policies (social and economic sustainability)
- Communication gaps with economic operators

##### **Selection and Contracting:**

- Lack of PD clarity/accessibility and of functionality scores, low responsiveness rate,
- Confidentiality issues and limited transparency due to ignoring publication requirements

##### **Contract Management:**

- Gaps in execution phase, delays, disconnect, limited data
- Need for better monitoring, stakeholder engagement, and centralized oversight

#### Recommendations

- Use of resources & tools for needs analysis and market research to inform procurement strategies
- Green Public Procurement guidelines to align with broader priorities and monitor their execution
- E-Procurement with standard forms & transparent information in machine-readable & OCDS format
- Rated criteria to score functionality
- Control & monitoring mechanisms, stakeholder participation (bidders, CSO) throughout cycle
- Monitoring & quality control mechanisms during contract execution, timely payment and publication of payment statistics
- Involve external stakeholders, e.g., CSOs, to improve all through accountability and oversight





## Pillar 3 Proposed priority actions

### The public procurement market

#### Findings & Gaps

##### **Dialogue and Partnerships:**

- Insufficient communication with private sector
- Lack of dedicated programs for capacity building in public procurement.

##### **Private Sector Access:**

- Existing centralized supplier database facilitates access to market opportunities
- Need for more holistic approach to promoting dialogue, transparency, and capacity building.

##### **Sector Strategies:**

- Government recognizes critical sectors with sectoral approach, e.g., Infrastructure, IT.
- Persisting challenges and risks associated with centralized procurement entities.

#### Recommendations

**Proactive Outreach and Inclusivity:** OCPO engage with private sector to ensure transparent analysis & feedback on proposed changes to procurement framework

**Capacity Building and Access:** Develop tailored procurement training programs with relevant institutions and monitor their implementation. Address systemic issues affecting access to the procurement market and funding.

**Oversight and Risk Management:** Enhance oversight framework and risk management practices. Train staff on risk awareness and management techniques. Develop clear guidelines for the procurement, management & monitoring of transversal contracts.



# Findings and Recommendations

**Costanza Caputi**

Public Procurement Expert







## Coverage of the Assessment under Pillar IV

- Assessment covers legal and practical functioning of integrity-related aspects of public procurement (civil society & transparency, audit & control, anticorruption framework, appeals mechanism)
  - Annex noting when and to what extent the new Public Procurement Act 2024 addresses recommendations in the MAPS Report
- Discussions and interviews with relevant stakeholders
- Responses to private sector survey (e.g. perception of anticorruption measures)



## Pillar 4 Accountability, integrity and transparency of the public procurement system

- 30 Gaps & Recommendations in total under Pillar IV
  - See Report for full list and explanation of all findings, Gaps and detailed Recommendations

### General overarching findings

- Accountability and integrity are undermined **by systemic weaknesses in control and audit system**
- Public procurement is highly vulnerable to corruption due to an **inadequate anticorruption framework**, lacking a single body with primary responsibility for preventing corruption, and weakened law enforcement
- **Civil society's** role in providing effective oversight is limited by overall shortcomings in transparency





## Pillar 4 Proposed priority actions

### Strengthening the framework for control and audit

#### Findings & Gaps

**Systemic weaknesses of the control system:** lack of enforcement (‘consequence management’), weak capacity for internal control and audit, high levels of irregular expenditure. Significant levels of discretion for AA/AO due to the decentralised nature of the PFMA.

**Weak control environment:** ineffective reporting to management, lack of implementation of recommendations. Lack of integration of financial management systems may pose a further challenge for effective reporting.

**Growing irregular expenditure:** Stakeholder perceive the external audit function as punitive regarding minor irregularities, but not sufficient to address substantive issues.

#### Recommendations

Mitigate risks posed by systemic weaknesses of control system by ensuring adequate qualifications, skills and capacity of AA/AO. Consider areas in which limiting discretionary powers may prove beneficial (e.g. rules on procurement “by other means”).

Supporting capacity building and harmonisation of internal audit and control practices. Capacity could be supported by digital systems that reduce the margin for human error and improve the quality of data.

Simplification of the SCM regulatory framework, thereby reducing the risks of administrative non-compliance with procurement rules.



## Pillar 4 Proposed priority actions

### Tackling weaknesses in the anticorruption system

#### Findings & Gaps

**Inadequate anticorruption system:** significant limitations of the ‘multi-agency system’ to combat corruption, system susceptible to undue influence, hollowing out of the state’s law enforcement agencies, loss of skills and capacity.

