



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

Building capacity to deliver: Lessons from Operation Vulindlela

Public Sector Innovation Conference
21 August 2024

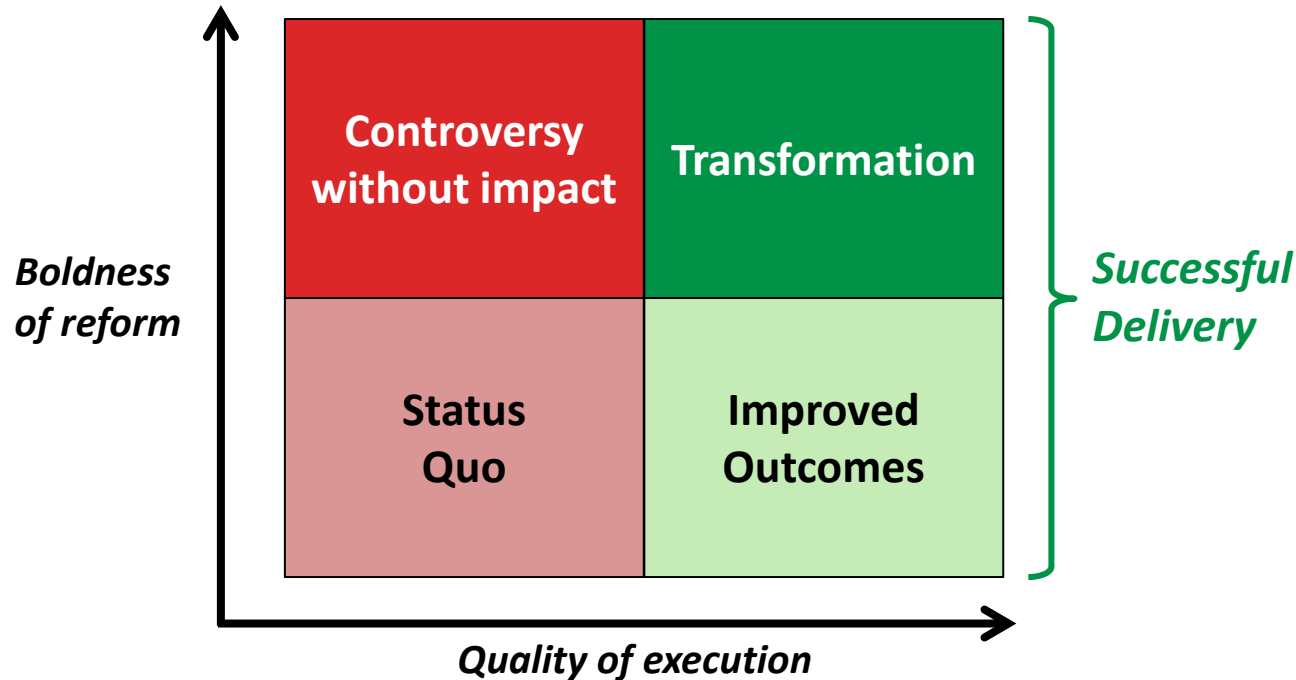
Key Challenges

- Policy inertia and the erosion of state capacity, including leadership and governance weaknesses
- Resistance to change and conflicting policy considerations or vested interests
- Inability to select a few high-impact priorities and translate these into action
- Uncoordinated implementation of efforts
- Frustration with lack of delivery



Interventions or reforms often bring controversy without impact due to insufficient focus on implementation and poor execution quality

*“ ... while **getting the policy right** is hard, it is **only 10% of the challenge**. The other 90% is the blood, sweat, and tears of relentless implementation.”¹*



