



Government Defence  
Integrity Index



2020



Country Brief:

# SOUTH AFRICA



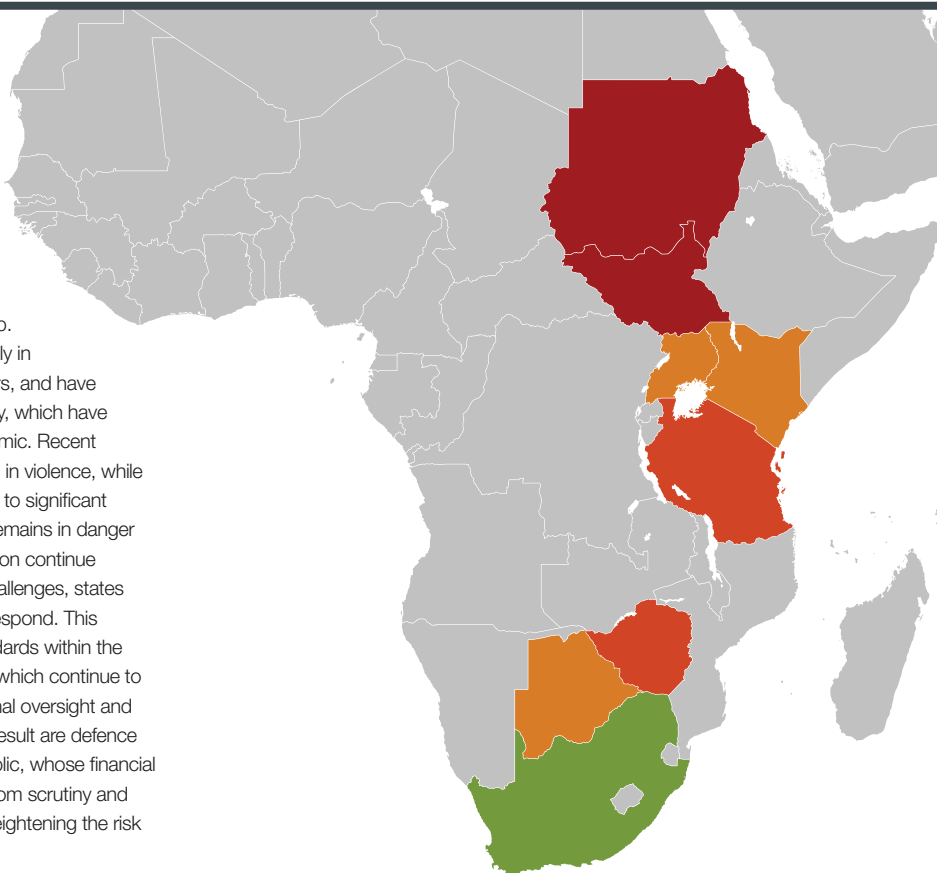
South Africa's influence on the African continent, through its investment, trade relations and active role in the inter-governmental African Union (AU) make it a key player on the continental and international stage.<sup>1</sup> Boasting one of the continent's largest, most diverse and developed economies, it has made substantial progress in driving post-apartheid economic transformation, but has been critically hamstrung by mismanagement and gradual democratic decline.<sup>2</sup> Issues related to low economic growth, high unemployment levels and slow socioeconomic transformation were exacerbated under President Jacob Zuma (2009-18), when the state became captured by a small group of political and business elites,<sup>3</sup> leading to a dramatic deterioration of the state's fiscal health and magnifying the country's economic woes.

Cyril Ramaphosa's accession to the leadership of the ruling African National Congress (ANC) and election to the Presidency in 2018 on an anti-graft platform, and subsequent arrest and trial of Zuma on corruption charges,<sup>4</sup> have raised hopes of radical structural reform. Though some progress has been made, overhauling a system that facilitated such endemic corruption will take time and require sustained political attention.<sup>5</sup> Mismanagement and the economic crisis have also severely hamstrung the defence sector, with the South African National Defence Force (SANDF) underfunded and poorly equipped.<sup>6</sup> Despite experiencing a significant period of policy revision between 2014 and 2020, there are significant gaps in South Africa's defence governance architecture that heighten corruption risk and could further undermine operational readiness. External oversight continues to be limited and access to information is poor, for both the public and parliament. Financial transparency is relatively robust, although progress remains to be made in relation to procurement where arms acquisitions are highly secretive. Finally, anti-corruption safeguards in relation to personnel and operations require strengthening in order to build integrity and effectiveness.

