

# **Business Case**

for improved access to commercial  
electronic knowledge resources for  
researchers in South Africa

**April 2016**



# National Access to Knowledge Resources

## - Universities and Research Institutions

**The Higher Education Act 101 of 1997, relevant white papers, and ministerial reports over the past 5 years support and promote the following:**

- *Promotion of equity and fair opportunities*
- *Advancement of knowledge and scholarship*
- *Responsiveness to opportunities and challenges provided by global trends in knowledge production and dissemination*
- *Improved efficiencies in the utilisation of resources*
- *Deployment of research knowledge resources*

**In order to achieve these objectives, access to relevant research repositories required**

**However....**

Universities, research councils and other research institutions are experiencing significant challenges:

- *Rising online access costs, currency depreciation, and pressure on the budgets*
- *The correction of VAT avoidance measures on license purchases by license holders*
- *Inadequate access to literature for smaller institutions*

# National Access to Knowledge Resources

## - Universities and Research Institutions

### The Current State and Context:

**Various University and research council libraries are subscribing to some full-text electronic databases via SANLiC**

SANLiC is a non-profit organisation with board membership from various member institutions (Universities and some Councils)

- Negotiates purchasing licenses
- Offer these to libraries on an “opt-in” or “opt-out” basis
- Negotiates discounts, but not comparable with what has been achieved in other countries
- Is following a fairly narrow brief (focus: negotiation of licensing terms, conditions and pricing)

**SANLiC however only negotiates on behalf of existing members that can afford membership and access, and due to its operational nature, it does not have the mandate, organisation capability / capacity to negotiate National Access Deals, which has been proven to reduce access costs significantly in other developing Countries where National Site Licence negotiation has been implemented.**

**In a joint effort to address these issues, the DST and the DHET has been collaborating and tasked ASSAf to investigate the Feasibility of National Site Licence negotiations and its affordability and potential benefits.**

# Based on the analysis, the need for a new paradigm is required!

Paradigms underpinning current practices have evolved around practical (mostly financial and administrative issues) realities of the day.

**A new paradigm** to access knowledge resources with wider horizons, more inclusivity, stronger leveraging of, and enablement to a broader base of stakeholders **is required**.

This paradigm needs to promote:

- Close **involvement of national research stakeholders**
- Development of **stronger international stakeholder relations**
- **Leveraging of all negotiation power** and resources available
- **Embracing continuous change** as a necessary reality
- **Valuing small universities and research institutions** for their potential to provide different qualities, opportunities and views to the national research system
- A social shift in creating a **more representative and better enabled research community**

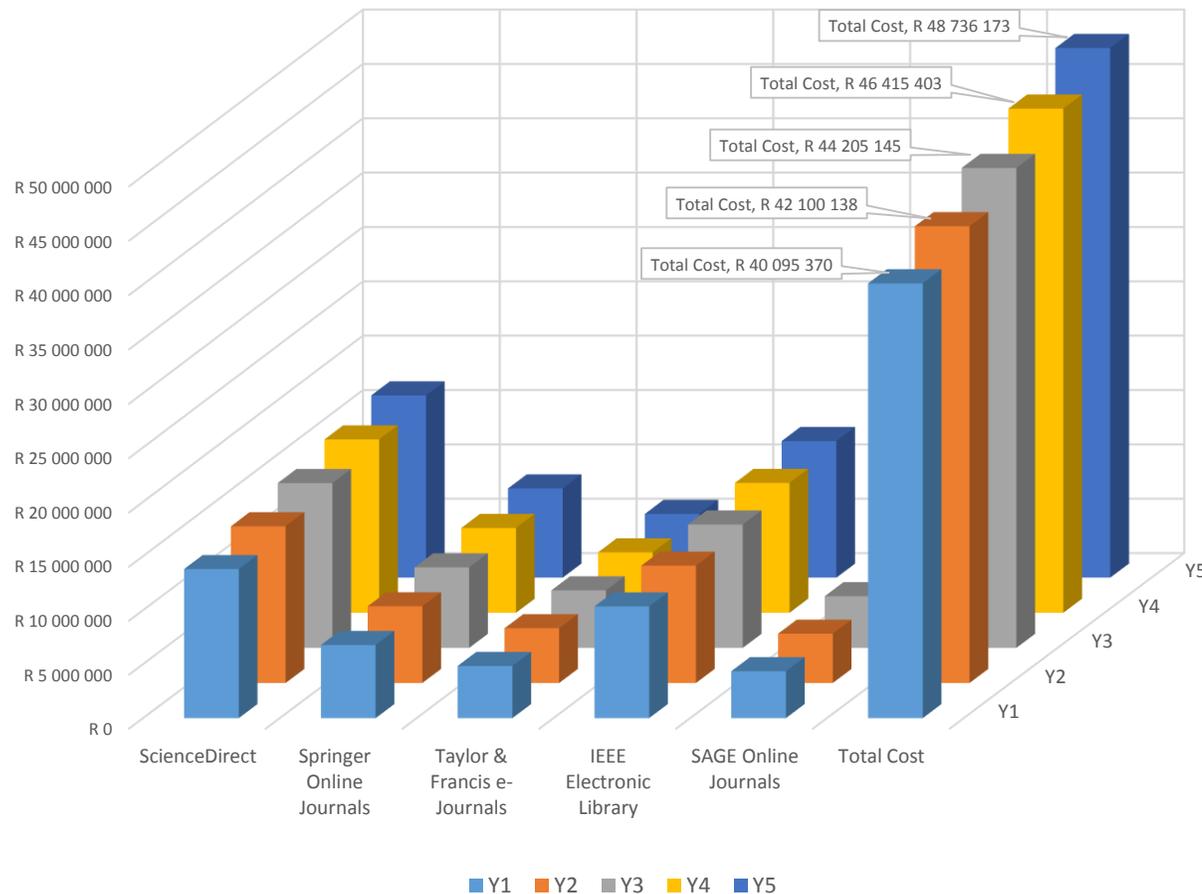
Main question to answer is:

