



PRESS RELEASE

IMALI YETHU COALITION FOR OPEN BUDGETS ON NATIONAL TREASURY PRE-BUDGET CONSULTATIONS, WEDNESDAY, 22 SEPTEMBER 2021

On Tuesday 21 September 2021, the National Treasury launched South Africa's first Pre-Budget Consultations following the introduction of the Fiscal Openness Accelerator (FOA) project in 2019. The FOA project seeks to strengthen public participation in fiscal policy and is being piloted in Benin, Liberia, Senegal, Nigeria and South Africa with support from Global Initiative for Fiscal Transparency (GIFT) and the International Budget Partnership (IBP).

The Imali Yethu Coalition¹ has been advocating since 2016 for greater openness in the budgeting processes of the South African Government. These Pre-Budget Consultations are a welcome and necessary step towards budget reforms envisaged by section 215 of the Constitution, Sustainable Development Goal 16² and the National Development Plan's objectives of seeking to ensure the participation of all South Africans in the process of achieving their own development.

We are encouraged, too, by the prospect of this participation process resulting in public inputs informing and influencing Medium Term Expenditure Committees (MTEC) deliberations. The annual Medium Term Budget Policy Statement (MTBPS) provides an opportunity to review the country's fiscal policy positions. We are therefore encouraged that the Pre-Budget Consultations were designed to align with the medium term allocation process: which is driven by MTECs. The MTECs conduct hearings aimed at evaluating submissions by national and provincial departments on the Medium Term Expenditure Framework (MTEF). MTEC hearings are important as they interrogate the links between departmental budgets and government's policy priorities. They also involve key government role players such as the National Treasury Director-General, Deputy Director-General as well as senior Treasury Officials and Director-Generals from other Departments such as the Presidency.

Over the coming weeks we intend to engage the National Treasury and partners on our concerns relating to aspects of the pilot that place the fulfilment of its participatory objectives at risk. This includes the constrained, rushed timeframes for submissions as was acknowledged by Deputy Director General in the Budget Office, Edgar Sishi, in his opening address. We share some of the concerns raised by partners in a letter³ sent to the National Treasury and International Budget Partnership. As members of the FOA Advisory Group we

¹ Imali Yethu is a Coalition of eight South African organisations committed to working to increase transparency and public participation in public budget processes. We work in partnership with National Treasury to develop an open budget data portal; vulekamali.org.

² Promote just, peaceful and inclusive societies

³ Available at: https://docs.google.com/document/d/1T_TziEw2lumjHgRcJMPxeetBPZjWwPC3tNjrzZn1pEI/edit?usp=sharing.



will seek to encourage broader public engagement on these challenges and the plans to address them from the pilot leads.

We call on the **National Treasury** to;

- Utilise the FOA Pre-Budget pilot to progressively move towards budget and fiscal policy participation processes governed by the principles of transparency, accountability, participation, equity, equality and non-discrimination;
- Create feedback loops for public inputs for strategies by which to establish responsive budget processes that place people at the centre and prioritise marginalised voices;
- Ensure that the lessons garnered from Pre-Budget public submissions on the development of the pilot are used to inform the further development of Pre-Budget Consultation processes going forward;
- Strengthen Open Government Partnership collaboration with civil society and take bold steps to entrench fiscal transparency and inclusive governance processes such as those supported by the [GIFT High Level Principles](#) on Fiscal Transparency, Accountability and Participation

To our **civil society** partners we encourage:

- A renewed commitment to collaborative strategies to inform budget reform in South Africa in order to tackle regressive policy decisions;
- Continued engagement of the National Treasury and key line ministries on matters of reform in a manner that is robust, inclusive and informed by constitutional commitments and global principles; and
- A renewed commitment to deepen transparency, inclusion and accountability in existing participatory spaces such as the National Economic Development and Labour Council (NEDLAC)

We encourage **international technical partners** working to support local budget reform such as the International Budget Partnership, Global Initiative for Fiscal Transparency and the Open Government Partnership to:

- Continue to support budget reform that favours transparency, inclusion and meaningful public participation;
- Continue to collaborate with various local partners to ensure that reform is progressive and responsive to local needs.

ENDS

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