

**MAKING IT HAPPEN:**  
*Selected case studies of institutional  
reforms in South Africa*



**WORLD BANK GROUP**

**Cairo**  
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# Objective of the book

1. To showcase selected case studies of institutional reforms during the first 20 years of South Africa's democracy;
2. To understand the 'how-to' of these institutional reforms;
3. To promote global and within-country knowledge sharing and learning, as part of the South Africa Knowledge Hub.

# Framework for Analysis

- **Case study approach** – case studies selected in consultation with a broad group of stakeholders; focus on successful stories
- **Uniform structure** --each case study in 4 parts: what were the initial conditions and challenges in 1994, what was done, what were the results, and how were they achieved
- **Data** – Using publicly available data as well as high-level interviews with senior policymakers to inform the ‘how to’ of reforms
- **Quality assurance**--External peer review by an Advisory Group composed of independent experts in South Africa as well as internal World Bank review process

# Selected case studies....

1. Intergovernmental Fiscal Framework
2. Budget Transparency
3. Tax Administration
4. Performance Monitoring and Evaluation
5. Statistical System
6. HIV/AIDS Treatment Program
7. Social Grants Delivery
8. National ID and Passport
9. Biodiversity
10. National Road Network Management
11. Renewable Energy through PPPs
12. The Making of South Africa's 1996 Constitution

# Scorecards

## 1. Intergovernmental Fiscal Framework

|                                   | 1994                                    | 2014   |
|-----------------------------------|---|--|
| Admin. Structure                  | Highly centralized but racially divided | Unitary state, but highly decentralized system |
| % of subnational gov. Expenditure | 35,4                                    | 54,1   |
| Legislative Framework             | Non existent                            | IGFR Act                                       |

## 2. Budget Transparency

|                           | 1994  | 2014   |
|---------------------------|---|--|
| Budget Transp. Index      | Highly fragmented system with opaque budget info. | 2 <sup>nd</sup> in the Open Budget Index 2013                                  |
| Medium-Term Budget Policy | 1 year inputs - based requirements                | 3 years plans: policy and program outcomes, outputs, and financial performance |
| Citizen's Budget          | Non existent                                      | Key public finance information presented to citizen                            |

# Scorecards

## 3. Revenue Collections

|                                   | 1994               | 2014                                     |
|-----------------------------------|--------------------|--|
| Tax Collections as a % of GDP     | 22,9               | 26,1 (Average for upper MIC is 14%)      |
| Number of income taxpayers        | 2,6 million        | 16,8 million                             |
| Tax returns filled electronically | 1,6 million (2006) | 22,5 million (2013) (98% of all returns) |

## 4. Monitoring and Evaluation

|   | 1994 | 2014   |
|---|------|--|
| Outcomes approach adopted and % of budget covered | None | 14 national outcomes + delivery agreements, 80% expenditure covered. Greater govt focus, coordination and impact |
| Mgmt. performance Assessment tool                 | None | Self-assessment ratings for all 155 national/provincial departments. Higher scores across the board              |
| National Evaluations System                       | None | Nat. Eval Policy Framework<br>50 major evaluations (conducted or in process)                                     |

# Scorecards

## 5. Statistics System

|                   | 1994  | 2014  |
|-------------------|---|---|
| Pop. data         | Incomplete; Partial census only in urban areas        | Comprehensive census 2011. Next in 2021. In between large large-scale surveys |
| Statistics System | Fragmented, non-representative (only white minority). | Unified service; non-racial; representative data.                             |
| Staff             | 600 in separate offices                               | 3,500 in STATSA   |

## 6. HIV/AIDS Management

|   | 1994                                   | 2014                    |
|---|--|-------------------------|
| Number of individuals receiving ARV treatment | 85,000 (in 2005, first data available) | 2.6 million (2013)      |
| Infant mortality rate                         | 73 per 1000 live births (2006)         | 41 per 1000 live births |
| Average life expectancy at birth              | 54 (2006)                              | 57                      |

# Scorecards

## 7. Targeted Social Transfers

|  | 1994         | 2014         |
|--|--------------|--------------|
| Social assistance beneficiaries                                | < 3 million  | > 16 million |
| Access to the grant system by the bottom 40% of the population | 15.9% (1997) | 76%          |
| Birth registration during the first year of life               | 24% (1991)   | 95% (2012)   |

