



MINISTRY OF FINANCE AND DEVELOPMENT PLANNING



2024/2025 PRE-BUDGET CONSULTATIONS FORUM ANALYSIS OF THE SUBMISSIONS FROM THE PUBLIC

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BUDGET CONTROLLER



OBJECTIVES AND EXPECTATIONS



Pre-Budget Consultations:

Objectives:

- Foster collaboration between government and its citizens, and
- Enhance transparency.

Expectation:

- Develop budgets that align with needs and goals of the nation.



BACKGROUND

- The MFDP engaged the public on key issues concerning the budget, three key questions:
 1. What improvements can be made to the budget to deal with the challenge of long-term fiscal sustainability?
 2. How should government finance key priorities, given limited resources?
 3. The three main priorities to be put in the budget?
- 10 submissions received (from 3 institutions & 7 individuals).



1. IMPROVING LONG-TERM FISCAL SUSTAINABILITY

The submissions were grouped into 3 broad recommendations:

1. Increase revenue generation;
2. Improve budget development process and implementation; and
3. Development of human capital, R&D and innovation



1. IMPROVING LONG-TERM FISCAL SUSTAINABILITY

Increase revenue generation:

- ❖ Engage Globally Savvy Lobbyists for Manufacturers and Investors.
- ❖ Facilitate Labor Export to High-Demand Countries.
- ❖ Optimize CBD Sites through Strategic Sale/Lease.
- ❖ Establish a network of strategically located toll-gates across the country.
- ❖ Embrace digital currencies as a mainstream mode of transactions to boost tax revenue and foster financial innovation.
- ❖ Sustaining Collaborations and Cultivating new partnerships for Foreign Aid and Investment.
- ❖ Implement an Integrated ICT Government System.
- ❖ Adopt bottom-up approach driven by community needs and priorities.



1. IMPROVING LONG-TERM FISCAL SUSTAINABILITY



Improve budget development process and implementation:

- ❖ Integrate robust accountability tools to track resource utilization to minimize waste.
- ❖ Execute a phased rollout of MTEF with a focus on the outer two years.
- ❖ Enhance Macroeconomic Projections and Sectoral Ceilings.
- ❖ Enforce Broad-Based Fiscal Rules for Economic Stability.
- ❖ Enhance Feasibility Studies for Effective Project Execution.
- ❖ Streamline Project Implementation and Transparency to Reduce Bureaucratic Bottlenecks.
- ❖ Formulate a Comprehensive Debt Management Strategy to Engage in careful borrowing.
- ❖ Collaborate with private sector for financing and expertise to foster sustainable development while maintaining national sovereignty.



1. IMPROVING LONG-TERM FISCAL SUSTAINABILITY



Improve Budget development process and implementation (cont...):

- ❖ Revamp Tax Administration for Enhanced Efficiency.
- ❖ Leverage Inventory Management and PPPs for Efficient Asset Utilization.
- ❖ Strengthen Budget Convergence and Monitoring and Develop Robust M&E Mechanisms to Track Progress.
- ❖ Secure Support for Value Chain Enhancement and Market Power.

Development of Human Capital, Research and Development and Innovation:

- ❖ Allocate Budget for Quality Human Capital Development.
- ❖ Invest in Research and Development, Innovation, and Creative Arts for Economic Growth.



2. FINANCING KEY PRIORITIES

Key issues discussed to address the second question include:

- ❖ Cost-Cutting and Revenue Increasing Strategies
- ❖ Improving the Sustainability of Public Finance



2. FINANCING KEY PRIORITIES

Cost-cutting & Revenue Increasing Strategies:

- ❖ Establish a Stabilization or Sovereign Wealth Fund for Economic Resilience.
- ❖ Utilize Prison Labor for Agricultural Production by Partnering with Correctional Services and Military for supervision.
- ❖ Expand Tax Base and Revise Exemptions.
- ❖ Implement Corporate Social Responsibility (CSR) Funding Strategy to Foster partnerships between businesses and communities for mutual benefits.
- ❖ Provide a guiding framework for stakeholders to align efforts with national goals.
- ❖ Prioritise financing tourism to develop and promote key tourist attractions like Ulhahlamba/Sehlabathebe and Sani Top.



2. FINANCING KEY PRIORITIES

Cost-cutting & Revenue Increasing Strategies:

- ❖ Evaluate the feasibility of legalizing digital currencies as legal tender.
- ❖ Drive economic growth through innovation, job creation, and global competitiveness.
- ❖ Boost economic diversification, job creation, and overall economic development by empowering Micro, Small, and Medium Enterprises (MSMEs).
- ❖ Attract more visitors by making entry more affordable and appealing.