Member of Open Government Partnership	Yes
UN Convention Against Corruption	Ratified in 2004
Arms Trade Treaty	Ratified in 2014

## East & Southern Africa

Two of the most stable regions on the continent, the Eastern and Southern African regions have nevertheless had to contend with a series of significant challenges in recent years. Instability in the Horn of Africa continues to present protracted security challenges in the region, including the growth of Islamist movements, such as Al-Shabaab. Civil unrest and protests have increased dramatically in South Africa, Zimbabwe and Kenya amongst others, and have been fuelled by anger at police brutality and poverty, which have increased significantly during the COVID-19 pandemic. Recent elections in Tanzania and Uganda have been mired in violence, while the upcoming Kenyan elections in 2022 could lead to significant unrest. Elsewhere, Sudan's democratic transition remains in danger of stalling and armed conflict and endemic corruption continue unabated in South Sudan. In response to these challenges, states have increasingly sought to deploy the military to respond. This has increased attention on weak governance standards within the defence sectors across East and Southern Africa, which continue to contend with very limited transparency, poor external oversight and limited anti-corruption controls for personnel. The result are defence forces that are frequently unaccountable to the public, whose financial management and acquisitions are largely hidden from scrutiny and where corruption vulnerabilities are pronounced, heightening the risk of abuses of power.



1 James Hamill, 'South Africa as a Hegemonic Power', in J. Hamill, *Africa's Lost Leader: South Africa's Continental Role Since Apartheid*, Vol. 56, Issue 463, 2016, pp. 9-16.  
 2 Nicolas Cook, 'South Africa: Current Issues, Economy and US Relations', *Congressional Research Service*, R45687, 17 September 2020, pp. 7-10.  
 3 Mark Gevisser, 'State Capture': The Corruption Investigation that Has Shaken South Africa', *The Guardian*, 11 July 2019.  
 4 Reuters, 'Arms Deal Corruption Trial Against South African ex-President Zuma to Start in May', 23 February 2021.  
 5 Prinesha Naidoo, 'This is Ramaphosa's South Africa Report Card After Two Years', *Bloomberg*, 12 February 2020.  
 6 Savo Heleta, 'South Africa's Military Is In Steady Decline and Nothing Is being Done to Fix It', *The Conversation*, 5 April 2017.