## 8. National IDs and Passports

|   | 1994            | 2014  |
|---|-----------------|---|
| Children registered within 30 days of birth | 46% (2010)      | 54%   |
| Average time of ID delivery (from applic.)  | 140 days (2006) | 40-50 days                                  |
| Citizens satisfaction                       | N/A             | Surveys confirms high citizens satisfaction |



# Scorecards

## 9. Biodiversity Framework

|   | 1994   | 2014  |
|---|--|---|
| % of South Africa's land covered by national parks  | 4%<br>(2008)   | 7,8%<br>(2013)  |
| Tourism contribution to GDP   | ....   | 10 billion  |
| Institutional model for conserving and rehabilitating South Africa's biodiversity and ecosystem | Largely public sector activity, conservation of assets | Private sector particip. Biodiversity economy creating benefits for local communities |

## 10. Highway Const. & Maint.

|                             | 1994  | 2014  |
|-----------------------------|---|---|
| National Road Network (NRN) | 7,200km<br>(1998)   | 21,200 km   |
| Institutional design of NRN | DoT responsible for the planning, design, construction and operation, with maintenance delegated to the Provinces | Decentralized management by SANRAL with high service standard for the NRN |
| Agency                      | None; fragmented and poorly supervised system   | SANRAL (created in 1998)  |

# Scorecards

## 11. Procurement of Renewable Energy

|  | 1994 | 2014  |
|--|------|---|
| Capacity generated (MW)                                  | 0    | 6,300   |
| Projects awarded   | 0    | 92  |
| Renewable Energy Independent Power Producers Investments | 0    | 20 billion (USD) (one of 10 top countries in the world investing in RE) |

## 12. Constitution-making

| National Constitution | Pre 1996                           | Post 1996   |
|-----------------------|------------------------------------|---|
| State                 | Racially and ethnically fragmented | Consolidated unitary state                          |
| Form of government    | Authoritarian tradition            | democratic (liberty, tolerance, and social justice) |
| Social underpinnings  | Potential civil war                | Peace and reconciliation                            |

# Ingredients for Success?

1. **Commitment to a National Goal**
2. **Transformational Leadership**
3. **Consensus Building**
4. **Learning from International Experience**
5. **Promoting Inclusive Institutions**
6. **Creating Virtuous Cycles with 'Quick Wins'**
7. **Adopting Pragmatic, Flexible and Innovative Approaches**
8. **Strengthening Transparency and Accountability**

# 1. Commitment to a National Goal

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- Clarity of national goals, anchored in the constitution;
- Shared purpose of creating a better future;
- Passion and personal commitment by all;
- Sense of a mission: to transform the country;
- Need to position South Africa globally and regionally.

## 2. Transformational Leadership

- At all levels—from the President to local officials;
- Often substantial reform space for technical staff;
- Importance of collective leadership;
- Leaders earning trust from key stakeholders;
- Popular support for transformational change;
- Sense of ‘urgency’.

# 3. Consensus Building

- Overcoming diversity through inclusive, due processes;
- Strong belief in negotiated outcomes;
- Seeking sustainable solutions;
- Political support for consensus;
- Transparency and open communication--policy development under the public gaze.

