

11

Capacity Development

■ Introduction

Building state capacity is understood as the efforts by governments to professionalise the public sector at the political and administrative levels. The NDP identifies critical interventions needed to build a professional public service and a state capable of playing transformative and developmental roles.

A capable state creates an efficient, effective and development-oriented environment so that its public service can have a positive effect on the lives of all in the country. Having such a state in place should translate into poverty alleviation, reduced unemployment and inequality and an environment for inclusive economic growth.

This chapter deals with the concept of capacity building, the desired policy context and the practices required to build a capable state. It includes information about the present state of capacity and about provincial government expenditure on capacity development for employees and non-employees towards building a capable state.

To realise the vision for 2030, the NDP identifies critical interventions needed to build a professional public service and a state capable of playing transformative and developmental roles.

The chapter also looks at the National Treasury’s Public Finance Management (PFM) capacity building initiatives for provinces as led by the Intergovernmental Relations (IGR) division. Lastly, it makes recommendations for improving present efforts to build and measure the effectiveness of a capable state.

■ Background

Public sector institutions worldwide face a profound challenge. On the one hand, their budgets are under pressure as government finances face economic growth challenges and rising public debt. On the other hand, they are asked to deliver the same outputs and outcomes, and sometimes more, under these macro-economic conditions.

This raises the important question about how public sector institutions can maintain and develop their capacity to deliver services, and strengthen their resilience, when so much effort is being focused on reducing costs rather than building capacity. To survive in a climate of economic uncertainty, public sector institutions are constantly required to adapt to these changes.

In constantly adapting, a central question is whether an institution has the right cultural tools to adapt and to build capacity.

In constantly adapting, a central question is whether an institution has the right cultural tools to adapt and to build capacity. A crucial element in government’s financial management reform agenda must therefore be to strengthen individual and institutional capacity in public institutions so that they can successfully carry out their service delivery mandates.

■ Concept of capacity development

The concept of capacity development has evolved over the years from human resource development of individuals to a concept that encapsulates not only individuals but organisations and the wider society in which they function.

The Organisation for Economic Co-operation and Development (OECD) defines capacity as “the ability of people, organisations and society as a whole to manage their affairs successfully”. According to the United Nations Development Programme (UNDP), capacity development is the process through which individuals, organisations and societies obtain, strengthen and maintain the capacity to set and achieve their own development objectives over time.

For an activity to meet the standard of capacity development as practised and promoted by the UNDP, it must bring about transformation that is generated and sustained over time from within. Transformation of this kind goes beyond performing tasks; rather, it is about changing mindsets and attitudes¹.

For an activity to meet the standard of capacity development, it must bring about transformation that is generated and sustained over time from within.

A report compiled for the United Nations Department of Economic and Social Affairs states that the term “capacity development” is preferred to that of “capacity building”.² “Capacity development” starts from the premise that capacity exists and can be strengthened while “capacity building” can appear to assume that capacity does not exist.

■ Policy context for state capacity

State capacity is defined as the “degree of control that state agents exercise over persons, activities, and resources within their government’s territorial jurisdiction”.³

For a democratic political system to be successful over time, a high capacity state is critical. This applies also in the global context, where capable states are essential for the developments advocated in the Sustainable Development Goals (SDGs) and the African Agenda 2063. Without a capable state, these goals cannot be realised.

A capable state is critical for sustainable development as promoted in the African Agenda 2063 and the SDGs

In South Africa, government has prioritised transformation of the public sector so that it can meet peoples’ needs through a developmental and transformational agenda resulting in inclusive economic growth.

The policy imperatives for building the capacity of the state in South Africa are clearly spelled out in the NDP 2030. They are geared towards enabling the state to respond to challenges and to manage public resources effectively and efficiently to deliver on its mandate to the people of South Africa.

Chapter 13 of the NDP, “Building a capable state”, identifies five key areas in which action is particularly important:

- Stabilising the political-administrative interface (MEC and HoD PFM leadership): a focus on highly skilled professionals at political and administrative level and on building a professional public service that is insulated from political patronage.

¹ *Capacity Development: A UNDP Primer*, 2009, p. 5.