**Is it possible to negotiate sufficient savings through NSL to fund the minimum required access to knowledge resources nationally?**

# NSL Feasibility

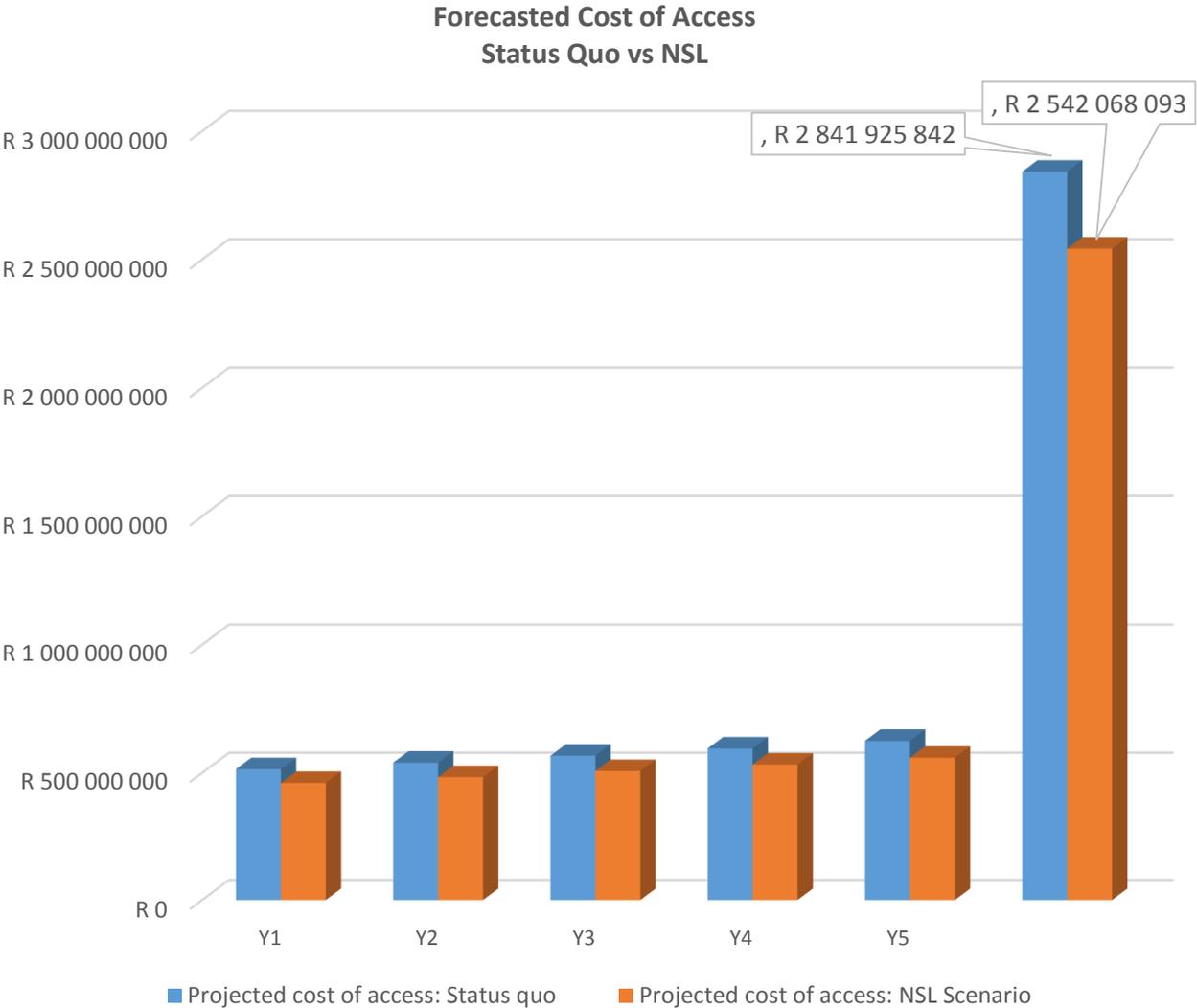
Is it possible to negotiate sufficient savings through NSL to fund the minimum required access to knowledge resources nationally?