## 4. Learning from International Experience

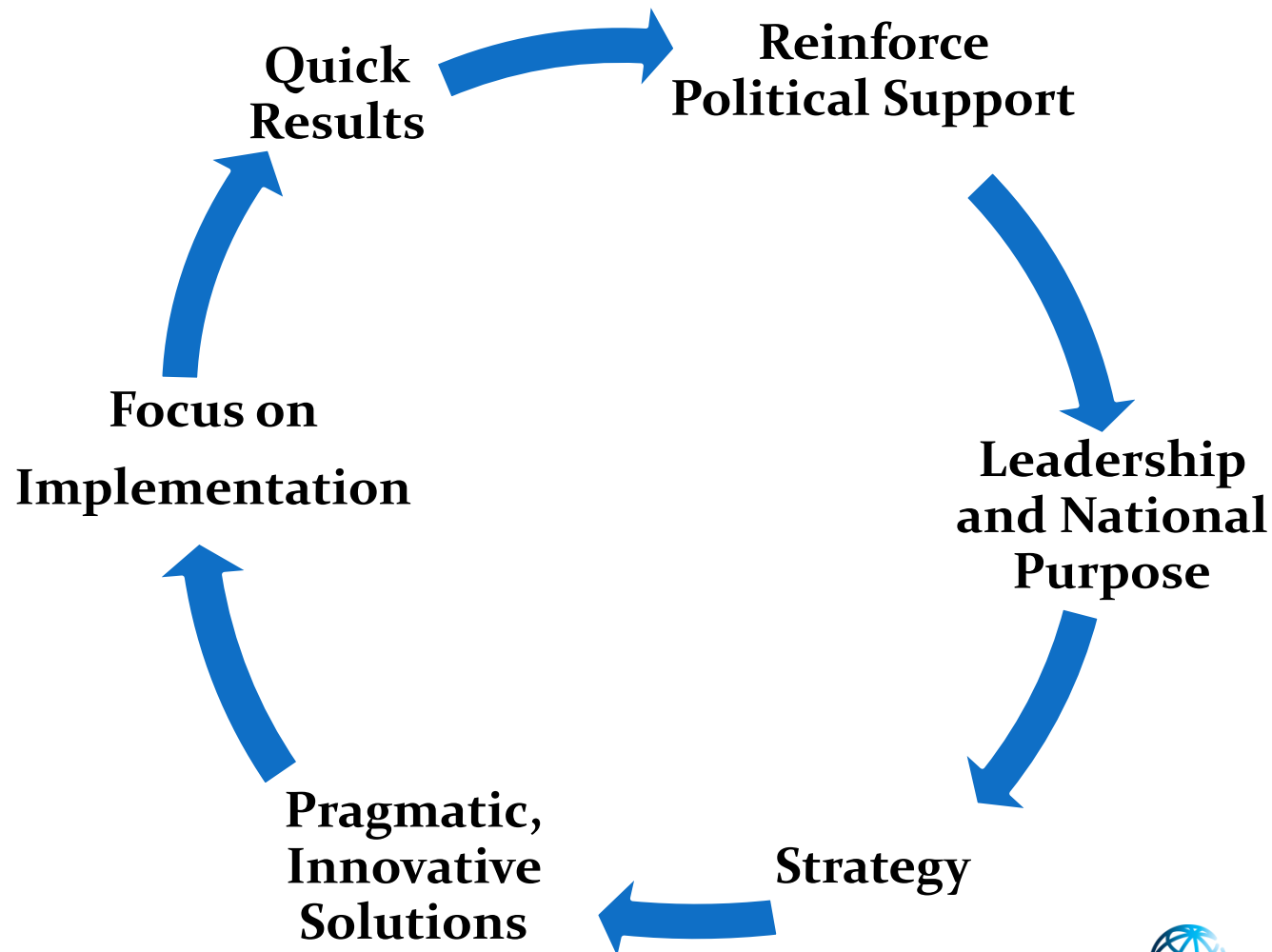
- Strong thirst for international good practices and adaptation to SA context;
- Global networks, international study-tours, international advice were influential at both political and technical levels;
- Tailored support from international agencies and bilateral donors.

# 5. Creating Inclusive Institutions

- Changing the culture of public service: putting ‘people first’;
- Transforming organizations to meet developmental needs;
- Developing a strong, committed management team with shared values and common reform purpose;
- Providing clear incentives - good remuneration and employment conditions, with clear accountabilities
- Focusing institutions on service delivery.



# 6. Creating Virtuous Cycles with Quick Wins



# 7. Adopting Pragmatic, Flexible and Innovative Approaches

- Urgency of action meant that pragmatism prevailed over ideology
- Relentless focus on service delivery--putting 'people first';
- Drive for 'problem-solving' and getting results;
- Learning by doing, especially from failures.

# 8. Strengthening Transparency and Accountability

- Having strong constitutional foundations;
- Clear decision-making structures and enforcement of decisions;
- Making visible the fighting against corruption;
- Using ICT to simplify interface between citizens and the state;
- Open budgeting and disclosures;
- Communicating to the public;
- Strengthening performance monitoring and evaluation.

# Remaining Challenges?

- Strengthening institutions
- Inclusivity of processes
- Capacity building and skills development
- Creating a culture of performance
- Moving from greater transparency to greater accountability for results
- Sustainability and taking reforms to the next level

# Are South Africa's Institutional Reforms Replicable to Other Countries?

- Unique history of South Africa....
- ...but many challenges common with other countries
- Shows how inclusive public sector institutions can be developed even in difficult political environments
- The specific design, pace, and sequencing of the 'how to' depends on country circumstances
- Emphasizes the fundamental challenge of developing and sustaining inclusive institutions

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THANK YOU!