



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



GIFT

INVITATION TO PARTICIPATE IN PRE-BUDGET CONSULTATION

Considering South Africa's Fiscal Policy

The National Treasury invites members of the public to participate in pre-budget consultations. South Africa is one of the five pilot countries that are participating in the Fiscal Openness Accelerator (FOA) project that was launched in 2019 by the International Budget Partnership (IBP) and the Global Initiative for Fiscal Transparency (GIFT). The project's overall objective is to build the technical capacity of selected governments, enhance fiscal transparency and to support the implementation of a public participation pilot in the national budget cycle.

1. Purpose

- To enrich the national budget process and/or policy/ies with inputs from non-government stakeholders, and other relevant sectors towards better alignment of national government fiscal policies with citizens' needs and concerns.
- To improve government practice and policy/ies on public participation and closing the feedback loop on the budget process (i.e. ensure documentation of inputs from citizens and government response for stronger accountability), increased government responsiveness and public accountability.

2. Scope

Budget 2021 confirmed government's fiscal strategy of returning the public finances to a sustainable position through ongoing restraint in expenditure growth and implementation of structural reforms to support economic growth. In this context, the fiscal strategy aims to:

- Narrow the deficit and stabilise the debt-to-GDP ratio, primarily by controlling non-interest expenditure growth.
- Provide continued support to the economy and public health services in the short term, without adding to long-term spending pressures.
- Improve the composition of spending, by reducing growth in compensation while protecting capital investment.

The 2021 Medium Term Budget Policy Statement allows for the opportunity to review this policy position. National Treasury is soliciting the public's views on South Africa's Fiscal Policy specifically:

(a) What improvements can be made to the Budget to deal with the challenge of long-term fiscal sustainability?

(b) In light of limited resources, how should South Africa finance key priorities?

National Treasury will be accepting written submissions on the topics and will be hosting a one-day virtual public consultation meeting to discuss the ideas put forward. The online format for making submissions may be found on the following [Link](#) on the National Treasury website. Written submissions of not more than three pages may only be made online.

Following National Treasury's review of submissions, selected stakeholders may be invited to present their views on a panel of speakers for the virtual public meeting.

3. Constraints and intended outcomes

While National Treasury would like to respond to each submission in writing, practically this is not possible, a summary report will be published. All submissions will be published via the Vulekamali online portal where they may be viewed. The outcomes from the public consultation meeting are intended to inform National Treasury's proposed budget strategy to be considered by Cabinet in the Medium-Term Budget Policy Statement, which is an important step in the planning phase of the budget process.

Whilst the public consultative meeting is not a decision-making forum, it is an important platform for debate and to share your views on the critical topics confronting South Africa's fiscal challenges. Section 195 (e) of the constitution states that "People's needs must be responded to, and the **public must be encouraged to participate** in policy making". The National Treasury is responsible for **Fiscal Policy**. Therefore, public consultation is not intended to inform sector policy priorities as this goes beyond the mandate of the National Treasury which is to ensure transparency, accountability and sound financial controls in the management of public finances. Any sector discussions should be deliberated with relevant departments.

4. Process and timeline

Should you be interested in making a written submission please do so by 17 September 2021 on the following [Link](#). The registration for the online public consultation will be opened prior to the meeting which will be held in the fourth week of September 2021.

We look forward to receiving your submissions and hearing your views at our virtual public consultation meeting.

Issued by National Treasury

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