NSL: Cost of Additional Minimum Access



- In line with the objective of providing wider access to all research institutions, **5 key research databases** were identified covering full text content across Natural and Social Sciences.
- The **additional cost** of providing access to all Universities that provide post graduate studies (23), as well as all Research Councils and associated institutions (13) that cannot currently afford access was calculated.
- **The estimated additional cost of access for year 1 of NSL is R40million.** Forecasted additional costs for year 2-5 are reflected on the graph.

# NSL Feasibility (Status Quo versus NSL)



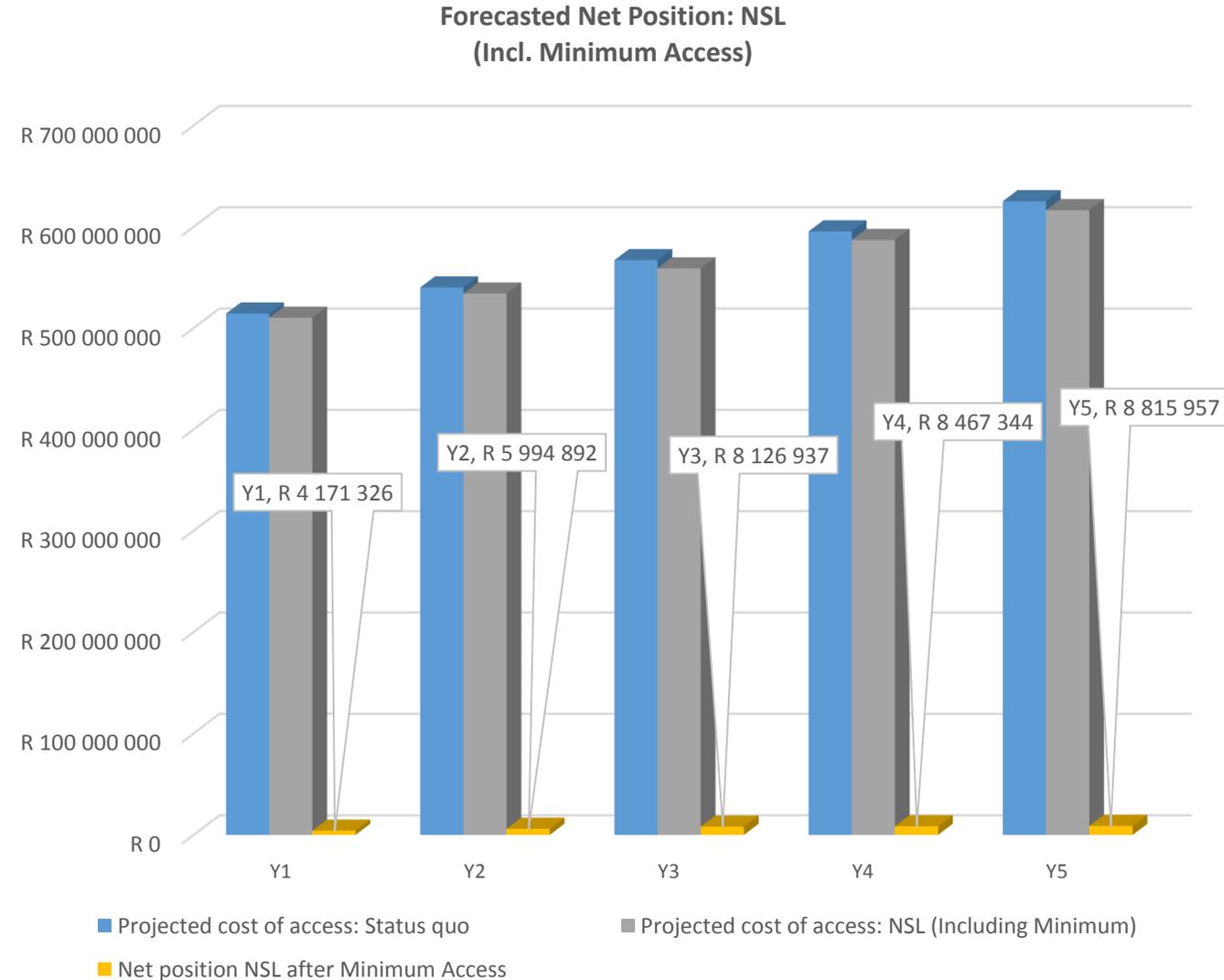
- Based on **benchmark data** obtained from other developing countries, savings of between 20% and 70% (depending on the supplier) were achieved through implementing a NSL model.
- **In South Africa, more conservative savings** have to assumed, since **SANLiC** as a section 21 company representing its member Universities and Research Councils has already played a role in realising some savings benefits.
- A **conservative 10% average saving** was used to forecast potential National savings through NSL negotiations.
- Based on these assumptions, a potential **saving of R54 million is possible in year 1**, with a total saving in real terms of **R300 million over 5 years**.

