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Public Dialogue on the 2018 Appropriations Bill

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Outline

- Introduction
- The aim of the dialogue
- Overview of the National Development Plan
- Requirements for the implementation of the NDP
- Budget Process
- Priorities for the 2018 Budget
- Alignment of budget allocations with funding priorities
Legislative Process
- Policy and Budget implementation process
- Oversight
- Audit
- Summary

Introduction

- The National Development (NDP) is the overarching vision for the country
- The 2014-2019 Medium Term Strategic Framework is the first 5-year implementation plan of the NDP
- The MTSF is detailed plans to reach the 14 outcomes of the NDP
- The government operates within a fiscal framework that constrains government expenditure. It allocates the budget across multiple priorities within those constraints
- The need to ensure effective implementation of the budget and plans

The aim of the Dialogue

- To get an understanding of:
 - The use and allocation of resources
 - Possible causes of poor performance
 - Obstacles to solutions
 - How the allocation of government's limited resources can best serve the people of South Africa

Outcome 11: Creating a Better South Africa and Contributing To a Better and Safer Africa in a Better World

- Strengthen regional political cohesion and accelerate regional economic integration
- Enhanced implementation of the African Agenda and sustainable development
- Strengthen South-South cooperation
- Deepen relations with strategic formations of the North
- Reform of Global Governance
- Strengthen bilateral political and economic relations
- Enhance institutional capacity and coordinating mechanisms to manage international relations

Outcome 7: Comprehensive Rural Development

Outcome 8: Sustainable human settlements and improved quality of household life

Outcome 9: Responsive, accountable, effective and efficient developmental local government system

Outcome 2: A Long and Healthy Life For All South Africans

Outcome 3: All People In South Africa are and Feel Safe

Outcome 13: An inclusive and responsive social protection system

Outcome 14: Transforming Society and Uniting The Country

Outcome 4: Decent Employment through Inclusive Growth

Outcome 6: An efficient, Competitive and Responsive Economic Infrastructure Network

Outcome 10: Protect and Enhance Our Environmental Assets and Natural Resources

Outcome 1: Quality Basic Education

Outcome 5: Skilled and capable workforce to support an inclusive growth path

A decent standard of living for all South Africans through the elimination of poverty and reduction of inequality

- Housing, water, electricity and sanitation
- Safety and security

- Quality health care
- Adequate nutrition
- Social protection

- Safe and reliable public transport
- Employment and
- Clean environment

- Quality education skills and development
- Recreation and leisure

- A stable political-administrative interface
- A public service that is a career of choice
- Sufficient technical and specialist professional skills
- Efficient and effective management and operations systems
- Procurement systems that deliver value for money
- Strengthened accountability to citizens
- Improved inter-departmental coordination
- Reduced corruption in the public service

Outcome 12: An efficient, effective and development oriented public service

Requirements for the Implementation of the NDP

- Building on the broad support and trust in the NDP
- Focused leadership
- Institutional reform
- Mobilisation of resources
- It further requires trade-offs
- Willingness to make trade-offs and to prioritise, which would require:
 - Identification of critical first steps to unlock implementation
 - Preparation of a 2014-19 Medium Term Strategic Framework (MTSF) as the first five-year building block of the NDP
 - Improvement of the implementation of existing policies
 - The 2019-2024 and 2024-2029 planning cycles build on the previous cycles and be informed by the review of performance
 - Effective integration into other government plans.

Budget process

Planning

- National and provincial departments consider their medium-term strategic objectives and spending priorities in line with the NDP
- Mandate Paper from the Department of Planning Monitoring and Evaluation

Formulation

- National Treasury issue guidelines to all departments or agencies highlighting the priorities
- Departments and agencies submit their draft budgets
- Negotiation process and final decisions by the executive

Legislative

- Tabling of the budget
- Consideration by the parliamentary committees
- Parliament accept, amend or rejects the budget

Implementation

- Departments start spending their budgets National Treasury and other oversight bodies monitor the performance
- Mid year adjustments
- Medium Term Budget Policy Statement (MTBPS)