² <https://www.un.org/en/ecosoc/qcpr/pdf/sgr2016-deskreview-capdev.pdf>

³ McAdam, Tarrow and Tilly as cited by Lindvall and Teorell in *State Capacity As Power: A Conceptual Framework*, 2016, p.6

- Making the public service and local government careers of choice: South Africa needs to focus on building a skilled and professional public service at all levels. This means that, at junior levels, the state needs to focus on producing the skills and expertise necessary for future public service cohorts. At senior levels, recruitment and management should be based on experience and expertise.
- Developing technical and specialist professional skills: the state needs to reinvigorate its role in producing the specialised technical skills essential to fulfilling its core functions and must provide appropriate career paths for technical specialists.
- Improving relations between the three spheres of government: South Africa needs a shared vision across the three spheres of government. The state’s capacity deficit needs to be recognised at all levels of government and, where capacity exists, greater responsibility must be devolved in these areas while capacity in others is built.
- Effectively managing state-owned enterprises (SOEs): the major SOEs need effective governance structures that enable them to balance their economic and social objectives.

In essence, to deal with the triple challenges (poverty, inequality and unemployment) to its democracy, a capable South African state must have well-run institutions that consistently provide high quality services.

To eradicate the challenges of poverty, inequality and unemployment, the state must have capable institutions that deliver high quality services.

■ Provincial budgets and expenditure: 2015/16 – 2022/23

Overview

Resources deployed for training and development should be geared towards the development of a capable state.

This section provides an analysis of budgets and expenditure for each province between 2015/16 and 2022/23 with a focus on expenditure on bursaries, training and development for employees and non-employees.

Expenditure on training and development by province

Table 11.1 gives details of expenditure on training and development by province between 2015/16 and 2022/23.

Table 11.1 Expenditure on training and development by province, 2015/16 - 2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outcome				Preliminary outcome	Medium-term estimates		
R million								
Eastern Cape	101	168	166	164	236	271	204	208
Free State	53	49	58	62	102	109	109	116
Gauteng	123	152	582	190	117	403	433	457
KwaZulu-Natal	121	87	106	82	131	211	215	224
Limpopo	49	55	76	53	77	109	123	119
Mpumalanga	157	201	129	168	186	194	186	172
Northern Cape	37	33	38	45	29	81	87	95
North West	92	59	76	75	55	129	145	152
Western Cape	116	110	113	135	140	142	151	158
Total	848	914	1 344	974	1 074	1 649	1 653	1 700
Percentage growth (average annual)	2015/16 – 2019/20				2019/20 – 2020/21		2019/20 – 2022/23	
Eastern Cape	23,6%				14,7%		-4,2%	
Free State	18,1%				7,0%		4,2%	
Gauteng	-1,1%				244,1%		57,5%	
KwaZulu-Natal	1,9%				60,9%		19,6%	
Limpopo	11,8%				41,6%		15,5%	
Mpumalanga	4,3%				4,2%		-2,6%	
Northern Cape	-5,7%				176,9%		48,1%	
North West	-11,9%				133,0%		40,1%	
Western Cape	4,9%				1,6%		4,2%	
Total	6,1%				53,5%		16,5%	

Source: National Treasury provincial database

Between 2015/16 and 2019/20, provinces' expenditure on training and development increased by an average annual rate 6.1 per cent. Between 2019/20 and 2022/23, this rate is expected to increase to 16.5 per cent.

In 2019/20, at R236 million Eastern Cape had the highest expenditure on training and development. Between 2015/16 and 2019/20, this expenditure grew at an average annual rate of 23.6 per cent due to investment in teacher development and in health professionals. Over the medium term, the average annual growth rate is expected to decline by 4.2 per cent due to the effect of fiscal consolidation.

Gauteng spent R582 million on training and development in 2017/18. There was a sharp increase in the transfer for Sci-Bono training at the Mathew Goniwe School of Leadership and Governance. This was previously paid for under goods and services but Classification Circular 21 of 2018 required this arrangement to be reviewed. The 2016/17 figure for training and development was restated to R391 million in the 2017/18 annual report; this was not captured in the database and it therefore appears as though there was a sharp increase.

Total expenditure on training and development has grown by 8.2 per cent since 2015/16 and is expected to grow by 25.6 per cent over the medium term.

Between 2019/20 and 2022/23, this expenditure is expected to increase at an average annual rate of 57.5 per cent, the highest rate of increase of any of the provinces due to an increased focus on training health professionals, staff and community health workers. Expenditure under Education will include programmes related to the skills required by the Fourth Industrial Revolution and for continuing to build an ethical and professional public service.

The combined allocations of the education and health sectors' make up more than half of the total allocations for training and development.