# SOUTH AFRICA

## SOUTH AFRICA SCORE

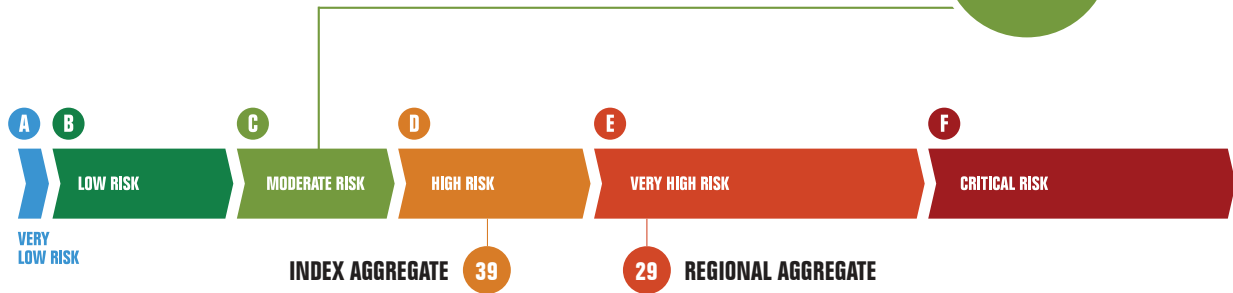
**MODERATE RISK**

**C**

**57**

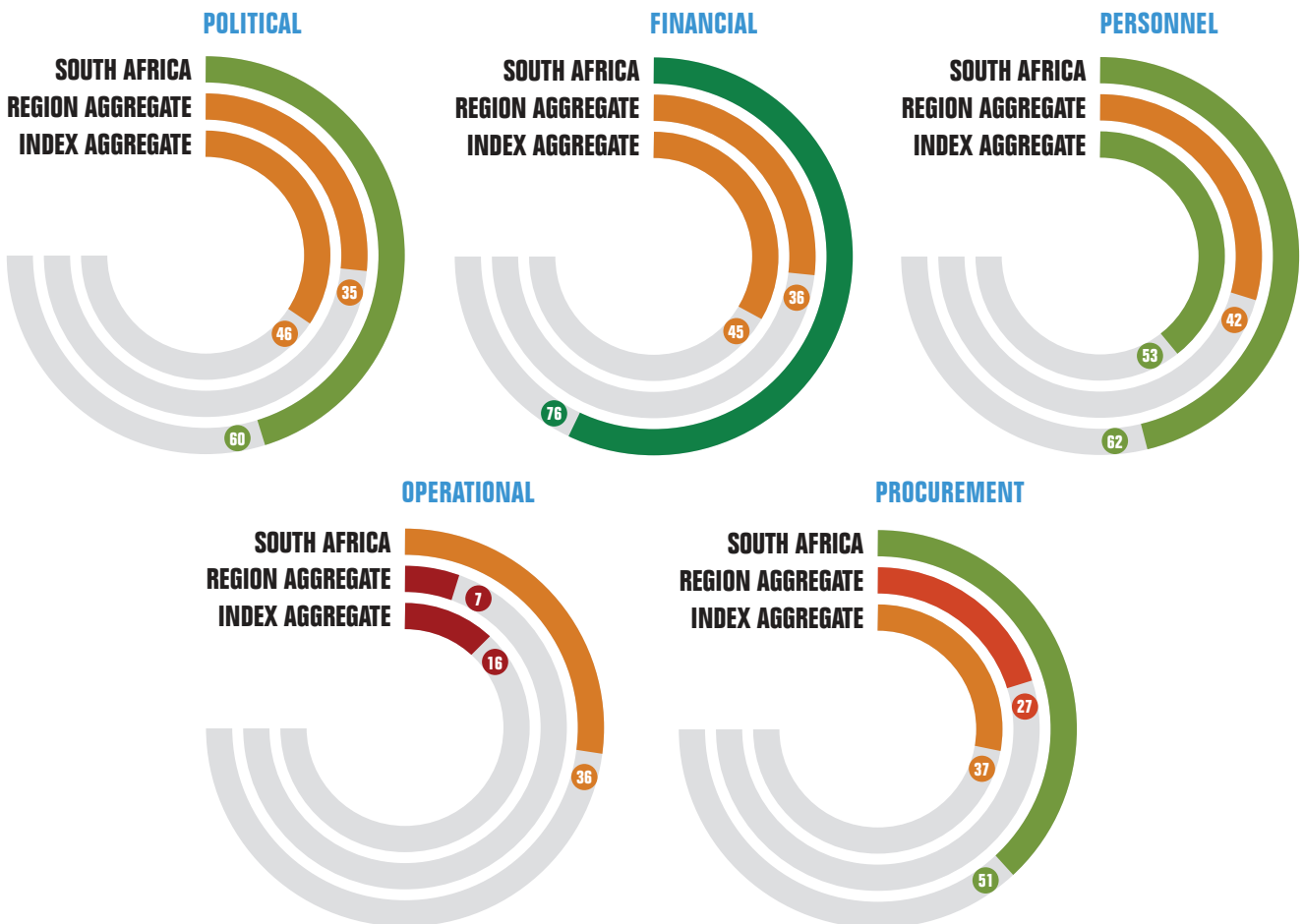
### Overall scores

The size of the colour band corresponds to number of countries that fall into that category.



**A** > 83-100 VERY LOW    **B** > 67-82 LOW    **C** > 50-66 MODERATE    **D** > 33-49 HIGH    **E** > 17-32 VERY HIGH    **F** > 0-16 CRITICAL

### Risk Comparison





# SOUTH AFRICA

## Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	83/100
Military expenditure as share of government spending (SIPRI, 2020)	2.6%
Committee members with defence expertise (%)	Data is not publicly available.
# of meetings/year	Data is not publicly available.
Last review of defence policy/strategy	2014 (Defence Review)

