ANNEXURES

Two annexures are available on the National Treasury website (www.treasury.gov.za):

- Annexure W1: Explanatory memorandum to the division of revenue
- Annexure W2: Structure of the government accounts

A

Report of the Minister of Finance to Parliament

Introduction

Section 7(4) of the Money Bills Amendment Procedure and Related Matters Act (2009, the act) prescribes that the Minister of Finance (the Minister) must submit a report to Parliament at the time of the budget explaining how the Division of Revenue Bill and the national budget give effect to, or the reasons for not taking into account, the recommendations contained in:

- Budgetary review and recommendation reports submitted by committees of the National Assembly in terms of section 5 of the act.
- Reports on the fiscal framework proposed in the *Medium Term Budget Policy Statement* (MTBPS) submitted by the finance committees in terms of section 6 of the act.
- Reports on the proposed division of revenue and the conditional grant allocation to provinces and local governments set out in the MTBPS submitted by the appropriations committees in terms of section 6 of the act.

Budgetary review and recommendation reports

Section 5 of the act sets out a procedure to be followed by the National Assembly, through its committees, for assessing the performance of each national department before it introduces the national budget. This procedure provides for committees to prepare budgetary review and recommendation reports, which:

- Must provide an assessment of the department's service delivery performance given available resources.
- Must provide an assessment of the effectiveness and efficiency of the department's use and allocation of available resources.
- May include recommendations on the use of resources.

The budgetary review and recommendation reports were tabled by the relevant portfolio committees in October and November 2014. In many instances, the different committees made similar recommendations to a number of departments. These common concerns are summarised below.

General issues

- Additional funding is needed to improve human resource capacity.
- Vacant posts should be urgently filled, especially at senior management level and in critical or priority positions.
- Departments should review their annual performance plans to ensure that predetermined objectives, performance indicators and targets are SMART – specific, measurable, achievable, realistic and time-bound.
- Ring-fenced budgets are needed for various initiatives.
- Stricter compliance with the Public Finance Management Act (1999) and National Treasury Regulations.
- Institutions should establish controls and processes for their procurement systems.
- Institutions need to address issues raised by the Auditor-General.
- Formula or criteria used to allocate grants to institutions should not work against previously disadvantaged institutions.
- Internal audit functions and governance structures should be adequately capacitated.
- Funding arrangements for government entities need to be reviewed.
- Financial management must be improved and unqualified audits ensured.
- Information and communications technology modernisation programmes should be implemented.
- Issues raised in previous budgetary review and recommendation reports must be addressed.

A number of committees also recommended that additional budget allocations be made available for certain programmes, sub-programmes or other budget items. Due to the constrained economic outlook, the scope to provide additional funding has been limited. As a result, departments, public entities and constitutional institutions were asked to reprioritise funds within their existing baselines to fund emerging priorities. Should the fiscal outlook improve, recommendations for additional funding may be considered in future budget processes. Due to the large number of budgetary review and recommendation reports, a separate document will be tabled in Parliament with detailed responses to the portfolio committees' recommendations.

The following section consists of the Minister of Finance's response to other committee reports. In cases where different reports make the same recommendations, these are not repeated.

Recommendations of the Standing Committee on Appropriations on the 2014 MTBPS

Budget alignment with the National Development Plan and the Medium Term Strategic Framework

> *The National Treasury, in conjunction with the Department of Planning, Monitoring and Evaluation, should develop systems and mechanisms targeted specifically at the seamless alignment of budget functional groups and the Medium Term Strategic Framework's 14 outcomes.*

The National Treasury agrees that alignment between budgeting and planning is crucial. The 2015 medium-term expenditure framework budget process continued to focus on linking budgeting at a function-group level with the 14 outcomes. Institutions were asked to ensure that their spending priorities are aligned with the National Development Plan and the Medium Term Strategic Framework, and the 2015 Estimates of National Expenditure guidelines required departments to demonstrate this link.

In the 2014 MTBPS, most of the five-year Medium Term Strategic Framework's priorities are financed within the three-year medium-term expenditure framework. Where funds are needed to expand or introduce new programmes, savings have been sourced from baseline budgets, or implementation will be phased in gradually. In addition, significant resources were left unallocated in the third year of the framework to serve as a buffer against fiscal and economic shocks. A portion of this may also be used to finance high-impact programmes aligned with core Medium Term Strategic Framework objectives.