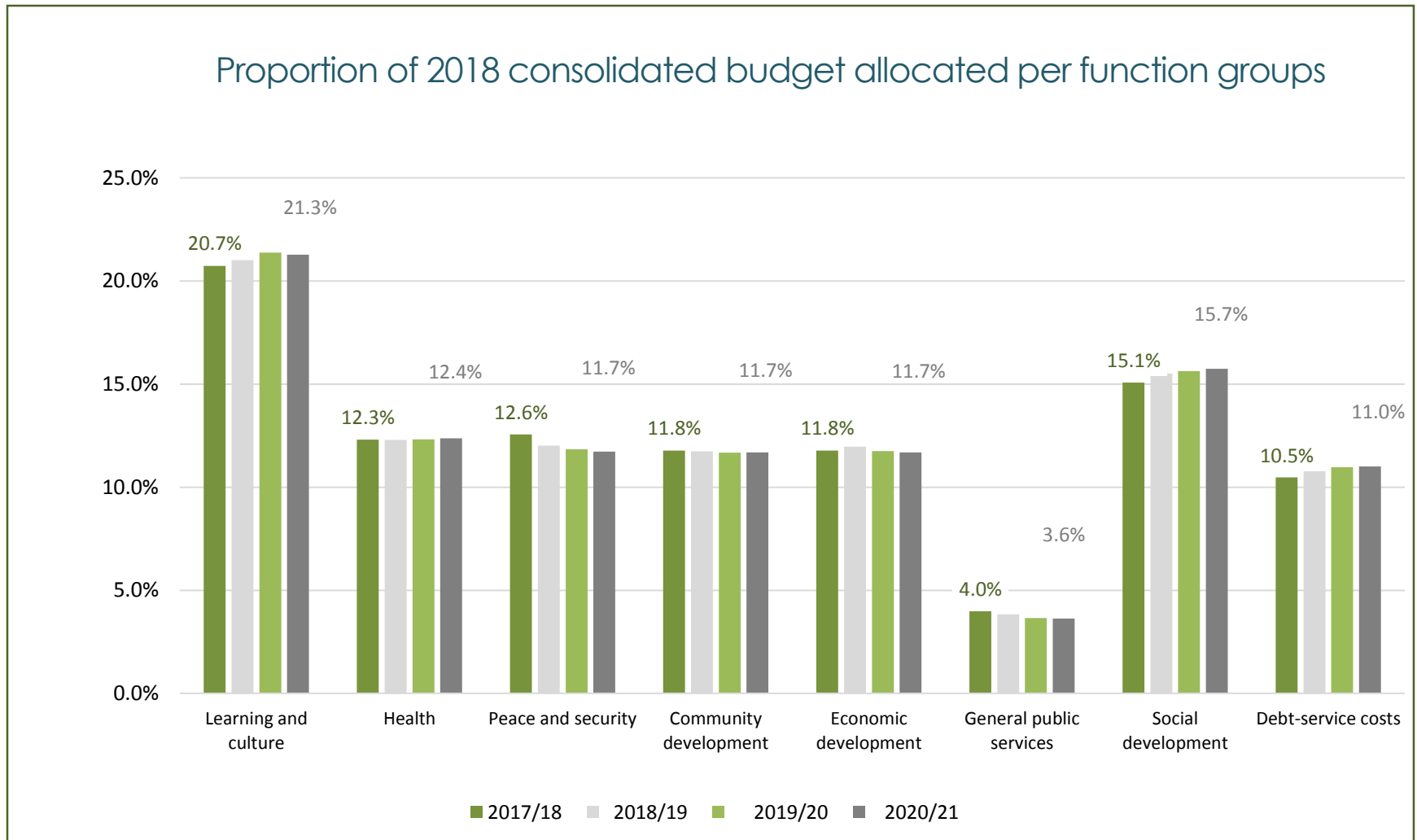
Audit

- Budget Review and Recommendations Reports considered by Parliament
- Auditor General of SA and other audit financial statements and performance
- Publication of audit Reports and revision by Parliament

Priorities for 2018 Budget

- Job Creation and Small Business Development
- Youth Development
- Infrastructure expansion and maintenance
- Land reform, smallholder farmer and agriculture development
- Comprehensive social security, education and skills
- Integrated plan to fight crime
- Advancing the national interest in SADC, African Continent, BRICS and Indian Ocean Rim Association