**Limited effectiveness in detecting and preventing corruption risks:** weakened capacity of law enforcement agencies, weak internal control, limited transparency and data analytics for identification of red flags)

#### Recommendations

South Africa would benefit from a strong, independent, capable anti-corruption body. An anti-corruption body increases clarity in the roles of responsibilities around corruption prevention and detection.

Greater support, tools and guidance could be provided to AA/AO in their risk management processes. Risk management activities should focus on sectors that are particularly vulnerable to corruption.





## Pillar 4 Proposed priority actions

### Empowering civil society in conducting procurement oversight

#### Findings & Gaps

**There is a lack of transparency for effective monitoring** by civil society, including lack of ability to access various SCM policies of South African departments. Too many loopholes in terms of data availability and data quality exists.

**Civil society is actively engaged in public consultations** around the public procurement bill, yet areas of improvement exist: important aspects of legislation may not be covered by public consultation; limited feedback is available on how stakeholder inputs are treated.

**Opportunities for direct engagement by civil society are limited** in the legal framework and in practice.

#### Recommendations

Ensure that public procurement data is comprehensive, accessible, and available in a useable format. Transparency could cover regulatory aspects of the procurement regime, such as SCM policies.

Define the scope of consultations taking into account secondary legislation and strengthening feedback loop for stakeholder inputs.

Introduce mechanisms for direct civil society participation and oversight, e.g. piloting direct monitoring schemes, such as social witnesses or integrity pacts.



# The way forward

**Mendoe Ntswahlana**

Chief Procurement Officer  
National Treasury





# Launch webinar

Methodology for Assessing Procurement Systems

## South Africa's concluding remarks and high-level Action Plan





# Acknowledgement

- A heartfelt thanks is extended to our development partners - the OECD, World Bank, and African Development Bank.
- Their expertise, support, and collaboration have been invaluable in conducting this thorough assessment.
- The National Treasury, the Office of the DG and the officials in the Office of the Chief Procurement Officer is also acknowledged for their dedication and hard work throughout this process.
- A heartfelt thanks is also extended to the stakeholders that participated in the assessment who ensured that the assessment was unbiased and provided a fair assessment of the status of public procurement in South Africa.





# Key findings and recommendations

- The NT Team assessed the findings, gaps and recommendations.
- As per the earlier presentation by the development partners, the assessment identified significant strengths in our procurement system, such as a robust legal framework.
- It has also highlighted critical gaps and areas for improvement, including a fragmented legal framework, limited transparency, weak governance, and insufficient digitalization.
- To address these gaps, the NT team is developing a comprehensive action plan focusing on several key areas.
- The following slides will cover some of these areas



# Action Plan

## Legal Framework

- The recent publication of the Public Procurement Act and the drafting of the regulations thereto, **will already address many of the gaps** that were identified.
- The very first of these gaps is the **consolidation of the various legislative instruments into a single primary legislative framework**, reducing complexity and fragmentation.
- It will further apply to all procurement activities by all procuring institutions promoting uniformity and standardisation.

## Other areas that the Act and Regulations will address include:

- Establishing the Public Procurement Office (PPO) with the authority to maintain the Legal Framework of Procurement.
- Provisions for procurement through donor or grant funding.
- The introduction of clear legislative provisions for procurement methods and minimum timeframes.
- Provisions for automatic exclusion of certain office holders and debarred suppliers.
- Establishing a process for reconsideration and review of procurement decisions by a new Public Procurement Tribunal.
- The development and implementation of ICT-based procurement systems;
- Provisions to advance sustainable public procurement;
- Provisions for public access to procurement information, with some discretionary restrictions by the Minister;
- Specifies offences related to public procurement and provides for the investigation of non-compliance and offences by the PPO; and
- Many other operational and process issues.





# Action Plan

## Transparency

- Many indicators highlighted the short comings in transparency in various areas:
  - Limited transparency in the **outcomes of court rulings** (no central publication platform)
  - Limited and unreliable procurement statistics, with the transparency portal only including data shared with the National Treasury, resulting in a **limited scope of published data**
  - **Low compliance** by procuring institutions to publish procurement information
  - Persistent transparency issues and insufficient **supplier development** highlight critical **gaps in stakeholder inclusivity**.
  - **Weaknesses in contract execution**, including frequent delays and limited information transparency, underscore the urgency for better contract delivery monitoring and stakeholder engagement.
  - Issues with confidentiality and **transparency in the evaluation process**.
  - Limited transparency for **effective monitoring by civil society**.