Legislative power is vested in the bicameral parliament's, National Assembly and National Council of Provinces (NCOP). Historically, the ANC has dominated the National Assembly, although with a reduced majority since the 2019 elections.<sup>7</sup> This dominance has meant that parliamentary oversight has generally been poor, due to a combination of the ANC's electoral dominance and its control of the proportional party list system, allowing it to cement party loyalty and to expedite legislation through parliament with a simple majority.<sup>8</sup> Though parliament is empowered to vote on and overrule executive decisions on defence policy, in practice there have been no instances of policy and legislation being rejected or substantially modified by parliament. There are three defence oversight committees in parliament: The National Assembly Portfolio Committee,<sup>9</sup> The NCOP Select Committee<sup>10</sup> and the Joint Standing Committee (JCSD), which comprises representatives from both houses.<sup>11</sup> All three have strong formal powers of oversight, including the power to summon expert witnesses, hold public hearings and compel ministers to testify. However, the committees have been questioned over a lack of effectiveness and independence. The JCSD has been criticised for failing to hold meetings to discuss matters in a timely manner and for showing great deference to the executive. In the past its meetings have been cancelled at very short notice, particularly when they concern sensitive policy areas, raising serious questions about the exercise of parliamentary scrutiny.<sup>12</sup> Furthermore, there is little to no evidence of its recommendations being incorporated in practice by defence institutions. Committee meetings themselves appear to predominantly consist of affirming reports and asking for clarifications. Where more detailed questions have been asked, the military has responded by calling for closed-door sessions, from which it is impossible to assess what actions are taken.<sup>13</sup> Financial oversight is also exercised by the Auditor-General (A-G), who conducts annual audits of the Department of Defence (DoD). The A-G is formally independent from the DoD and its findings are published as part of the annual DoD report, which are subsequently shared with the legislature. While the A-G has repeatedly issued qualified audit opinions of the DoD, pointing to a range of financial oversight and reporting failures, the majority of these have not been addressed, indicating a failure on the DoD's behalf to properly incorporate A-G findings.<sup>14</sup>

## Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: Data is not publicly available. (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	Data is not publicly available.
Does the commissioner have authority over the MoD?	Yes
Audit reports on defence (2018-2020) #	1 (2018); 1 (2019); 1 (2020)
Open Budget Index (IBP, 2019)	87/100
World Press Freedom Index (RSF, 2021)	32nd out of 180.

The grand corruption that became synonymous with the Zuma administration was facilitated by eschewing transparency in financial management and funneling state contracts to politically connected companies.<sup>15</sup> While the current administration has sought to eradicate these practices and build trust by enhancing transparency and accountability,<sup>16</sup> progress remains to be made. The defence budget is published annually and provides a solid breakdown of expenditures over the upcoming financial year.<sup>17</sup> Explanations are provided for some aspects and the Treasury has been working to improve accessibility by revamping how it presents data. Allocations for armament acquisitions and covert operations are specified in terms of their total size but are not broken down into their internal contents and purpose. While parliament's Defence Committee has oversight of the DoD's budget and compiles an annual Budget Review and Recommendations Report,<sup>18</sup> in practice its members do not have access to information deemed 'sensitive', significantly reducing the scope of their oversight. The DoD also has an internal audit division, tasked with evaluating the effectiveness of the Department's financial management practices. However, though the unit is active, there are question marks over its performance, as it conducted only 33 of 56 planned audits in 2019/20.<sup>19</sup> Aside from the DoD, the state-owned arms company Armscor is also required to comply with annual financial reporting requirements. It publishes detailed annual financial reports and is held to the same transparency standards as other publicly listed companies,<sup>20</sup> with the Auditor-General regularly issuing successful audit opinions after conducting assessments.<sup>21</sup> Nevertheless, financial transparency in the defence sector is limited by the weakness of access to information legislation and the strength of classification processes. The Protection of State Information Act outlines the classification process and allows for the author of any document to determine its classification level.<sup>22</sup> While the Promotion of Access to Information Act (PAIA) allows for individuals to apply to access classified data,<sup>23</sup> public bodies still have the power to refuse. As a result, information is routinely and easily over-classified and PAIA requests to access it are denied or simply go unanswered.

<sup>7</sup> BBC News, 'South Africa Election: ANC Wins With Reduced Majority', 11 May 2019.

<sup>8</sup> Bertelsmann Stiftung, *BTI Country Report 2020: South Africa*, Bertelsmann Stiftung, Gutersloh, 2020, pp. 10-11.

<sup>9</sup> Parliamentary Monitoring Group, 'Defence and Military Veterans', July 2021.

<sup>10</sup> Parliamentary Monitoring Group, 'NCOP Security and Justice', July 2021.

<sup>11</sup> Parliamentary Monitoring Group, 'Joint Standing Committee on Defence – Mandate, Role and Functions', 3 February 2011.