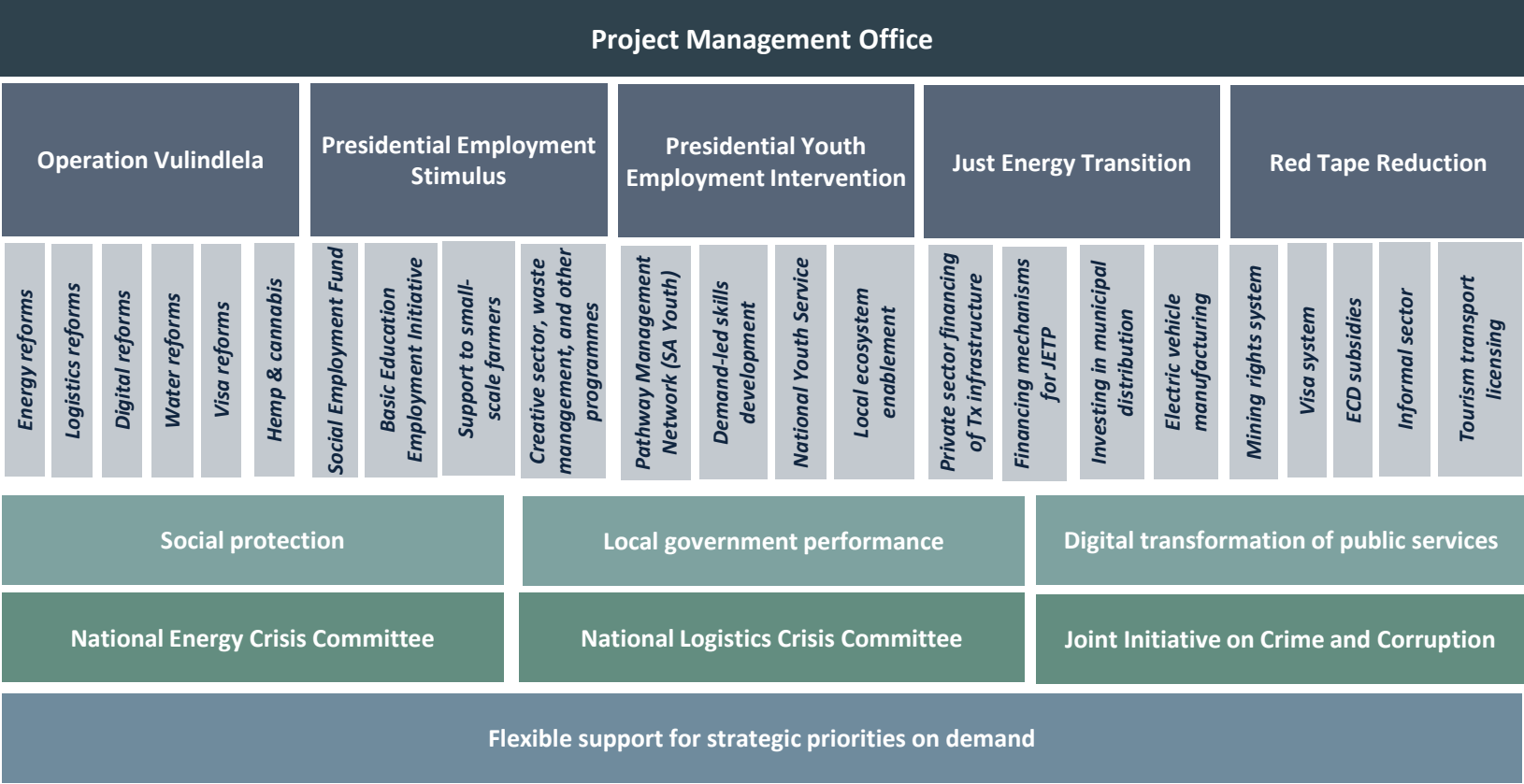
The role of the Presidency

The Presidency is responsible for strategic planning, policy coordination, and intervention where necessary to ensure effective implementation.

- There is a global trend to **strengthen the role of the “centre of government”** to fulfil multiple objectives:
 - *Policy coordination across government*
 - *Strategic planning for the whole of government*
 - *Driving implementation on key priorities*
 - *Communicating government messages to the public*
- Since its establishment in 2019, the **Project Management Office (PMO)** has built capability in multiple areas to support delivery and coordinate the implementation of key priorities.
- However, additional capability is required to **drive implementation of strategic initiatives** from the Presidency where intervention is needed, reducing the emphasis on administrative functions.
- While its core mandate centres on employment and structural reforms, the PMO has in practice provided support to the President in other areas. This demonstrates the need for a **flexible, responsive delivery “muscle”**.



The PMO oversees implementation of a portfolio of strategic initiatives, in addition to providing flexible support to the President as required



Programmes



Projects

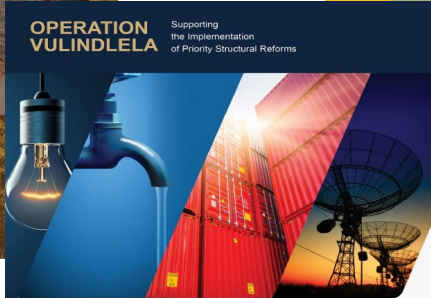
Policy design

Coordination

Drawing on “deliverology” principles

Focus area	Fundamental questions	Key elements of deliverology
1 Prioritizing & planning	<ul style="list-style-type: none">• <i>What do you want to achieve?</i>	<ul style="list-style-type: none">• Identify a small number of critical priorities• Define specific, measurable goals• Develop clear, practical plans and accountabilities
2 Driving execution	<ul style="list-style-type: none">• <i>How will you achieve this?</i>	<ul style="list-style-type: none">• Maintain focus, avoid distractions and strengthen delivery culture through performance management• Strengthen coordination, and rapid analysis and problem-solving of execution issues• Regularly update plans
3 Managing performance	<ul style="list-style-type: none">• <i>How can you know – at any time – if you are really on track?</i>• <i>If you are not on track, what will you do about it?</i>	<ul style="list-style-type: none">• Ensure good quality, close to real-time data• Forward looking, action-oriented reporting• Rapid performance monitoring routines with implementers and accountable senior leaders• Agree specific actions and ensure follow up

Designing, incubating and delivering programmes



PRESIDENTIAL
EMPLOYMENT
STIMULUS



PRESIDENTIAL
YOUTH
EMPLOYMENT
INTERVENTION

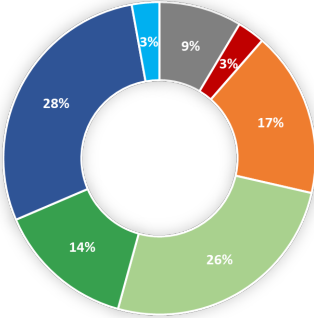


NECOM
NATIONAL
ENERGY CRISIS
COMMITTEE

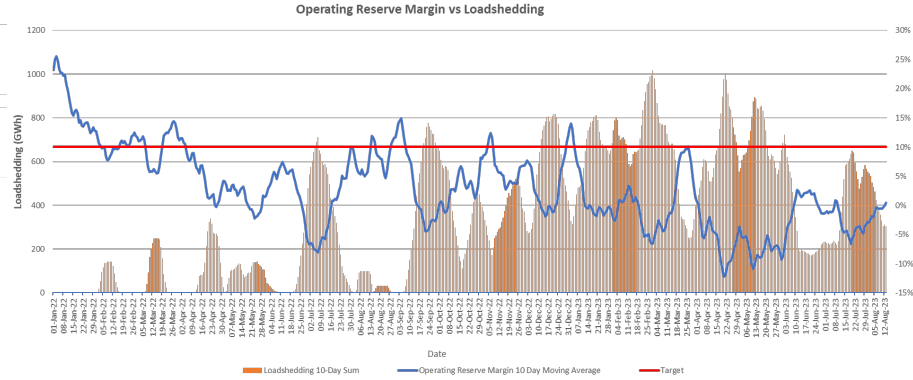


NLCC
National Logistics
Crisis Committee

Establishing systems to track progress and results



9%	3 ACTIVITIES No data/reform not yet started	3%	1 ACTIVITY Reform facing critical challenges, likely not to be achieved
17%	6 ACTIVITIES Reform facing significant challenges, intervention required	26%	9 ACTIVITIES Reform delayed/off track, but work underway
14%	5 ACTIVITIES Reform progress on track	28%	10 ACTIVITIES Reform completed, no further work required
3%	1 ACTIVITY Reform completed, further work required		