In 2019/20, at R186 million Mpumalanga's expenditure on training and development was the second largest of the provinces. Demand for training and development, some of which was provided outside the province, was high. Between 2019/20 and 2022/23, this expenditure is expected to decrease by an average annual rate of 2.6 per cent. North West's expenditure decreased by 11.9 percent between 2015/16 and 2019/20 but is expected to increase by 133 per cent between 2019/20 and 2020/21, an average annual rate of 40.1 per cent over the medium term. This is mainly due to planned training for office-based employees and senior managers in Education following the skills audit report and to efforts to strengthen teacher development programmes in accounting, physical science and mathematics. Other increases relate to the training of health professionals.

Provincial expenditure on training and development by sector

This section provides an analysis of training and development budgets and expenditure for each province by sector between 2015/16 and 2022/23. Table 11.2 gives details.

Table 11.2 Provincial expenditure on training and development by sector, 2015/16 - 2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R million	Outcome				Preliminary outcome	Medium-term estimates		
Education	311	315	639	290	311	511	511	535
Health	133	108	104	138	119	324	337	347
Social Development	54	65	137	90	88	128	135	138
Office of the Premier	19	31	25	42	61	105	92	87
Provincial Legislature	10	10	15	5	11	14	15	16
Provincial Treasury	27	34	37	37	40	44	47	50
Agriculture and Rural Development	57	86	105	88	118	142	139	127
Human Settlements	15	14	11	14	15	20	19	20
Cooperative Governance and	12	24	19	16	27	36	36	48
Public Works and Transport	123	128	149	133	169	155	148	157
Sport, Arts and Culture	27	24	25	24	32	45	38	40
Economic Development and Tourism	39	44	50	67	61	58	60	64
Other*	23	30	28	29	21	66	74	72
Total	848	914	1 344	974	1 074	1 649	1 653	1 700
Percentage growth (average annual)	2015/16 – 2019/20				2019/20 – 2020/21		2019/20 – 2022/23	
Education	0,0%				64,3%		19,9%	
Health	-2,8%				172,2%		42,9%	
Social Development	13,1%				44,7%		16,2%	
Office of the Premier	34,4%				72,1%		12,5%	
Provincial Legislature	3,3%				23,5%		12,4%	
Provincial Treasury	11,0%				9,4%		7,3%	
Agriculture and Rural Development	20,0%				21,0%		2,6%	
Human Settlements	0,5%				32,3%		9,4%	
Cooperative Governance and	22,8%				36,5%		21,2%	
Public Works and Transport	8,2%				-8,1%		-2,4%	
Sport, Arts and Culture	4,6%				39,3%		7,4%	
Economic Development and Tourism	12,1%				-5,9%		1,2%	
Other*	-2,0%				215,2%		50,8%	
Total	6,1%				53,5%		16,5%	

*Includes provincial departments of Environmental Affairs and Community Safety and Liaison

Source: National Treasury provincial database

Expenditure on training and development in the education sector increases from R311 million in 2015/16 to R535 million in 2022/23, with some fluctuations during that period. Between 2019/20 and 2022/23, this category of expenditure is expected to increase at an average annual rate of 19.9 per cent.

The education sector had the largest expenditure on training and development over the period.

The health sector spent R119 million on training and development in 2019/20, an increase of 172 per cent over the two years. Between 2019/20 and 2022/23, the average annual rate of increase is 42.9 per cent. Social Development sector expenditure on training and development increased from R54 million in 2015/16 to R88 million in 2019/20 and is expected to stand at R138 million in 2022/23.

Provincial expenditure on bursaries by province

This section provides an analysis of expenditure on bursaries and the number of beneficiaries for each province between 2015/16 and 2022/23.

Table 11.3 shows that provinces' expenditure on bursaries increased from R285 million in 2015/16 to R321 million in 2019/20 and is set to increase to R425 million or 9.7 percent over the MTEF period.

Between 2015/16 and 2018/19, expenditure on bursaries decreased from R285 million to R253 million.

Between 2015/16 and 2019/20, expenditure on bursaries exceeded the budget allocation. This was mainly due to significant overspending by Gauteng, KwaZulu-Natal and the Northern Cape on bursaries for non-employees who upon completion of their tertiary studies are expected to apply for vacant positions and participate in graduate or internship programmes.

In the period 2015/16 to 2019/20, only North West allocated a budget to bursaries for research and development; the province marginally underspent the allocations each year. Over the same period, only the Northern Cape fully spent its allocation for Premier's bursaries.