Scaling up best practice in the public service

> *The National Treasury, in conjunction with the Department of Planning, Monitoring and Evaluation, should consider the establishment of an innovation unit that will identify and assess mechanisms for scaling up best practice across the public service in the areas of cost-containment efficiencies, medium-term expenditure framework planning and target formulation, job-creation initiatives, utilising shared services and the development of innovative solutions for the delivery of public services. Active efforts should be made to ensure that best practice on efficiencies is disseminated to all parts of the public service.*

The National Treasury agrees with the committee. A number of initiatives, including guidelines on cost-containment measures and the framework for strategic plans and annual performance plans, are already being implemented. The Department of Public Service and Administration will play a significant role in improving best practice in the public service – it already has a specific unit that focuses on innovation in the public sector, and develops policies and creative solutions to enhance service delivery.

Setting efficiency targets

> *The National Treasury, in conjunction with the Department of Planning, Monitoring and Evaluation, should consider the inclusion of efficiency targets as a planning requirement in the frameworks guiding the compilation of strategic plans and annual performance plans.*

The Department of Planning, Monitoring and Evaluation is now responsible for overseeing the compilation of strategic plans and annual performance plans. The National Treasury supports the committee's recommendation that institutions should include efficiency targets as part of their planning process.

Leveraging funding streams for higher education

> *The National Treasury, in partnership with the Department of Higher Education and Training, should consider mechanisms for leveraging funding streams within the Sector Education and Training Authorities (SETAs) and the National Skills Fund towards student funding in higher education, especially increased funding for the National Student Financial Aid Scheme.*

The Minister of Higher Education and Training gazetted the SETA Grant Regulations on 3 December 2012. The regulations provide for a large proportion of the skills development levy to be directed to professional, vocational, technical and academic learning programmes that result in full or part qualifications through the National Qualifications Framework, including those in higher education.

The National Skills Fund provided R3.1 billion between 2011/12 and 2013/14 towards funding higher-education students through the National Student Financial Aid Scheme, with a focus on scarce and critical skills. Over the medium term, R2.4 billion has been set aside for funding through the scheme.

Grant for scholar transport

The National Treasury, in consultation with the Department of Basic Education and with the assistance of the Financial and Fiscal Commission, should consider the formulation and development of a conditional grant for the provision of scholar transport.

The National Treasury takes note of the recommendation and will engage with all the relevant stakeholders to evaluate the feasibility of this proposal.

Effectiveness of the quintile system

The National Treasury, in consultation with the Department of Basic Education, should assess the effectiveness of the quintile system, with particular emphasis on ensuring that qualifying beneficiaries for programmes such as the school nutrition programme are adequately catered for.

The Department of Basic Education is considering proposals to delink school allocations from the quintile ranking system. It envisages two broad categories to determine the structure and level of school allocations: no-fee schools and fee-paying schools.

Ring-fencing funding for learnership and internship programmes

The National Treasury and the Department of Higher Education should consider developing systems for ring-fencing funds earmarked for learnerships and internships in the public service and developing rigorous frameworks to enhance the quality of training entailed in these learnerships/internships.

In line with the SETA Grant Regulations, SETAs ring-fence funding for learnerships and internships, as well as other professional, vocational, technical and academic learning programmes across all sectors, including the public service. The Public Service SETA, in conjunction with the Quality Council for Trades and Occupations and the National School of Government, are responsible for developing frameworks to enhance the quality of training in public-sector learnerships/internships.

Funding for social and behavioural change communication programmes

The National Treasury, together with the Department of Health, should consider ways of leveraging resources within available funds for the provision of social and behavioural change communication programmes to reduce the high HIV infection rate and other health challenges.

The largest proportion of the health HIV/AIDS conditional grant is allocated to the antiretroviral treatment programme, while a relatively small portion is used for prevention efforts in high transmission areas and for social and behavioural change communication programmes. Some of the major programmes, including Johns Hopkins Health and Education South Africa, loveLife and Soul City, are partially funded by development partners such as the President’s Emergency Plan for Aids Relief (PEPFAR) and the Global Fund. The departments of Health, Social Development, and Sport and Recreation provide loveLife with substantial funding. Soul City receives funds from the Global Fund and PEPFAR, with a small contribution from the Department of Health. There are several initiatives under discussion to review the efficiency of HIV/AIDS spending and ensure sufficient focus on prevention.