Programme Achievements

Completed Oct '20 - Mar '22 | Current Apr '21 - Present

Overall Achievements

Total budget allocated R32.6 billion

COMPLETED R12.6 billion
CURRENT R11 billion and R9 billion

Total beneficiaries assisted 1.1 million

COMPLETED 566,425
TARGET: 694,152 (82%)
CURRENT 518,670
TARGET: 556,890 (93%)

Total female beneficiaries 63%

COMPLETED 67%
CURRENT 60%

Total youth beneficiaries 83%

COMPLETED 80%
CURRENT 87%

Implementation Progress and Results

April 2020 - June 2023

All Data | **Financial Year to Date**

National Pathway Management Network

Young People 4,174,279 The number of registered users on SA Youth as at the end of the selected period	Opportunity Holders 521 The average number of organisations offering opportunities via the NPM per quarter	Opportunities Secured 1,069,712 The number of earning opportunities secured by young people via the NPM during the selected period	Women Accessing Opportunities 70% The number of earning opportunities secured by women via SA Youth during the selected period
Demand-led Skilling 64,796 Workplace experience opportunities	Local Ecosystem Enablement 98,040 Enterprise support opportunities	Revitalised National Youth Service 47,568 Paid service opportunities	

Join the network: | Definitions: | Explore the data: | Share opportunities for young people:

What we have achieved across the portfolio



Regulatory changes implemented to **enable private investment in electricity generation** and create a competitive energy market



Spectrum auction concluded after a ten-year delay, enabling substantial new investment in telecommunications



Comprehensive review of the work visa system completed and regulations issues, with recommendations to overhaul the work visa system and attract skills and investment



National Rail Policy adopted to guide the modernization and reform of the rail sector, including third-party access to the network



Private sector participation introduced in container terminals, to crowd in investment and improve the efficiency of port operations



Legislative reforms approved to **create a transport economic regulator, reform the electricity sector, and establish a National Water Resources Infrastructure Agency**



SRD Grant implemented and extended, reaching over 11 million unemployed adults at peak and lifting 3 million out of poverty



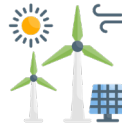
More than 5 million workers supported by TERS during the COVID-19 pandemic, preventing further job losses



National Pathway Management Network established with over 4.4 million young people registered on SA Youth



Over 1 million participants supported through the Presidential Employment Stimulus, with innovative models developed through the Social Employment Fund, Basic Education Employment Initiative and other programmes



Comprehensive Just Energy Transition Investment and Implementation Plan (JET-IP) developed to guide the just energy transition, with over \$11 billion mobilized through JETP and other partners

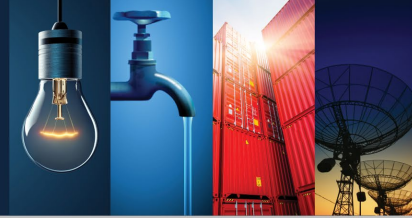


Freight Logistics Roadmap adopted by Cabinet in December 2023 to drive reform and promote competition in the freight rail and ports sector

Operation Vulindlela: Economic Structural Reform Programme



Origins and rationale for OV

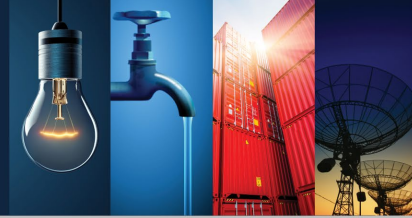


**OPERATION
VULINDLELA**

Supporting the implementation
of priority structural reforms

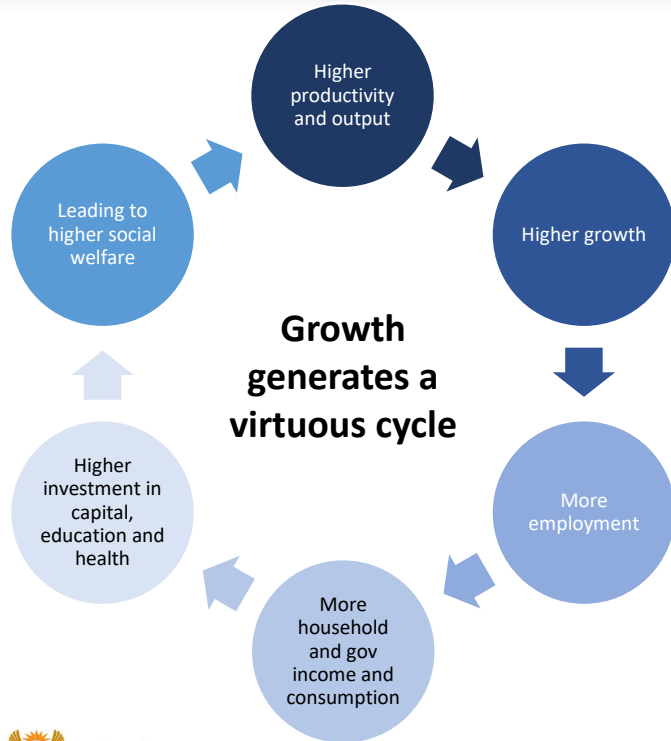
- OV was established in October 2020 as a ‘delivery unit’ approach to support the President and Cabinet to accelerate the implementation of priority structural reforms. Delivery units serve four primary functions:
 - **Identifying measurable objectives** based on the political mandate of the executive, filtering priorities based on impact and achievability.
 - **Tracking progress on the priorities** through collecting, analysing and reporting on performance data.
 - **Investigating and intervening** to solve problems where progress appears to be slipping off track (e.g. by conducting in-depth investigations, convening stakeholders or providing technical assistance).
 - **Providing high-quality information** to political principals to empower decision-making and intervention.
- Different from previous initiatives: deliberately not comprehensive to avoid spreading effort and resources across too many objectives, aimed at a few high-impact reforms to revive economic growth
- Agile, non-bureaucratic structure (e.g. drawing on outside experts)
- Government-wide approach:
 - Ministers, departments and entities (‘reform implementers’) implement structural reforms – does not take away responsibility for implementation
 - Dedicated Vulindlela Unit (which draws on additional expertise from public and private sectors as required) monitors progress, escalates challenges, and provides support to fast-track implementation