<sup>12</sup> DefenceWeb, 'Parliament Defence Committee Meeting Canned at the Last Moment', 19 August 2016.

<sup>13</sup> People's Assembly, 'Questions Asked to the Minister of Defence and Military Veterans', 12 December 2018.

<sup>14</sup> Department of Defence, *Department of Defence Annual Report 2017/2018*, p. 197.

<sup>15</sup> Freedom House, 'Freedom in the World – South Africa', 2020, C3.

<sup>16</sup> Michelle Gavin, 'South Africa's Ramaphosa Struggles to Re-establish Trust', *Council on Foreign Relations*, 2 June 2021.

<sup>17</sup> National Treasury, *Budget 2021: Budget Review*, 24 February 2021.

<sup>18</sup> Portfolio Committee on Defence & Military Veterans, *Budget Review and Recommendation Report on the 2019/20 Annual Report*, 2 December 2020.

<sup>19</sup> Department of Defence, *Annual Report 2019/20*, p. 167.

<sup>20</sup> Armament Corporation of South Africa (Armscor), *Annual Report 2020-2021*, 11 March 2021.

<sup>21</sup> IOL Business Report, 'Armscor Gets an Unqualified Audit Opinion', 11 October 2018.

<sup>22</sup> Republic of South Africa, *Protection of Information Act*, No. 84 of 1982.

<sup>23</sup> Republic of South Africa, *Promotion of Access to Information Act*, No. 2 of 2000.



# SOUTH AFRICA

## Personnel Ethics Framework

Whistleblowing legislation	Protected Disclosures Act (2000)
# defence-sector whistleblower cases	39 (2019/20)
# Code of conduct violations	Military: 149 (2019/20)
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data is not publicly available.
	# of violations: Data is not publicly available.

Despite efforts to strengthen ethics frameworks and anti-corruption safeguards, the continued cases of corruption in the defence sector,<sup>24</sup> coupled with revelations of human rights abuses by the military during the 2020 COVID-19 lockdown,<sup>25</sup> underscore the pressing need for further improvements. The military's code of conduct is extremely vague on corruption related issues and offers very little guidance on how to proceed in instances where such risks are present.<sup>26</sup> Moreover, breaches of the code are dealt with internally in a non-transparent manner, making an assessment of enforcement difficult. However, according to the DoD's Annual Report, only 52.4% of corruption and fraud cases were prosecuted from 2019 to 2020.<sup>27</sup> A key obstacle to strengthening integrity within the sector is the weakness of whistleblower protection systems. Though the Protected Disclosures Act is designed to offer legal protection for revealing malpractice, the law does not provide any details on what protections are provided and does not provide for an independent body to process claims.<sup>28</sup> The DoD does maintain a whistleblowing hotline as part of its Fraud Prevention Strategy,<sup>29</sup> however there is broad distrust amongst personnel that their anonymity will be maintained, given the weak emphasis senior officials place on the issue and the lack of comprehensive training and awareness raising campaigns. Further issues exist with the promotion and recruitment processes for personnel. Promotions at senior levels are highly political and not subject to external scrutiny, while there is no evidence of the existence of objective selection criteria. Similarly, at lower levels, promotion boards decide on officers' promotions but are often overruled by more senior commanders and with political considerations in mind.

## Operations

Total armed forces personnel (World Bank, 2018)	89,650
Troops deployed on operations #	974 in DRC (MONUSCO)

The South African Defence Force (SANDF) has a long history of peacekeeping across Africa and currently deploys a large contingent of blue helmets to the United Nations mission in the Democratic Republic of Congo.<sup>30</sup> Alongside this, regular deployments in border protection exercises and involvement in operations targeting organised crime have built up SANDF operational expertise. Yet, anti-corruption safeguards for operations remain noticeably under-developed and risk critically undermining mission objectives. There is no unified military doctrine addressing corruption as a strategic issue on operations, though corruption is included in the DoD's Enterprise Risk Management process, albeit without a specific focus on operations.<sup>31</sup> As a result of this omission at a strategic level, anti-corruption is poorly covered in both forward planning and pre-deployment. There is little evidence of corruption risk being included in forward planning given the secrecy that surrounds this, while anti-corruption training focuses largely on administrative issues and does not have a specific focus on risks during deployments and on introducing appropriate mitigation strategies. However, there are reports that personnel are deployed with the objective of monitoring corruption risk in the field with most operations, although this could not be independently verified given the lack of publicly available information.