Between 2015/16 and 2019/20, the number of bursaries offered to employees increased from 30 477 to 34 854, with KwaZulu Natal and Gauteng providing the largest number of bursaries.

The number of bursaries offered to employees is expected to continue to grow over the medium term.

Table 11.3 Provincial expenditure on bursaries by province, 2015/16 - 2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R million	Outcome				Preliminary outcome	Medium-term estimates		
Eastern Cape	81	78	121	89	118	118	146	154
Free State	11	14	18	16	18	32	33	34
Gauteng	21	22	36	30	47	52	57	59
KwaZulu-Natal	99	78	71	21	26	43	44	47
Limpopo	21	27	29	31	41	43	44	47
Mpumalanga	15	27	32	23	25	25	27	29
Northern Cape	9	7	6	9	7	8	9	9
North West	11	20	12	13	14	14	16	17
Western Cape	16	17	19	21	26	28	29	30
Total	285	291	343	253	321	361	406	424
Percentage growth (average annual)	2015/16 – 2019/20				2019/20 – 2020/21	2019/20 – 2022/23		
Eastern Cape	9,9%				-0,2%	9,2%		
Free State	13,4%				71,6%	22,1%		
Gauteng	21,6%				11,6%	8,1%		
KwaZulu-Natal	-28,6%				65,6%	21,9%		
Limpopo	17,7%				4,0%	4,5%		
Mpumalanga	12,7%				0,6%	5,1%		
Northern Cape	-3,8%				10,7%	8,1%		
North West	5,3%				0,0%	7,7%		
Western Cape	12,1%				7,7%	5,1%		
Total	3,0%				12,4%	9,7%		
Number of bursaries offered								
Eastern Cape	3 802	2 825	4 066	4 265	4 303	4 615	4 585	4 630
Free State	1 344	2 324	1 885	2 191	2 309	2 383	2 985	2 968
Gauteng	9 172	7 094	9 918	6 797	6 802	6 433	6 386	6 436
KwaZulu-Natal	8 435	9 914	10 573	10 533	11 813	12 526	12 509	12 512
Limpopo	2 217	2 180	2 198	3 284	2 391	2 546	2 547	2 549
Mpumalanga	2 126	1 448	2 010	2 126	2 215	2 316	2 316	2 316
Northern Cape	917	949	1 031	1 054	1 119	1 139	1 155	1 171
North West	1 570	1 794	1 961	1 846	1 522	1 591	1 591	1 591
Western Cape	894	2 665	2 555	2 459	2 306	2 124	2 441	2 470
Total	30 477	31 193	36 196	34 555	34 780	35 673	36 515	36 643

Source: National Treasury provincial database

Training opportunities by gender and category

This section provides information about the numbers trained in provinces between 2015/16 and 2022/23. Table 11.4 gives details by gender and categories, including tertiary education, workshops, seminars, learnerships and internships.

Table 11.4 Number of training opportunities by gender and category, 2015/16 - 2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Headcount	Outcome				Preliminary outcome	Medium-term estimates		
Personnel and trained staff								
Number of staff	989 745	989 745	972 362	1 171 379	1 008 910	1 048 423	1 051 543	1 053 593
Number of personnel trained	364 202	364 202	396 548	423 694	417 544	420 966	435 686	438 698
of which:								
Male	151 717	151 717	153 379	167 896	168 942	168 982	176 345	177 267
Female	212 485	212 485	243 169	255 798	248 603	251 984	259 341	261 431
Number of training opportunities	186 353	186 353	212 381	220 832	154 340	177 515	178 712	181 352
of which:								
Tertiary	23 552	23 552	32 157	47 430	43 094	34 729	35 826	36 502
Workshops	65 086	65 086	70 285	102 843	51 702	30 231	29 398	31 041
Seminars	2 208	2 208	1 714	1 955	2 056	2 480	2 621	2 687
Other	95 507	95 507	108 225	68 603	57 488	110 075	110 867	111 122
Number of bursaries offered	31 193	31 193	36 196	34 555	34 780	35 673	36 515	36 643
Number of interns appointed	11 149	11 149	11 224	12 459	13 069	13 865	14 018	14 154
Number of learnerships	8 628	8 628	8 647	10 505	6 831	8 008	8 133	8 071
Number of days spent on training	37 551	37 551	39 404	39 880	43 921	43 808	44 631	45 386

Source: National Treasury provincial database

In each of the years between 2015/16 and 2019/20, more female than male employees were trained.