More rapid and inclusive growth is our most important objective



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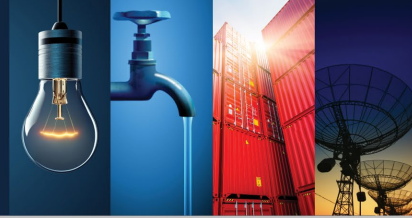
Supporting the implementation
of priority structural reforms



Higher economic growth is a prerequisite for achieving the objectives of the National Development Plan 2030.

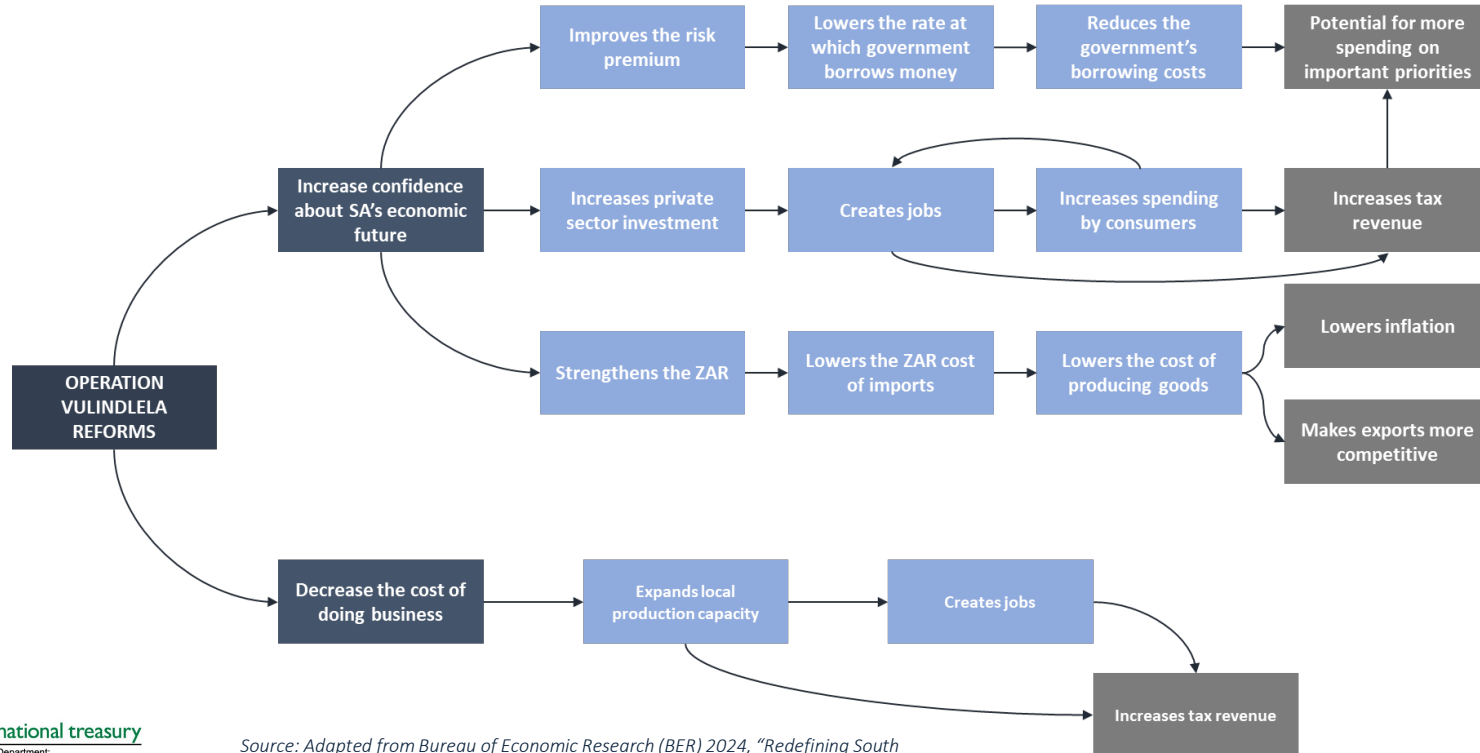
- There is a strong consensus that economic growth is constrained by microeconomic factors, such as a shortfall in electricity supply; an inefficient and unreliable freight logistics system; and crime and corruption that undermines investor confidence.
- In addition, rising public spending without an associated increase in economic growth has resulted in an unsustainable debt burden. Conversely, any further reduction in spending risks undermining the state's ability to deliver basic services, further compromising investment and growth. The only viable solution to stabilise the fiscal trajectory is therefore to increase the rate of growth.
- An average growth rate of at least 3% should be targeted over the medium term in order to meaningfully reduce unemployment. Radical economic reform is required to achieve this target and create a virtuous cycle of higher confidence and investment.
- For growth to be sustainable and inclusive, it must be combined with strategies which ensure that the benefits accrue to the poor, as well as strategies to reduce South Africa's high carbon emissions