# NSL Feasibility

## NSL Savings compared to Minimum Access Requirements

- Taking into account:
  - Savings potential informed by benchmarks (10%);
  - Annual cost escalations of 5% pa;
  - Additional operational cost for NSL (staffing, operational costs, negotiation team, design and systems, etc.);
  - Additional cost of access for all identified institutions nationally to the 5 core databases;

**A saving is forecasted year on year, and the annual saving increases since the design costs only apply to the first 2-3 years.**



# NSL Feasibility Summary

Based on the analysis, savings of R300 million is possible over the next 5 years if a conservative 10% NSL saving can be achieved on the current cost of access.

The estimated cost of providing access to four (5) of the most important and comprehensive research databases to all universities and research councils would be R222 million

**The estimated cost of setting up and maintaining an NSL negotiating and operational team with relevant systems in place would mean an estimated additional investment of R43 million over the next 5 years.**

Only 5 of the 13 research councils and institutions currently have access to some research databases.

**Based on the forecasted costs and NSL savings, national access can be provided to 5 of the main full text research databases whilst still achieving some savings overall.**

# NSL Feasibility

## Qualitative Benefits

**Feasibility and affordability of wider access** to knowledge resources through NSL negotiation is at the core of the decision that has to be made regarding the way forward.

**Both quantitative and qualitative features and benefits should be considered.**

Some of the **qualitative benefits** include:

- Broader access to knowledge resources in line with national interest
- Potential to increase national research outputs, especially in institutions with limited access
- Levelling the playing field and addressing inequalities
- Transformation within the research community
- Effective measurement, monitoring and evaluation of the use of knowledge resources
- Nurturing of smaller institutions and research entities
- Continuous improvement in order to improve South Africa's standing in the global research community

# Various scenarios for positioning or hosting of the NSL delivery entity

## The options considered are:

Scenario 1: Status quo (within a current SANLiC)

Scenario 2: National Site Licenses negotiation coordinated by SANLiC

Scenario 3: National site licenses coordinated from within a government department (DHET / DST)

Scenario 4: National site licenses coordinated from within a statutory body

Scenario 5: National site licenses coordinated from within an existing tertiary institution

## The six main criteria:

- National interest
- (Allowing) State sponsorship
- Ability to coordinate with multiple stakeholders
- Cost efficiency
- Organisational efficiency (Strategic and Operational Capability)
- Alignment to host's mandate
- Academic independence and unrestricted access

The 4<sup>th</sup> Scenario (National site licenses coordinated from within a statutory body) received the most favourable evaluation outcome.