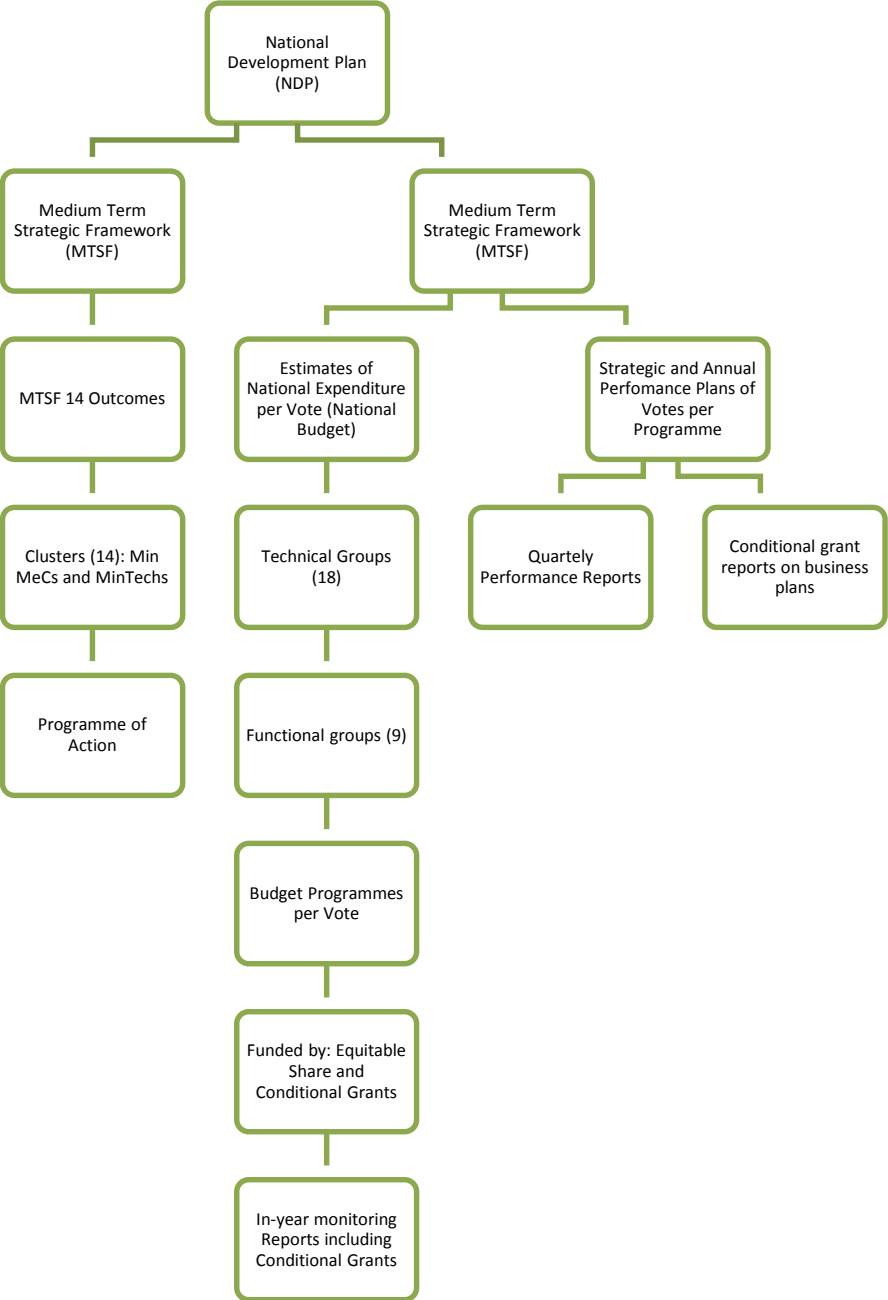
Alignment of budget allocations with funding priorities



Legislative Process

- Public participation process:
 - Fiscal Framework and revenue proposal hearings are held by the finance committees of the National Assembly (NA) and National Council of Provinces (NCOP).
 - Division of Revenue Bill hearings are held by the NA Appropriations Committee.
 - Appropriation Bill hearings are held by the NA Appropriations Committee.
 - Revenue Bill hearings are held by the NA finance committee.
 - Other money bill hearings are held by the NA Appropriation Committee.

Policy and Budget implementation process



Oversight

- Parliamentary Committees (i.t.o. the Money Bills Amendment Procedure and Related Matters Act)
 - Committee support
 - PBO
- National Treasury
- Department of Planning monitoring and Evaluation
- Public

Audit

- The AGSA examines the financial management, performance and position of each entity by scrutinising its year-end reports (i.e. Annual Reports)
- The findings of the audit body are submitted to the legislature, which is responsible for holding the executive accountable for its budget execution practices
- Evaluation and auditing enable the legislature to determine not only whether the government has followed the budget law, but also how effectively they are using public resources

Budget linked to the NDP outcomes

Function groups	National department	NDP Outcomes
Learning and culture	Basic education Higher Education & Training Sport & Recreation Health Social Development	1,5,14
Health	Health	2
Social development	Social Development	13
Community development	Human Settlements Water & Sanitation Transport Energy Cooperative Governance & Traditional Affairs	8,9,12

Budget linked to the NDP outcomes

Function groups	National department	NDP Outcomes
Economic development	Economic Development Mineral Resources Trade and Industry Tourism Small Business Development Public Works Labour National Treasury Science & Technology Environmental Affairs Agriculture Forestry and Fishing Rural Development and Land Reform Energy Telecommunications & Postal Services Transport Water & Sanitation	4,5,6,7,10,11,12,13

Budget linked to the NDP outcomes

Function groups	National department	NDP Outcomes
Peace and security	Defense & Military Veterans	3
	National Treasury	
	Police	
	Independent Police Investigative Directorate	
	Civilian Secretariat for the Police Service	
	Justice and Constitutional Development	
	Correctional Services	
	Office of the Chief Justice	
	Home Affairs	
General public services	The Presidency	11,12
	Communications	
	Women	
	Parliament	
	Planning, Monitoring and Evaluation	
	National Treasury	
	Public Enterprises	
	Statistics South Africa	
	Cooperative Governance & Traditional Affairs	
	Public Service & Administration	
	Public Works	
	International Relations & Cooperation	

Summary

- The NDP provides the strategic direction for planning and the directing of funds
- The budget process allows for planning, participation, negotiation, monitoring, evaluation and review
- Structures are in place for the implementation of policy, plans and budgets
- Structures are in place to oversee the budget process