How reforms support economic growth



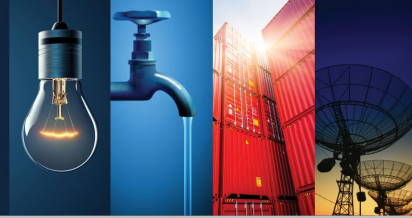
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Source: Adapted from Bureau of Economic Research (BER) 2024, "Redefining South Africa's economic trajectory".

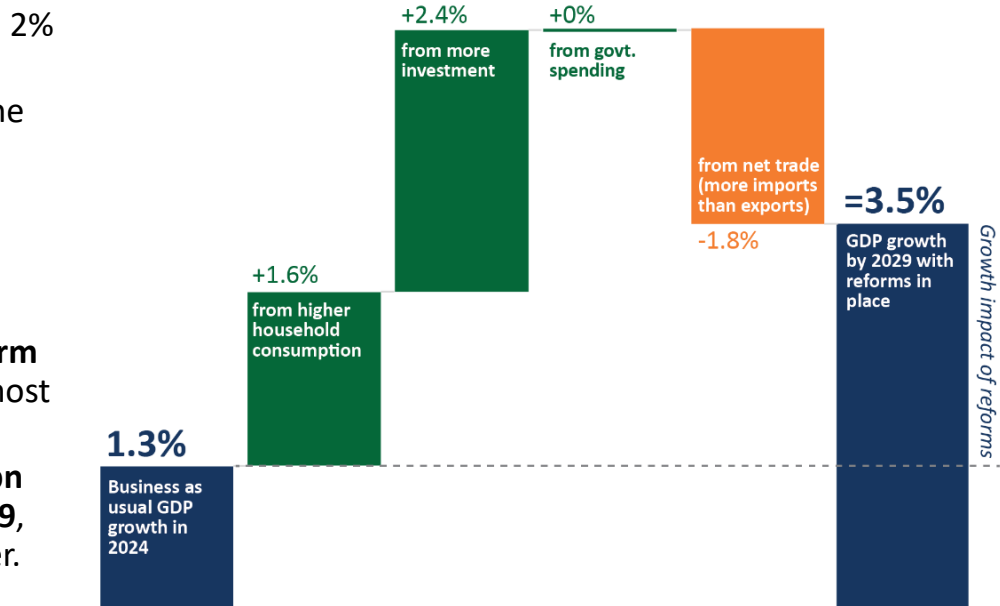
Independent modelling of reform impact



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- Implementing the Phase I reforms can **boost real GDP growth by 1.5% by 2029**: 3.5% vs. 2% in the baseline.
- The largest driver of this improvement in the growth trajectory stems from **fixed investment, which is 4% higher by 2029**, underpinned by robust private fixed investment.
- Given the improved energy availability and access to ports and railways, **exports perform significantly better**, reaching growth of almost 5% in 2029 vs. 3% in the baseline.
- In the reform scenario, **real GDP is R399.6bn (+7.7%) higher than in the baseline by 2029**, and investment is R196.7bn (+22.3%) higher.



OV delivery model



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Determining *priorities* and translating political objectives into *actionable strategies*



Designing solutions to complex problems through an *iterative* and *adaptive* approach



Identifying and aligning partners around the key interventions – *convening power*



Unblocking obstacles when monitoring shows progress is off-track or slow



Introducing and using best practice *performance management* approaches (while maintaining agility)



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**Small, agile team in the Presidency
and National Treasury, working
together with 15 government
departments and agencies**