Between 2015/16 and 2019/20, the number of staff trained increased significantly from 346 527 to 417 544. In each of these years, more female than male employees were trained. This pattern is expected to continue over the MTEF period, with the number of staff trained increasing moderately.

Types of training provided include tertiary studies, workshops, seminars and other short courses. Workshops and other short courses are the main modes of training; their numbers are expected to grow over the medium term. Training at tertiary institutions increased over the period 2015/16 to 2019/20 and is expected to increase over the medium term.

The number of internships and learnerships increased over the period 2015/16 to 2019/20 and is expected to grow over the medium term.

Capacity Development Strategy – perspectives of the National Treasury

Overview

In terms of section 6(2)(d) of the Public Financial Management Act (1999) (PFMA), the National Treasury is responsible for assisting departments and

constitutional institutions to build their capacity for efficient, effective and transparent financial management. The ability to provide this support has been limited by capacity issues.

Capacity Development Strategy (CDS)

In the context of a changing PFM landscape, the National Treasury has developed a Capacity Development Strategy (CDS) to address financial management capacity issues in the public sector. These include the need for critical and scarce skills including planning, budgeting, supply chain management, assets and liabilities management, monitoring and evaluation, reporting, risk management, auditing and oversight.

Building a capable state is a necessary condition for a developmental and transformational agenda.

The four strategic objectives of the CDS are to:

1. Support the development of an enabling environment
2. Enhance organisational capacity
3. Develop and empower a corps of competent and committed high-performance employees
4. Create an environment that enables and sustains mutually beneficial stakeholder relationships.

Below are described two of the capacity development initiatives that make up the CSD.

The Essentials of Budget Formulation course and the Budget Examination and Analysis course

Overview

The purpose of the Essentials of Budget Formulation (EBF) course and the Budget Examination and Analysis Course (BEAC) is to assist public sector officials at national and provincial levels to develop their public finance management skills and thus to build the capacity of the state.

The target groups for these two courses are public sector officials responsible for preparing budgets and for overseeing their implementation. The training is also provided to other officials wishing to increase their understanding of public sector budgeting. The assessments are formative and summative and successful participants are certified by the Director-General of the National Treasury; the required pass mark is 65 per cent.

With the South African Qualification Authority (SAQA) and the National School of Government (NSG), the National Treasury has developed unit standards for public sector budget preparation, budget review, examination and analysis.

As part of continually improving the courses and taking into account the relative costs of contact and remote learning, online training is being developed for piloting in 2021 and rollout to all provinces thereafter.

The EBF and BEAC courses

The Essentials of Budget Formulation and Analysis course (EBFAC) had a pass rate of 100 per cent in 2017/18.

Between 2014 and 2017, 88 officials took part in the EBF course. Most were from provincial departments such as health, transport, social development, education and local government and from provincial treasuries. Staff from the National Treasury also participated.

Between 2015 and 2016, the pass rate increased from 60 per cent to 94 per cent and in the 2017/18 financial year was 100 per cent.

Between 2014 and 2017, 236 staff across the provinces took part in the BEAC course, with 227 or 96.2 per cent successfully completing the course. In 2018 and 2019, training targets for the course were overachieved as extra sessions were provided; some of these focused on participants from the South African Social Security Agency (SASSA) and the Department of Women and others provided PFM support for the departments of health in the Eastern Cape and North West.

Revenue Management Training

Revenue management practitioners have indicated improved motivation, confirming the need for further promotion of sustainable revenue management capacity among senior staff in provinces.

As part of its competency framework, the National Treasury has developed a revenue management competencies dictionary which has been made available to provinces' revenue generating sector departments.

The purpose of this non-credit bearing programme is to ensure that revenue practitioners have the knowledge and skills that they need to manage revenue streams successfully. Staff who have completed the programme have reported increased motivation and the National Treasury intends to seek funding to extend the training to supervisors and senior managers to improve revenue management at provincial level.

Public Expenditure and Financial Accountability (PEFA) outcome review conference/workshop

Following assessments by the National Treasury of public expenditure and financial accountability (PEFA) in all provinces, in March 2017 public sector officials representing the National Treasury, the nine provincial treasuries and selected national and provincial departments met to review the assessment findings. The purpose of the review was to:

- Critically assess provinces' PFM strengths and weaknesses and introduce appropriate reforms. The focus was on the interpretation of consolidated PEFA results per strategic outcome and on

developing short-, medium- and long-term intervention strategies to strengthen PFM systems.