<sup>24</sup> Sifiso Mahlangu, 'More Corruption Unearthed at Department of Defence's Intelligence Unit', *IOL*, 11 February 2021.

<sup>25</sup> Safia Khan, 'Citizens Unlawfully Killed and Tortured During the Lockdown in South Africa', *Human Rights Pulse*, 15 May 2020.

<sup>26</sup> Republic of South Africa, *Defence Act*, No. 42 of 2002, 20 February 2003.

<sup>27</sup> Department of Defence, *Annual Report 2019/20*, p. 54.

<sup>28</sup> Republic of South Africa, *Protected Disclosures Act*, No. 26 of 2000.

<sup>29</sup> Department of Defence, *Annual Report 2019/20*, p. 158.

<sup>30</sup> United Nations Peacekeeping, 'Troop and Police Contributors – South Africa', 31 April 2021.

<sup>31</sup> Department of Defence, *Annual Report 2019/20*, pp. 156-158.



# SOUTH AFRICA

## Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	3,475
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI)	United States, UAE, India, Malaysia, Singapore.
Main defence imports – from (SIPRI)	N/A

The continuously declining South African defence budget has had a direct impact on the acquisition of military equipment.<sup>32</sup> Poor long-term economic growth has been further exacerbated by the socioeconomic costs of the COVID-19 pandemic, resulting in a continuing decline in defence spending and investment in new materiel.<sup>33</sup> Nevertheless, this period of declining acquisitions has coincided with a strengthening of defence procurement processes. The introduction of the Handbook for the Acquisition of Armaments in the Department of Defence and Armscor (DAHB 1000) has helped to formalise procurement procedures for 'Category 1' acquisitions, which include military equipment and associated parts.<sup>34</sup> According to DAHB 1000, all Category 1 acquisitions must go through a new process to ensure that the required capabilities are aligned with defence policy, as defined by white papers and defence reviews. The DAHB 1000 has helped

formalised the planning process for the procurement of these goods and has introduced a much more rigorous system of checks and balances than previously existed, including a section on risk management that touches on corruption risk mitigation strategies in the procurement process. However, public scrutiny remains extremely limited for these purchases. DAHB 1000 itself is classified and few details on Category 1 purchases are made public beyond major items. As a result, oversight of these acquisitions is poor and the DoD has been criticised for failing to share relevant information with parliamentary committees, significantly restricting their ability to scrutinise these purchases.<sup>35</sup> Non-strategic Category 2 purchases are procured in line with the Public Finance Management Act (PFMA) which proscribes a competitive tender bidding process.<sup>36</sup> Deviations from these processes and recourse to single-sourced procedures must be approved by the Treasury, with these decisions subject to audit by the Auditor-General.<sup>37</sup> In spite of these safeguards, tenders can still be steered towards politically-connect companies, while the Preferential Procurement Policy Framework Act also allows the Defence Minister to exempt suppliers from the PFMA requirement in cases of 'national security'.<sup>38</sup> Defence acquisitions and procurement notices are made public by the DoD and Armscor, the State-Owned company responsible for meeting defence materiel needs, however the data itself is not published in an accessible and downloadable format.

<sup>32</sup> DefenceWeb, 'Armscor's Used Defence Equipment Stock Boosted by UK Materiel', 1 July 2021.

<sup>33</sup> AFP, 'COVID-19 Shrinks South Africa's Economy for First Time in 11 Years', *Africa News*, 9 March 2021.

<sup>34</sup> South African Department of Defence, *Handbook for the Acquisition of Armaments in the Department of Defence and Armscor – DAHB 1000*, Edition 1.1, 1 April 2019.

<sup>35</sup> Kim Helfrich, 'No Added Transparency Coming for Arms Acquisitions', *DefenceWeb*, 5 September 2014.

<sup>36</sup> National Treasury, *Public Finance Management Act*, 1 April 2000, p. 37.

<sup>37</sup> Department of Defence, 'Presentation to SCOPA on the DoD's Deviations and Expansions for the 2016/17 FY and 3rd and 4th Quarters of 2017/18 FY (Oct 2017 to March 2018)', 12 June 2018.

<sup>38</sup> National Treasury, *Preferential Procurement Policy Framework Act*, 2000.

Version 1.0, October 2021

GDI data collection for **South Africa** was conducted April 2019 to April 2020. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.