2. FINANCING KEY PRIORITIES

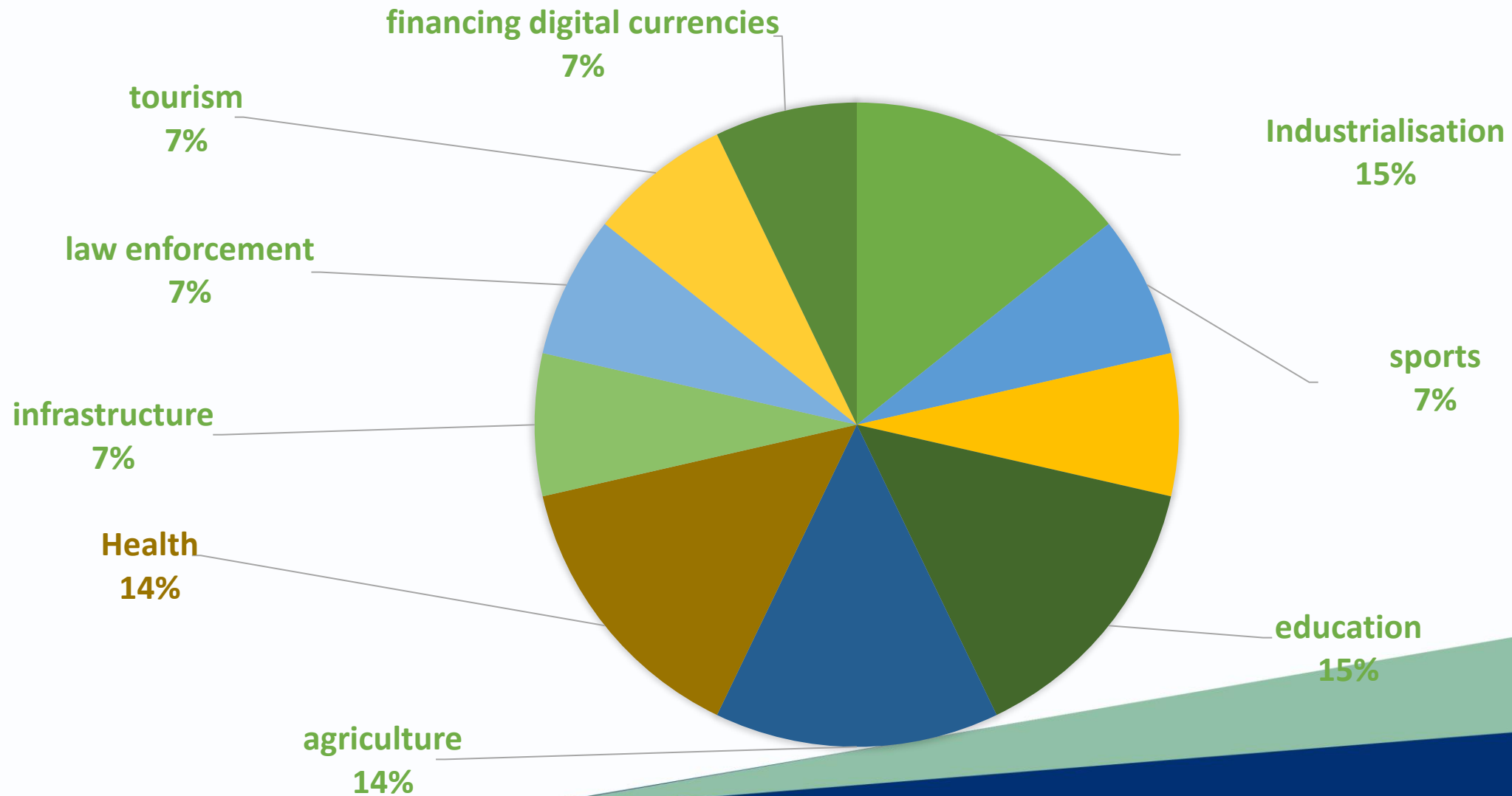
Improve Sustainability of Public Finance:

- ❖ Create Viability Gap Funds to support projects facing feasibility-to-viability challenges.
- ❖ Enhance the skills of government officials in monitoring and evaluating national plans through interagency collaboration.
- ❖ Introduce a Treasury Single Account (TSA) to consolidate government funds.
- ❖ Reduce inaccuracies and fraud by minimizing ghost workers through centralized payroll management.



3. THREE MAIN PRIORITIES FOR THE BUDGET

Overall, respondents' identification of priorities could be represented as:





3. THREE MAIN PRIORITIES FOR THE BUDGET



Respondents' identification of priorities by rank:

	Submission 1	Submission 2	Submission 3	Submission 4	Submission 5	Submission 6	Submission 7
1st Choice	Sports	Industrialisation	Food Security	Health	Industrialisation	Tourism	Financing Digital Currencies
2nd Choice		Agriculture	Education	Education	Health		
3rd Choice			Law enforcement	Infrastructure			



CONCLUSION

- ❖ Initiate comprehensive revisions to address identified shortcomings and challenges in the budget process.
- ❖ Recognize the value of the responses received in shaping decisions.
- ❖ Strive for a more comprehensive and diverse pool of submissions in the future.
- ❖ Ensure efficient and effective handling of recommendations by assigning them to relevant authorities.
- ❖ Strive to build a culture of inclusivity for more effective and equitable decision-making.



THANK YOU!