Labour Market Intelligence Unit

The National Treasury and the Department of Higher Education should develop and implement a capacity enhancement and support initiative specifically aimed at the *establishment of a labour market intelligence unit to work on linking economy-wide demand for the supply of required skills.*

The White Paper on Post School Education and Training states the need to establish a skills planning unit to identify and link economy-wide demand for the supply of required skills. Three research and support initiatives are supporting the establishment of the labour market intelligence unit: the Labour Market Intelligence Project (Human Sciences Research Council, R67 million); a project to forecast skills needs using econometric modelling (Wits University, R15 million); and a project on skills planning as part of the European Union dialogue facility (R3 million).

Early childhood programmes

The National Treasury, in partnership with the Department of Basic Education and the Department of Cooperative Governance and Traditional Affairs, should consider developing innovative bottom-up approaches within the current resource envelope for the provision of early childhood development programmes in each district.

The National Integrated Programme of Action for early childhood development, approved by Cabinet in August 2014, mandates the Department of Social Development to develop the related service delivery and funding models. A task team has been investigating different models. The National Treasury is waiting for the submission of the proposed funding models.

Recommendations of the Select Committee on Appropriations on the Division of Revenue Amendment Bill

Project management capacity in municipalities

Weaknesses in project planning, project management and implementation, as well as procurement processes, should be addressed to avoid unnecessary roll-overs.

The National Treasury agrees with the committee’s recommendation. To improve municipal project planning, it has introduced built environment performance plans for metropolitan municipalities. This serves as a strategic planning tool that is aligned with the National Development Plan to achieve grant alignment and spatial transformation. The integrated city development grant, introduced in the 2013 Division of Revenue Act, was allocated to metros in 2013/14 to assist them with project planning. This grant introduces performance incentives to encourage large urban municipalities to develop more compact, efficient and equitable cities, and smaller municipalities to provide basic services and eradicate backlogs.

In response to the varying levels of service delivery demands and municipal capacity, the National Treasury (in conjunction with the Financial and Fiscal Commission, national sector departments, the South African Local Government Association and municipalities) is reviewing local government infrastructure grants. The review aims to build more incentives into these grants to improve performance. Over the next three years, government will roll out a new approach to local government infrastructure financing, which will take account of the need to strengthen capacity and planning.

Planning for maintenance and repairs in municipalities

Organs of state should be encouraged to properly plan for the maintenance and repair of their assets to avoid unnecessary unforeseen and unavoidable expenditure due to poor operations and maintenance.

Since 2011/12, national and provincial treasuries have advised municipalities that at least 8 per cent of the capital budget should be allocated to repairing and maintaining their revenue-generating assets. Municipalities have increased their provision for repairs and maintenance for revenue-generating assets from 2.5 per cent in 2010/11 to 3 per cent in 2013/14. This is expected to increase to 4.5 per cent in 2016/17.

The National Treasury is developing a costing methodology guideline for local government that will help municipalities identify the costs and cost drivers for rendering a service. Once the full cost of rendering a service is known, proper tariffs can be calculated to recover this cost. This will allow municipalities to generate sufficient funds for their operations and avoid deferred maintenance due to lack of funds.

Collaboration in the provision of infrastructure assistance to municipalities

The National Treasury and the Department of Cooperative Governance and Traditional Affairs should ensure that there is collaboration among entities such as the Development Bank of Southern Africa and the Municipal Infrastructure Support Agency when they provide infrastructure assistance to municipalities. In addition, the South African Local Government Association should be brought on board at all times. This will assist in omitting duplication and strengthening cooperation between departments that seek to achieve similar outputs.

The National Treasury and the Department of Cooperative Governance and Traditional Affairs are implementing various initiatives to promote collaborative municipal support. The two departments are developing a working protocol that will outline areas of collaboration, setting out how it will support the provision of infrastructure in local government.

The National Treasury has also initiated engagements with the Development Bank of Southern Africa to explore options for supporting municipalities in providing infrastructure. A task team will be established to work on these options. The Department of Cooperative Governance and Traditional Affairs and the Municipal Infrastructure Support Agency will be requested to serve on the task team to ensure collaboration.

Strengthening compliance

The National Treasury should consider strengthening compliance with its regulations and ensure that municipalities plan their projects in accordance with government's multi-year budget approach.

The National Treasury provides regular training to municipalities and provincial treasuries to strengthen compliance with regulations. In addition, the budget and reporting formats introduced by the Municipal Budget and Reporting Regulations facilitate financial planning over a seven-year period covering three historical years, the current year, and the medium term (medium-term revenue and expenditure framework period).