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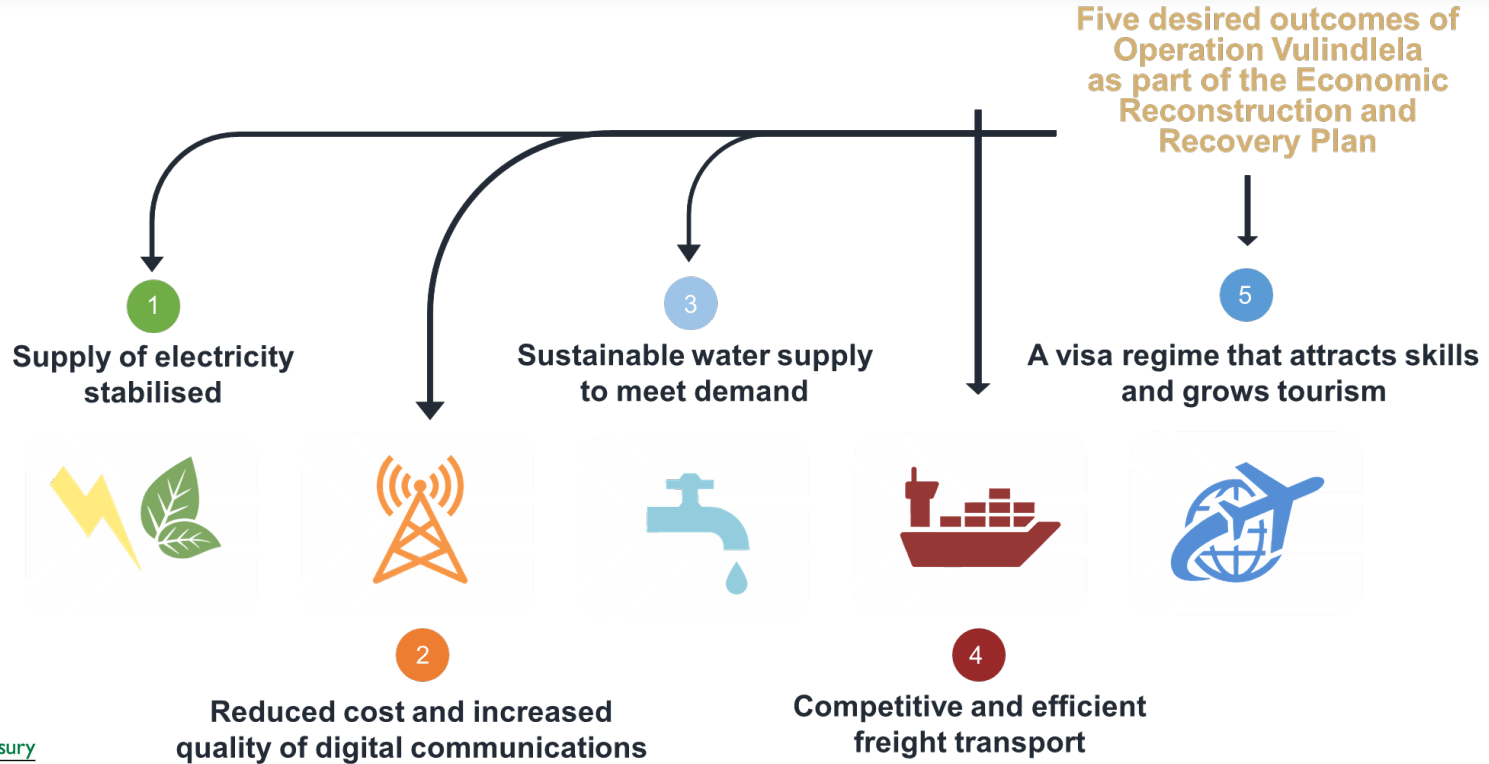
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Five priorities of Operation Vulindlela (OV)



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of priority structural reforms





Prioritising and planning

- Facilitate multi-stakeholder (within and outside of government) processes and ensure buy-in
- Provide support for developing strategies, mapping delivery, and defining targets and trajectories
- Rigor test implementation plans
- Ensure ownership by implementers

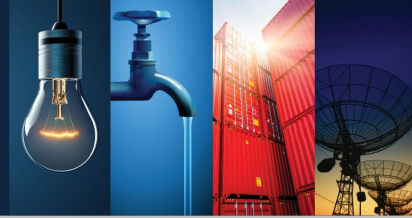
Driving execution

- Coordinate departments and entities responsible for delivery
- Provide technical support for implementation
- Identify external partners who can provide support or expertise
- Identify problems and develop solutions at an early stage, constantly updating implementation plans

Managing performance

- Collect, validate, analysis and synthesize data to rigorously assess performance and likelihood of delivery
- Put in place performance systems and management
- Capture specific actions and ensure follow up takes place
- Regular “stocktakes” with implementers
- Monthly review and reporting to President and Ministers

The role of OV in the delivery of reforms



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Supporting the implementation
of priority structural reforms

1

If implementation is **progressing well under capable leadership** and only involves a single department or entity



Monitor and report
on progress

2

If implementation of a reform is **not progressing well**, capacity **is lacking** amongst the reform implementers, or there is a **lack of coordination**



Engage with reform
implementers, seek consensus
on challenges and what needs
to be done by whom

Where necessary, offer support
to reform implementers to
address capacity gap

Where necessary, Presidency
fills coordination gap

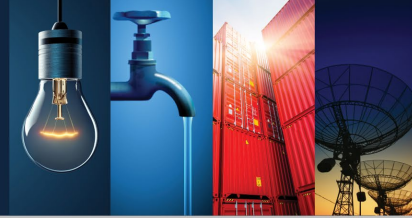
3

If a **policy decision is required** to unlock progress, or there is a need to **resolve uncertainty or disagreement**



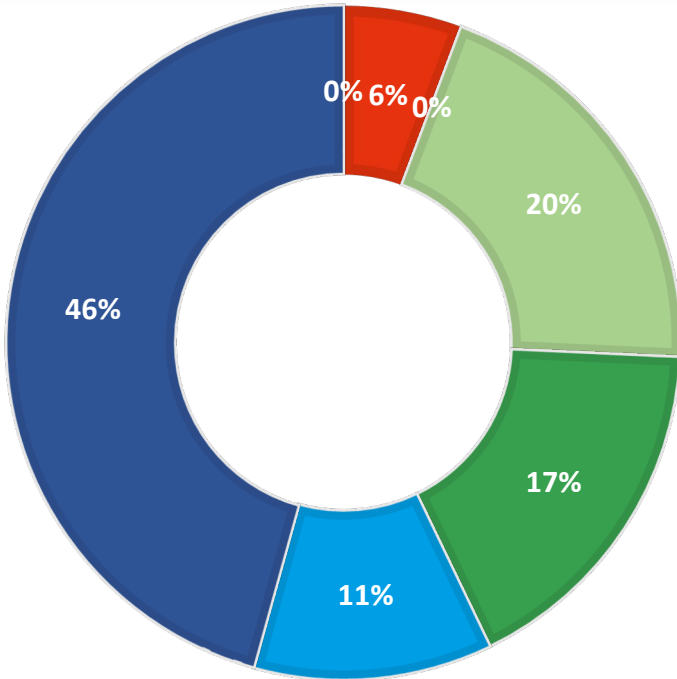
Provide recommendations to
the President for engagement
with relevant Minister

Overview of progress



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0% **0 ACTIVITIES**
No data/reform not yet started