## Action:

- Expand and improve the transparency of procurement data and information (**already in progress**) by:
  - a) Ensuring comprehensive access to procurement data in a machine-readable format.
  - b) Mandate access to procurement information of all organs of state.
  - c) Implement mechanisms for direct civil society participation and oversight.
  - d) Investigate the most appropriate platform for court rulings and tribunal outcomes.



# Action Plan

## Procurement Operations

- Many indicators highlighted the short comings in procurement operations which stems from the current fragmented and complex legal framework
  - Poor procurement planning
  - Poor contract management and execution
  - Limited market engagement and dialogue with suppliers

## Action:

- The PPA makes provision for the Minister to prescribe a framework within which procuring institutions must develop and implement its procurement system:
  - a) The gaps identified to be addressed in the regulations
  - b) Engagement strategy with private sector and civil society
  - c) Enhance internal control and audit





# Action Plan

## Digitalisation

- Some indicators highlighted the short comings in digitalization (e-procurement system)
  - The absence of vertical integration with other e-government systems and minimal horizontal integration contribute to a very **fragmented e-procurement landscape**.
  - Significant shortcomings in the **implementation and use** of e-procurement systems in South Africa
  - Insufficient data for analysis due to fragmented e-procurement systems and **low compliance with publication requirements**, limiting meaningful analysis on trends, participation, efficiency, and compliance.

## Action:

- The PPA supports the development and implementation of ICT-based procurement systems.
  - a) Overhaul the digital environment of the procurement system and enhance the use of open contracting data standards (**already in progress**).
  - b) Integrate the e-procurement system(s) with internal financial management systems.
  - c) Investigate the reasons for low compliance by institutions not publishing procurement information.



# Action Plan

## Professionalisation & Capacity Building

- Some indicators highlighted the short comings in professionalisation and capacity building
  - Limited professionalisation of the supply chain management function.
  - Lack of stewardship for professionalisation.
  - Limited coverage of capacity-building programmes

### Action:

- The PPA supports the professional development and training of officials.
  - a) Develop and implement a professionalisation roadmap for the supply chain management function (already in progress).
  - b) Leverage on the work already done by the Interim SCM Council
  - c) Conduct a capacity assessment and devise a tailored training action plan.



# Action Plan

## Anti-Corruption and Integrity

- Some indicators highlighted the short comings in combatting corruption
  - The anti-corruption system is **inadequate** to face the challenges it is confronted with.
  - South Africa **lacks a single body with the primary responsibility of preventing corruption**. It is governed by a fragmented “multi-agency” approach, which proved ineffective during the state-capture years.
  - Severe weaknesses in prosecution and whistleblower protection

## Action:

- The combatting of corruption in South Africa is not limited to procurement only, and it is therefore elevated to relevant authorities to address.
  - a) Contribute towards a strong, independent anti-corruption body
  - b) Contribute to an Anti-corruption Framework / Strategy
  - c) Contribute towards strengthening whistleblower protection and anonymity of disclosures
  - d) Introduce measures in the procurement system for early detection of fraud and corruption (red-flags)





# Way Forward

- Institute a monitoring and evaluation mechanism to track progress on implementation of the Action Plan.
- Implementing this action plan will require coordinated efforts and strategic reforms.
- We are committed to working closely with all stakeholders to achieve a more transparent, accountable, and efficient procurement system.
- By addressing these gaps, we aim to support sustainable development and economic growth in South Africa.



# Conclusion

- In conclusion, we want to reiterate our gratitude to our development partners (OECD, World Bank, and African Development Bank) and all stakeholders involved in this assessment.
- Together, we can build a stronger, more resilient procurement system that benefits all South Africans.
- Thank you for your attention and continued support.
- We look forward to your continued partnership as we move forward with our action plan.

[www.treasury.gov.za](http://www.treasury.gov.za)

[dg@treasury.gov.za](mailto:dg@treasury.gov.za)

 @Treasury\_RSA

 National Treasury RSA



# Q&A and closing

**Nicolás Penagos**

Head of the MAPS Secretariat





**Read the full MAPS  
assessment at:**

[www.mapsinitiative.org/assessments](http://www.mapsinitiative.org/assessments)

**Follow us on LinkedIn**



**MAPS Secretariat**