The National Treasury has also institutionalised annual municipal budget benchmark engagements, which provide guidance to the 17 non-delegated municipalities to ensure that municipal integrated development plans and budgets are linked to national priorities, and that they apply a multi-year budget approach. Non-delegated municipalities that have not applied multi-year budgeting have to redo their budgets. The National Treasury, in conjunction with provincial treasuries, is developing province-specific strategies to strengthen provincial treasuries' capacity to replicate the national benchmarking processes and support the delegated municipalities with multi-year budgeting.

Determining the allocation of grants

Capacity to spend should be a determining factor when grants are designed and introduced to avoid under-spending that might lead to unnecessary conversion of grants at a later stage.

The National Treasury agrees that capacity to spend should be a key factor in allocating funding and designing grant mechanisms. For example, indirect grants allow national departments to temporarily implement projects on behalf of provinces or municipalities. Once a province or municipality has demonstrated the ability to implement projects on its own, then funds can be converted (either in-year or in the next budget) to direct grant allocations. In the 2015 Division of Revenue Act, for example, several municipalities will receive direct allocations from the *municipal water infrastructure grant*, which they had previously benefited from as an indirect grant.

Recommendations of the Select Committee on Appropriations on the proposed Division of Revenue and the conditional grant allocations to provincial and local spheres of government as contained in the 2014 MTBPS

Improving efficiency in grant spending

> *Reduction of grants and reprioritisation of such funds should be used as an interim measure while efforts are made to improve efficiency in grant spending.*

The National Treasury works with national transferring officers and receiving officers in provinces and municipalities to improve the efficiency of grant spending. If it is clear that funds will not be fully spent and can be used productively elsewhere, grants are reduced and funds reprioritised.

To improve provincial and municipal infrastructure project planning, the National Treasury has introduced reforms to a number of provincial and local government infrastructure grants that incentivise best practices, including proper project planning. This includes the *education infrastructure grant*, the *health facility revitalisation grant* and the *integrated city development grant*.

Financial support to state-owned entities

> *Efforts to minimise financial support to state-owned entities should avoid unintended consequences such as rewarding underperforming entities while constraining performing ones in their attempt to expand their capacity to fulfil economic and developmental mandates.*

The National Treasury exercises due diligence when considering the provision of financial support to state-owned entities. Support is based on the entities’ sound business plans and their efforts to strengthen internal governance.

Cost-cutting measures

> *In addition to central procurement of certain services as a cost-cutting measure, the National Treasury should explore other cost-cutting avenues such as the use of shared services, better land and property utilisation, reducing printing costs, reducing advertising costs, and using video conferencing instead of travel.*

The National Treasury agrees with the committee. Some of these recommendations are already in place. For example, the Public Finance Management Act (1999) and the National Treasury Regulations allow for shared services. Additional cost-containment measures, which will further amplify some of the suggestions made, will be announced shortly.

During December 2013, the National Treasury issued a Treasury Instruction on cost-containment measures, which took effect from 1 January 2014. This instruction places limitations on expenditure related to the use of consultants, air travel, car hire, team-building exercises and year-end functions. An expenditure analysis will be conducted to determine the impact of the cost-containment instruction during its first year of implementation. This analysis will also seek to identify other areas where spending could be curtailed, which could include consideration of bulk advertising, the reduction of cellular phone costs, attendance at international conferences and printing costs.

Matlosana Local Municipality disaster allocation

The National Treasury should expedite its processes so that the request for disaster allocations in the Matlosana Local Municipality can be funded during the 2015/16 Budget.

The National Treasury, in collaboration with the National Disaster Management Centre, has processed the disaster funding for the Matlosana Local Municipality and eligible projects will be funded through the 2015/16 Budget**.**

Improving municipal multi-year planning

Municipalities should take measures to improve their multi-year planning with regard to the municipal infrastructure grant, as required by the grant framework.

The Municipal Infrastructure Support Agency of the Department of Cooperative Governance and Traditional Affairs provides technical assistance to rural and low-capacity municipalities on multi-year planning for the *municipal infrastructure grant*. In addition to the technical support and training that national and provincial treasuries are providing to municipalities to assist them with multi-year planning, the Municipal Finance Improvement Programme Phase II provides advisors to qualifying municipalities.