9% **2 ACTIVITIES**
Reform facing critical challenges, likely not to be achieved

0% **0 ACTIVITIES**
Reform facing significant challenges, intervention required

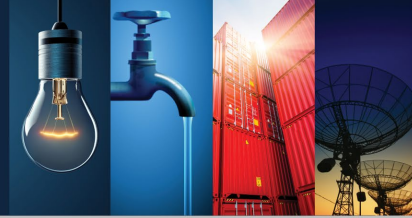
20% **7 ACTIVITIES**
Reform delayed/off track, but work underway

17% **6 ACTIVITIES**
Reform progress on track

46% **16 ACTIVITIES**
Reform completed, no further work required

11% **4 ACTIVITIES**
Reform completed, further work required

Impact of reform to date



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89%

Number of reforms completed or on track



R500 billion

New investment unlocked through reforms



22 500 MW

Pipeline of private investment in renewable energy projects



51%

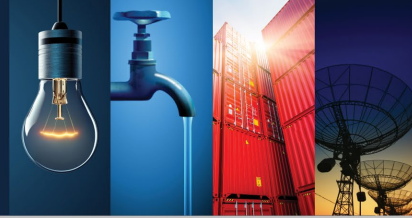
Reduction in the cost of data for a 1.5 GB bundle



90

Number of days to obtain a water use license, down from 300

Progress on energy reforms



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Supporting the implementation
of priority structural reforms

Significant progress has been made in reforming the energy sector to establish a competitive electricity market, enable investment in new generation capacity, and accelerate the transition to renewable energy sources.

- ✔ **The Electricity Regulation Amendment (ERA) Bill has been assented by the President.** The Bill outlines the powers and functions of the Transmission System Operator and establishes a competitive market for electricity. Eskom is undertaking consultations on a draft Market Code which will govern the future electricity market.
- ✔ **The establishment of the National Transmission Company of South Africa (NTCSA) has been completed as part of the Eskom restructuring process.** The NTCSA will commence trading as an independent subsidiary of Eskom from July 2024.
- ✔ **The procurement of new generation capacity from wind, solar, gas and battery storage has been accelerated.** Following the release of further bid windows in December 2023 and March 2024, over 10,000 MW of capacity is currently in procurement. This will help to secure South Africa's energy supply into the future.
- ✔ **Following sweeping regulatory reform to remove the licensing requirement for private generation facilities, the pipeline of private sector generation projects continues to increase.** The Energy One Stop Shop is now supporting over 130 projects amounting to approximately 22 500 MW with an estimated investment value of R390 billion.
- ✔ **Rooftop solar more than doubled in 2023 to over 5000 MW, with the support of tax incentives and financing mechanisms implemented as part of the Energy Action Plan.** This has helped to reduce demand on the grid and curb load shedding.

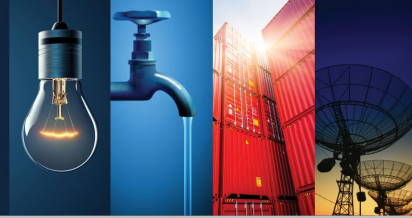


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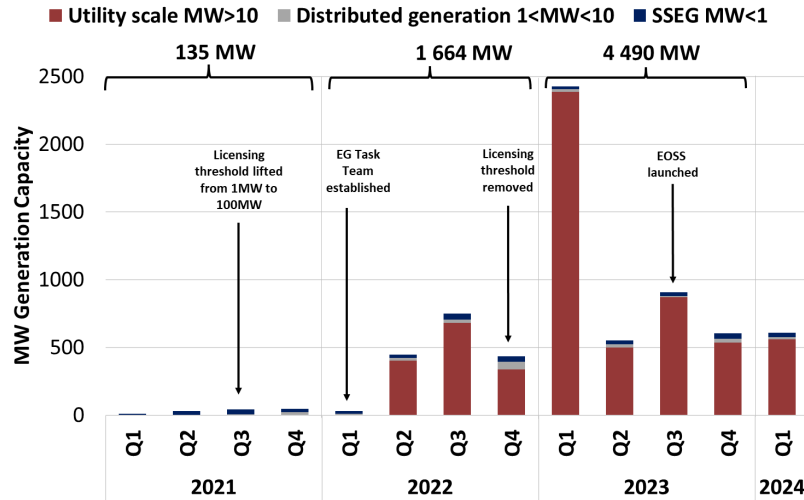
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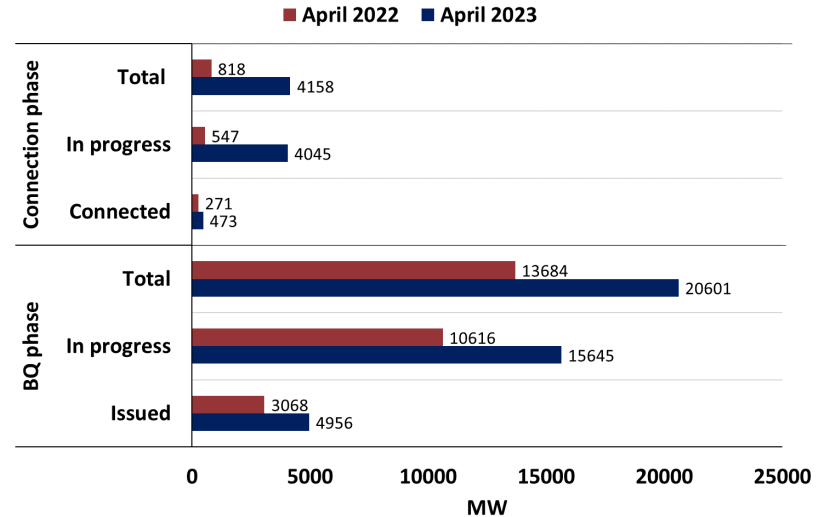
Progress on energy reforms (cont.)



