The DBSA Development Report 2011, *Prospects for South Africa’s Future*, draws heavily on the Bank’s many decades of experience as a development facilitator and financier. In launching this report, the DBSA would like to share with its stakeholders aspects of the challenges within its scope, in its mandate, and along its current and proposed development trajectory as a leading regional development finance institution.

The purpose of this detailed and comprehensive report is to provide an independent, DBSA perspective on South Africa’s potential long-term development path. This report does not seek to predict what will happen in the future. Rather, it sets out the key drivers that will affect whether and to what extent South Africa will succeed. Andrew Boraine, the Chairperson of the DBSA Board’s Development Planning Committee, says, “the report highlights the priority areas that need to be addressed if a sustainable and inclusive development path is to be attained, and by suggesting possible areas of focus and associated programmes to set South Africa on a new trajectory”.

This report, part of a series dating back to 2003, is one part of DBSA’s contribution to South Africa’s development planning. Much of the work draws on contributes to ongoing engagements with key planning and implementation government departments and other development role-players.

The DBSA’s analysis suggests that, on our current path and capacity, many of our country’s development goals are unlikely to be met. These include those relating to employment, reindustrialization, skills development, and climate change. The characteristics and extent of GDP growth and employment creation are unlikely to be sufficient to address high levels of poverty and inequality, whilst the effectiveness of the South African State is remains hampered by significant capacity gaps. Contestations about the slow pace of the South African transition to inclusive development have increased, amidst growing community frustrations over inadequate accountability and lack of service delivery.
Thus changing this path will require a higher level of realism regarding what South Africa can achieve and within what timeframes and parameters.

At its core, the Development Report argues that South Africa’s development success will hinge on the partnerships and the execution capacity that are created to translate plans into action. While there are recent signs of positive change, including in the difficult municipal and health sector environments, much more needs to be done.

Ravi Naidoo, DBSA’s Group Executive for Development Planning, stressed the need for “South Africa Incorporated to have a clearer set of actionable priorities, partnerships that can implement them, and a professional public sector that can ensure that these priorities and the State’s routine work are implemented as required. As with developmental State’s anywhere in the world in the past century, this requires capable and stable political governance that ensures that priorities and skilled professionals remain in place long enough to enable implementation.”

The editor of the Development Report, Sinazo Sibisi, summed up the report’s short-, medium- and long-term interventions in three categories:

- **Act now:** to improve the quality of education, enhance political governance, stabilize government administrations and consolidate economic stewardship,
- **Act together:** by increasing public-public, public-private and public community partnerships to maximize our collective strengths and drive integrated solutions to our common challenges, and
- **Act differently:** by taking conscious action to put long-term national interests before short-term individual gains and to let go of dysfunctional values systems and outdated paradigms, thus opening the way for South Africa to chart a new course.

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