The National Treasury and the Department of Cooperative Governance and Traditional Affairs are reviewing the local government infrastructure grant system to improve municipal planning. This work will continue in 2015 and changes to the system may be announced in the 2016 Budget.

Recommendations of the Standing Committee on Finance on the 2014 Revised Fiscal Framework

Differentiate strategic and non-strategic assets

The National Treasury needs to be very clear about the criteria it uses to define non-strategic assets and the terms of any sale of these. The National Treasury also needs to seek to ensure that the sale of these non-strategic assets does not lead to job losses or other unintended consequences that undermine the country's economic growth and developmental goals.

One of the main criteria used to differentiate strategic assets from non-strategic assets is that the former are critical for driving economic growth and achieving the National Development Plan's objectives, including job creation. The National Treasury will seek to avoid job losses and other unintended negative consequences for growth and development.

Financial performance of state-owned entities

The sale of non-strategic assets, however defined, could be contested and could take time. However, some state-owned entities need financial assistance more immediately. The National Treasury will have to speedily finalise measures to separate the commercial and developmental aspects of the state-owned entities and other measures to assist the entities in ways that contribute to improving their financial position in the interim.

In addition to differentiating the commercial and developmental activities of state-owned entities, other steps are also being taken to improve their financial performance. Cabinet will consider a range of measures for improving state-owned entity performance. The Deputy President, in collaboration with the relevant ministers, will oversee the turnaround of Eskom, South African Airways, the South African Post Office and SANRAL, and engagements have already begun in this regard.

Mitigating risks in implementing the 2015/16 Budget

The 2015/16 Budget will have to clearly set out how National Treasury will realise the assumptions of the MTBPS and mitigate the risks to implementing it.

Government aims to lower the spending ceiling in 2015/16 and 2016/17, and realise targets for tax revenue over the MTEF period. Since its introduction in 2012/13, government has adhered to its spending ceiling. To ensure that this continues, budgets for non-essential goods and services have been frozen at 2014/15 levels, funding for longstanding vacant posts has been withdrawn, and adjustments will be made to tax policy and administration. Proposals will be introduced in the 2015 Budget to generate additional revenue of at least R44 billion over the MTEF period.

Rapid economic growth in the context of stable prices would enable government to attain its fiscal objectives earlier. If economic growth and revenue targets are not met, the fiscal package will mitigate some of these risks by helping to reduce the current account deficit. Deterioration in the economic outlook, however, would require additional measures. The proposed fiscal framework allows for R5 billion, R15 billion and R45 billion in unallocated reserves for 2015/16, 2016/17 and 2017/18 respectively. These funds will serve as a fiscal buffer, although a portion could also be used to fund high-impact programmes.

Domestic constraints

The National Treasury needs to be clearer about how government is going to deal with the domestic constraints to growth, including badly managed labour disputes, electricity and transport challenges, skills shortages and some policy uncertainties.

Government recognises that addressing challenges related to labour, infrastructure and policy uncertainty is critical to improving long-term growth and employment prospects. One of its most urgent priorities will be ensuring that maintenance and refurbishment plans are completed on time to secure and sustain electricity supply. Electricity supply is augmented through imports from Namibia and Mozambique, and cogeneration will also relieve pressure on the grid. If necessary, various forms of financial support will be considered, as announced in the 2014 MTBPS.

Unemployment remains the largest constraint to growth. Government supports employment through various initiatives, including the Expanded Public Works Programme, the employment tax incentive, the Jobs Fund and the establishment of special economic zones. The Medium Term Strategic Framework noted that improving dispute-resolution mechanisms in labour relations is a critical intervention. Government is engaging with the National Economic Development and Labour Council to work together to strengthen and improve labour relations in South Africa.

The Medium Term Strategic Framework outlines key transportation projects such as expanding rail capacity for coal exports between Mpumalanga and the Richards Bay Coal Terminal, building a new heavy-haul rail line from the Waterberg region, and increasing port capacity for iron exports via Saldanha and the Northern Cape corridor. Investing in these projects will result in higher productivity over time. The Medium Term Strategic Framework has also prioritised enhancing the performance of sea ports and inland terminals, revising and consolidating port charges, establishing a single transport regulator and reducing cross-subsidisation in transport pricing. A system is being implemented to rationalise the tariffs charged at ports, and the Ports Regulator is analysing the cost of providing various services at ports to help inform future tariff increases.