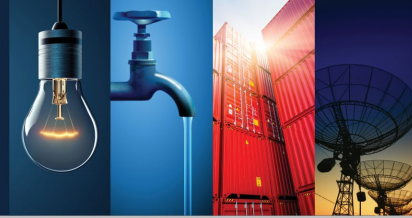
Projects registered with NERSA



Projects in the grid connection process



Progress on logistics reforms



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Supporting the implementation
of priority structural reforms

Rail reform is now far advanced, and progress has been made to introduce private sector participation in container terminals and improve the performance of our ports.

- ✔ **The Freight Logistics Roadmap was approved by Cabinet, outlining a clear path for reform of the logistics system.** The roadmap outlines specific measures to resolve operational challenges driving the poor performance of rail and ports in addition to interventions to fundamentally restructure the logistics sector.
- ✔ **The Economic Regulation of Transport Bill has been passed by the National Assembly and sent to the President for assent.** The Bill will establish the Transport Economic Regulator to oversee competition in port and rail operations, and is a critical step in the reform of the logistics system.
- ✔ **Concrete steps have been taken towards open access to the freight rail network.** Transnet has established an interim Infrastructure Manager for the rail network and published a Network Statement for consultation, which outlines the process for train operating companies to request access to the network.
- ✔ **Transnet has appointed a private terminal operator as an equity partner for Durban Pier 2, South Africa's largest port terminal.** This partnership, which is expected to be in place by July 2024, will crowd in investment and management expertise to improve terminal performance. In parallel, an independent board has been appointed for the Transnet National Ports Authority to oversee its establishment as a subsidiary of Transnet.

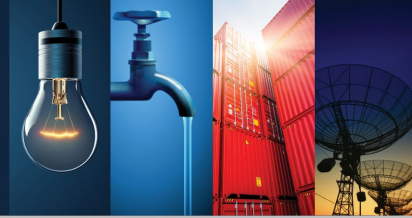


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Progress on telecommunications reforms



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The auction of high-demand spectrum, alongside other measures to unlock investment in the telecommunications sector and reduce the cost of data, has been a key success of Operation Vulindlela.

- ✔ **In March 2022, ICASA concluded the auction of high-demand spectrum.** The switch-off of analogue transmission for frequencies above 694 MHz in July 2023 has enabled the use of this spectrum for the rollout of 5G networks and improved network quality, while contributing to reduced data costs.
- ✔ **The Rapid Deployment Policy, together with a Standard Draft By-Law for wayleaves, has streamlined the regulatory framework for telecommunications infrastructure.** These policy changes will accelerate the deployment of network towers and fibre.
- ✔ **Cabinet has approved the final Next Generation Radio Frequency Spectrum Policy.** The policy is aimed at advancing the availability of spectrum along with flexibility of its use, including through the establishment of a secondary market for spectrum.

Progress on water reforms



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Supporting the implementation
of priority structural reforms

Rail reform is now far advanced, and progress has been made to introduce private sector participation in container terminals and improve the performance of our ports.

- ✔ **The water use license system was re-engineered and the backlog of license applications cleared.** This has unlocked significant investment in a range of sectors, while close to 80% of applications are now processed within the target period of 90 days.
- ✔ **The water quality monitoring system has been reinstated to ensure transparency and enable intervention where municipalities fail to meet minimum norms and standards.** Updated reports have been published for the Blue, Green and No Drop assessments.
- ✔ **The NWRIA Bill has been passed by the NCOP and sent to the President for assent.** The Bill will establish a dedicated agency to manage bulk water resources, enabling greater investment and better management of water infrastructure.
- ✔ **A Water Partnerships Office has been established in the Development Bank of Southern Africa to support the introduction of private sector participation in water infrastructure.** The WPO is prioritizing areas such as water re-use, non-revenue water and desalination, working closely with municipalities.
- ✔ **The revised Raw Water Pricing Strategy has been finalised.** The updated strategy will ensure efficient pricing of raw water, which is key to the financial sustainability of the water sector.
- ✔ **Water resources have been made available for power generation.** DWS has received over 270 applications for projects such as hydropower and floating solar that could generate an estimated 2800 MW of generation capacity at 170 sites.

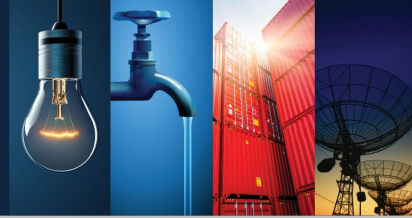


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Progress on visa reforms



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of priority structural reforms

Rail reform is now far advanced, and progress has been made to introduce private sector participation in container terminals and improve the performance of our ports.

- ✔ **Revised Immigration Regulations have been published to give effect to the recommendations of the work visa review.** The regulations, which were Gazetted on 20 May 2024, streamline visa application process, establish a points-based system for work visas and introduce a remote work visa, among other key changes. The points based system will use criteria such as qualifications, work experience and income to assess visa applications, providing more flexible pathways for skilled immigration.
- ✔ **The Department of Home Affairs has begun to receive applications through the Trusted Employer Scheme.** The scheme provides qualifying major investors and employers with access to a simplified route to employing skilled foreign workers, with reduced processing times.
- ✔ **The Critical Skills List was updated.** The DHA published an updated critical skills list in 2021, reflecting the skills that the economy needs. This increases the number of occupations on the list to 142 and follows through on a commitment to revise the Critical Skills List on a regular basis.
- ✔ **The eVisa system was implemented and expanded to additional countries.** The system is now available in 34 countries, including China, India, Kenya and Nigeria, while most other countries enjoy a visa waiver.

Thank you



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