



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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NATIONAL TREASURY WELCOMES REPORT EVALUATING SOUTH AFRICA'S PUBLIC PROCUREMENT SYSTEM

The National Treasury welcomes a report released today, which reveals important strengths as well as areas needing improvement within our procurement framework. In 2023, the National Treasury took the initiative to engage the Organisation for Economic Co-operation and Development (OECD) to assess the South African public procurement system. This assessment was based on the internationally recognised Methodology for Assessing Procurement Systems (MAPS). The assessment was carried out collaboratively by the OECD, the World Bank, the African Development Bank, the National Treasury and various public, private and civil society organisations.

The National Treasury values the insights provided by the MAPS report, considering it as an essential resource for enhancing procurement processes. While the report points out some challenges, it also emphasises the significant progress made and the robust foundation in place.

The report acknowledges significant advancement in areas such as the recent Public Procurement Act (Act 28 of 2024), which was signed into law by President Cyril Ramaphosa on 23 July 2024. This Act addresses many of the gaps identified in the report, including consolidating procurement provisions from multiple legislative instruments into a single framework, thereby reducing complexity and promoting a more coherent system. The Act further addresses issues such as procurement through international funding; prescribing a comprehensive chapter on preferential procurement; promoting a differentiated approach to procurement; prescribing a framework for procurement methods; providing for automatic exclusion and measures to prevent abuse of the procurement system; the inclusion of objectives to promote sustainable development; allows for the development and progressive roll-out of ICT-



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based procurement systems; provisions for public access to procurement processes; and the establishment of an independent Public Procurement Tribunal, amongst others.

While the report identifies several areas that need additional attention, we view these findings as opportunities for continuous growth and improvement. Key issues highlighted include an extensive, complex and fragmented legal and regulatory framework; the lack of comprehensive procurement planning; insufficient use of e-procurement systems; challenges in maintaining confidentiality and transparency; inadequate professionalisation and capacity-building initiatives; the substantial lack of information and visibility during the execution phase of contracts; delays in payments; limited access to procurement statistics; minimal involvement of civil society organisations in the procurement process; internal control and audit weaknesses; an ineffective multi-agency approach to combatting corruption characterised by limited capacity to investigate and prosecute corruption; and inadequate protection for whistleblowers. These findings underscore the need for improvements in these critical areas.

In response, we are taking proactive steps to address the highlighted issues by introducing the Public Procurement Act and regulations; developing a sustainable public procurement strategy; strengthening the adherence to the publication of procurement information; improving the transparency of procurement data; enhancing the control and audit framework; overhauling the digital environment of the procurement system; increasing the use of open contracting data standards. Additionally, we will implement a professionalisation roadmap for Supply Chain Management; contribute to a strong anti-corruption strategy; assist in strengthening whistleblower protection; and develop a framework to monitor and evaluate the implementation of the action plan. These reforms aim to enhance compliance, streamline our processes, and strengthen oversight in procurement.



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The National Treasury is deeply committed to the ongoing improvement of procurement systems. The MAPS report will serve as a roadmap as we strive to uphold the highest standards of efficiency, accountability, and value for all stakeholders.

The National Treasury welcomes the opportunity to collaborate with partners and stakeholders as it implements these recommendations as part of the department's broader Public Procurement Improvement Programme. Progress updates will continue to be shared.

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