# SOUTH AFRICA 2020 GDI Scorecard

		Grade	Score
<b>Political Risk</b>		<b>C</b>	<b>60</b>
Q1	Legislative Scrutiny	C	50
Q2	Defence Committee	C	50
Q3	Defence Policy Debate	B	75
Q4	CSO Engagement	D	42
Q5	Conventions: UNCAC / OECD	A	88
Q6	Public Debate	B	75
Q7	Anticorruption Policy	A	100
Q8	Compliance and Ethics Units	C	63
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	B	75
Q11	Acquisition Planning	B	75
Q12	Budget Transparency & Detail	A	88
Q13	Budget Scrutiny	C	63
Q14	Budget Availability	B	67
Q15	Defence Income	C	58
Q16	Internal Audit	E	31
Q17	External Audit	B	75
Q18	Natural Resources	B	67
Q19	Organised Crime Links	C	63
Q20	Organised Crime Policing	B	67
Q21	Intelligence Services Oversight	E	25
Q22	Intelligence Services Recruitment	E	25
Q23	Export Controls (ATT)	B	67
Q76	Lobbying	F	0
<b>Financial Risk</b>		<b>B</b>	<b>76</b>
Q24	Asset Disposal Controls	D	42
Q25	Asset Disposal Scrutiny	B	75
Q26	Secret Spending	E	25
Q27	Legislative Access to Information	NEI	
Q28	Secret Program Auditing	A	100
Q29	Off-budget Spending	A	100
Q30	Access to Information	C	50
Q31	Beneficial Ownership	A	100
Q32	Military-Owned Business Scrutiny	A	100
Q33	Unauthorised Private Enterprise	A	88
Q77	Defence Spending	B	81
<b>Personnel Risk</b>		<b>C</b>	<b>62</b>
Q34	Public Commitment to Integrity	C	58
Q35	Disciplinary Measures for Personnel	A	100
Q36	Whistleblowing	D	42
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	A	83
Q39	Pay Rates and Allowances	C	63
Q40	Payment System	A	83
Q41	Objective Appointments	E	25
Q42	Objective Promotions	C	56
Q43	Bribery to Avoid Conscription	NA	
Q44	Bribery for Preferred Postings	A	92
Q45	Chains of Command and Payment	A	100
Q46	Military Code of Conduct	A	83

## OVERALL COUNTRY SCORE



### RISK GRADE

- A > 83-100 **VERY LOW**
- B > 67-82 **LOW**
- C > 50-66 **MODERATE**
- D > 33-49 **HIGH**
- E > 17-32 **VERY HIGH**
- F > 0-16 **CRITICAL**



		Grade	Score
<b>Personnel Risk</b>		<b>C</b>	<b>62</b>
Q47	Civilian Code of Conduct	B	75
Q48	Anticorruption Training	B	67
Q49	Corruption Prosecutions	E	25
Q50	Facilitation Payments	D	33
<b>Operational Risk</b>		<b>D</b>	<b>36</b>
Q51	Military Doctrine	E	25
Q52	Operational Training	E	25
Q53	Forward Planning	NEI	
Q54	Corruption Monitoring in Operations	C	58
Q55	Controls in Contracting	NEI	
Q56	Private Military Contractors	NS	
<b>Procurement Risk</b>		<b>C</b>	<b>51</b>
Q57	Procurement Legislation	D	38
Q58	Procurement Cycle	D	42
Q59	Procurement Oversight Mechanisms	A	100
Q60	Potential Purchases Disclosed	C	63
Q61	Actual Purchases Disclosed	D	38
Q62	Business Compliance Standards	NEI	
Q63	Procurement Requirements	A	83
Q64	Competition in Procurement	NEI	
Q65	Tender Board Controls	A	88
Q66	Anti-Collusion Controls	B	75
Q67	Contract Award / Delivery	C	50
Q68	Complaint Mechanisms	C	58
Q69	Supplier Sanctions	C	58
Q70	Offset Contracts	F	13
Q71	Offset Contract Monitoring	C	58
Q72	Offset Competition	C	50
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

**KEY**

- NEI Not enough information to score indicator
- NS Indicator is not scored for any country
- NA Not applicable



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## Acknowledgements

We would like to thank the UK Foreign Commonwealth and Development Office (FCDO) and the Ministry of Foreign Affairs of the Kingdom of the Netherlands for their generous financial support of the production of the Government Defence Integrity Index. Thanks are also extended to the many country assessors and peer reviewers who contributed the underlying data for this index.

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