- Capacitate officials from the National Treasury and provincial treasuries to conduct assessments of the state of PFM in provinces using the upgraded 2016 PEFA methodology.
- Identify transversal issues and introduce PEFA reforms to address them.

PEFA skills-development: collaboration with the Public Expenditure and Financial Accountability secretariat

In July and August 2020, officials from the Public Expenditure and Financial Accountability (PEFA) secretariat, based in Washington USA, offered training using videoconferencing to National Treasury officials. The background to this was twofold; firstly, in 2019 the PEFA secretariat reviewed the guidelines and methodology for subnational government assessments and wanted to check if the amendments were suitable for provincial and local government in South Africa. Findings would be included in the final framework.

Secondly, in 2014 the National Treasury had undertaken provincial or subnational PEFA assessments. In the processes of appointing service providers, it was found that the number of local experts in the field were minimal and that international experts had to be brought in. Putting the programme in place took longer than expected. The aim of the training in 2020 was to build on this background and to create a skilled workforce of government officials able to undertake self-government PEFA assessments.

It is anticipated that the first self-assessment will take place in the 2021/22 financial year, starting with one province and with assistance and guidance from PEFA Secretariat officials. Other provinces will then follow.

PFM training: collaboration with the Belgian Development Agency

With the support of its International Development Cooperation (IDC) division, the National Treasury accessed donor funding from the Belgian Development Agency (BDA) to develop and pilot an international PFM programme to develop a pool of PFM experts who would adapt lessons learned to the South African context and contribute to the ever-changing PFM environment.

In 2016, officials from the National Treasury went on a benchmark study to Belgium to develop the programme with the Vrije Universiteit Brussel (VUB) and Universiteit Antwerpen (UA). In October 2017, 30 delegates took part in piloting the programme in Belgium followed by another session in South

Africa the next month. Those successfully completing the programme, which included compiling a research paper, received certificates of competency from VUB.

Issues emerging from participants' research papers were adapted to the South African context.

Following this successful pilot, the National Treasury sent another delegation of 32 officials to attend PFM training in Belgium in November 2018, with a second leg in South Africa in April 2019. This was followed by another session in Antwerp, involving on this occasion two South African universities with the aim of developing academic partnerships and extending the programme to South African universities.

After endorsement of the programme by provincial treasuries' HoDs at the Technical Committee on Finance (TCF), issues emerging from participants' research papers were adapted for use in the South African context. To extend the partnership with VUB and UA, the National Treasury will be coordinating a process through which further partnerships can be formed with local universities during and beyond this programme.

PFM Leadership Programme for MECs and HoDs

In 2017, in line with the NDP's objective of creating stability in the political-administrative interface and at the request of the Premier and the provincial treasury, the National Treasury piloted a donor-funded PFM induction workshop for MECs, HoDs and top management in Limpopo. The PFM and leadership experts who served as facilitators were former government officials with expertise in PFM and Adaptive Leadership.

Following this successful event, the National Treasury solicited further donor funding to conduct two pilots, in the Eastern Cape and Mpumalanga, in 2018/19. The MECs and HoDs in these provinces were not available but the pilots, conducted by two experts, were carried out with senior management from the Eastern Cape and National Treasury officials.

From 2021 onwards, the National Treasury will be running a series of PFM Leadership and African Thought Leadership workshops for MECs, HoDs and other senior managers across provinces.

Key conclusions

There has been considerable progress towards achieving sustainable and solid financial reform in government and thus reaching the objective of a capable state. However, much remains to be done. Issues still to be addressed include:

- Linking investment in capacity building of the state to productivity (service delivery): this is critical to achieving an efficient, effective and development-oriented public service.
- Political buy-in and exemplary leadership: these are essential to the success of any capacity development programme
- Defining capacity development and putting it into effect through political leadership and political and governance systems
- Designing future initiatives which maximise learning and measure impact at all four levels of capacity development: individual, organisational, enabling environment and societal/network
- Improving the enabling environment: high priority should be given to building shared understanding about what does and does not work
- Directing bursaries for employees and non-employees to acquiring priority skills necessary for building a capable state
- Carrying out impact assessments that measure the effectiveness of training and other interventions to develop state capability.