Implementing cost-containment measures in provinces and municipalities

The National Treasury will have to, through a variety of ways, assist provinces and municipalities to implement cost-containment proposals. The Committee wants to be briefed on this periodically.

The National Treasury has been implementing cost-containment initiatives in provinces since 2010/11. Since 2012/13, it has focused on containing growth in compensation expenditure, which has led to the reversal of historical overspending in most provinces and reduced staff numbers, as reported in the MTBPS. The Budget Council has also resolved that MECs for Finance must continually emphasise to provincial executive councils the need to contain costs and reduce non-core spending, including items such as consultants, travel and catering. The National Treasury publishes expenditure information per province on a quarterly basis.

The Municipal Finance Management Act (2003) Budget Circulars require municipalities to take cost-containment measures into consideration when preparing their annual budgets. National and provincial treasuries scrutinise the municipalities' implementation of these measures during the annual municipal budget benchmark and mid-year budget and performance engagements, and comment on the subsequent reports. These recommendations provide guidance on how municipalities should channel funding towards programmes that add value to their operations to ensure continuity. Key observations and concerns are also reported in consolidated reports on these engagements, which are submitted to the Minister of Finance and Parliament. In-year municipal spending reports (section 71 of the Municipal Finance Management Act) are also submitted to Parliament on a quarterly basis.

To improve the monitoring of cost-containment measures and municipal compliance, the National Treasury has recently promulgated the Municipal Regulation on Standard Chart of Accounts, which provides for a unified and consistent classification and reporting framework.

The Jobs Fund

> *The National Treasury needs to more actively monitor the outcomes of the Jobs Fund allocations, and the Committee will engage with the National Treasury on this in the first quarter of 2015. The Committee is keen to understand the number, nature and quality of the jobs being created and how they link to the country's economic growth and developmental goals.*

The National Treasury took over responsibility for administering the Jobs Fund from the Development Bank of Southern Africa, and it is therefore well placed to monitor the Fund's performance. The Jobs Fund has established rigorous monitoring and evaluation processes that provide precise and in-depth performance information. The Fund is implementing 59 projects, which have created 30 701 permanent jobs, placed 17 428 people into full-time employment and provided training to 75 163 work seekers to date. It has paid grants worth R1.48 billion to these projects and has leveraged funding of R3.24 billion from its project partners.

Promoting domestic investment

> *While the Committee recognises the need for foreign direct investment, it believes that there is a need for greater focus on domestic investment, and the right balance needs to be struck between domestic and foreign investment.*

Government is working to ensure that local investment is fostered. The Presidential Business Working Group aims to enhance the participation of domestic investors in policy making and improve understanding and dialogue, which is expected to increase investment.

Combating corruption in government

> *The National Treasury needs to clearly explain how government will more actively combat corruption. The Committee will engage the National Treasury on this in the first quarter of 2015. If government is more effective in reducing corruption, there will be significant savings and the National Treasury will be in a better position to carefully decide on tax increases.*

Proactive systems, processes and interventions need to be put in place to combat corruption. The Chief Procurement Officer released the Public Sector Supply Chain Management Review, which sets out the supply chain management modernisation programme. Government has declared supply chain management a strategic function. Accounting officers are required to build supply chain management capability within their departments and provide performance reports to executive authorities on a quarterly basis. The Chief Procurement Officer needs to accelerate the reform agenda. If properly implemented, this reform should, in addition to reducing corruption, improve and accelerate quality service delivery and reduce costs.

The National Treasury has also established a unit to detect fraud and corruption in government's procurement processes. The forensic investigations help recover misappropriated state funds and support criminal proceedings.

The National Treasury believes that prevention is better than cure. As a result, it focuses its efforts on improving controls and governance structures to prevent fraud, rather than detecting it after the fact (which is the primary responsibility of other government departments and agencies). Practices are constantly reviewed and regulations and guides are updated to improve service and governance in the public sector.

Advocacy of National Treasury programmes

> *In view of the lack of investor and public confidence in the prospects of economic growth, the National Treasury needs to actively communicate its programmes and activities through the public media and its own media, and through other ways.*

The Ministry of Finance and the National Treasury's communication engagements include meeting with business, trade union and civil society leaders, giving speeches and conducting media interviews. In addition, the National Treasury manages an active investor relations programme (domestic and international road shows, use of the website, bilateral meetings), which aims to strengthen relationships with investors who buy government bonds.

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