



**ADDRESS BY PRESIDENT CYRIL RAMAPHOSA
ON THE PRESIDENCY BUDGET VOTE 2024**

**NATIONAL ASSEMBLY, PARLIAMENT
23 JULY 2024**

Speaker of the National Assembly,
Deputy President Shipokosa Paul Mashatile,
Ministers and Deputy Ministers,
Honourable Members,

This debate on the Presidency Budget Vote takes place at a time of both change and continuity.

As we enter a new democratic administration, as we define the priorities for the Government of National Unity, we are building on the progress made during the course of previous administrations.

We have made significant strides over the course of the last five years to restore our country and our economy. We need to sustain the work that has been done and see many of the measures we have taken through to completion.

At the same time, we need to appreciate the changes that have taken place in government and we need to respond to the mandate from the electorate that we carry.

As the Presidency and as government, we are focused on the priorities I outlined in the Opening of Parliament Address last week.

Firstly, to drive inclusive growth and job creation.

Secondly, to reduce poverty and tackle the high cost of living.

Thirdly, to build a capable, ethical and developmental state.

As the strategic centre of government, the Presidency bears the responsibility for coordinating the work of government to ensure that these priorities are implemented.

At this crucial moment in our country's history, as we confront many challenges, what South Africans want to see is action.

Our job is to deliver on the commitments that we have made as the Government of National Unity.

Central to the work of the Presidency is cooperation, partnership and collaboration, both across government and together with social partners and other stakeholders.

This approach has proven successful in mobilising a broad spectrum of resources and capabilities to undertake actions that have the greatest social and economic impact.

Fundamental to the approach of this Presidency is to draw on the expertise, experience and capabilities in government and across society.

During the previous administration, we established a number of entities both in government and outside of government, bringing together a wide variety of people to provide insights and inputs based on expert knowledge and sound evidence.

The Presidential Economic Advisory Council played a vital role in advising both the President and relevant Ministers on the most important economic challenges facing the country.

The Presidential State-Owned Enterprises Council has been pivotal to the fundamental overhaul of the architecture of our state-owned enterprises.

On addressing climate change, one of the most challenging developments of modern times, the Presidential Climate Commission brings together a unique blend of different social stakeholders to guide our climate actions, including our approach to a just transition to a low-carbon society.

Among other things, the Climate Commission has made valuable input into our Just Transition Investment Plan, future energy mix and Climate Change Act, which I signed into law last week.

Another important advisory body is the National Anti-Corruption Advisory Council, which was established to advise government and mobilise society around a comprehensive programme to end corruption in all its forms.

The Presidential Working Group on Disability is another critical forum to advance social and economic change. The Working Group is an important partner in the development and implementation of policies and programmes that uphold the rights and advance the interests of persons with disability.

We are grateful to the members of these advisory bodies and working groups for the contribution that they have made and continue to make towards South Africa's development and transformation.

The Presidency has prioritised greater cooperation between the spheres of government. While this has been vital during crises like the COVID pandemic and in responding to natural disasters, it is essential if we are to strengthen governance and respond more effectively to the needs of South Africans.

The promotion of cooperative governance has been strengthened through implementation of the District Development Model, which places the district at the centre of an integrated approach to development.

With the support of the President's Coordinating Council – which brings together the leadership of the three spheres of government – we see a greater role for the District Development Model in addressing problems at local level through better use the powers, capacity and resources of national and provincial governments.

Cooperation between the three spheres of government is also evident in the Presidential Izimbizo programme.

Izimbizo are a vital tool of participatory democracy. They allow communities to interact with the President, Ministers, Premiers, MECs and Mayors, and to find practical solutions to specific service delivery problems that they have.

The Deputy President plays a leading role in engagements with different constituencies and sections of society.

Through bodies like the South African National AIDS Council and the Human Resource Development Council, the Deputy President convenes a broad cross-section of stakeholders to address challenges that affect us all.

The Deputy President has been working closely with military veterans to address their concerns and ensure that this group of South Africans – who have sacrificed so much for our country – receive the support they need to live decent lives.

He has also been working with traditional leaders to ensure that they are able to effectively undertake their responsibilities and contribute to the development of the people they serve.

The Deputy President will speak more about this work later in the debate.

Understanding that science, technology and innovation are essential for economies to thrive and for societies to prosper, last year we held the inaugural Presidential Science, Technology and Innovation Plenary.

This initiative brings together government, academia, civil society and industry to collectively drive South Africa's national system of innovation.

The inclusive and consultative approach that the Presidency has taken to address the country's challenges will serve us well as we embark on the National Dialogue.

Our overriding priority for the next five years is to achieve more rapid and inclusive economic growth, so that we can create jobs, reduce poverty, and build a more just and equal society.

To achieve this, we must configure the system of government to support a significant expansion of investment in infrastructure.

We have seen the value of collaboration in pursuing this objective.

Through Infrastructure South Africa, we have been able to draw on private sector expertise and skills to improve the preparation, financing and implementation of infrastructure investment.

Through the Infrastructure Fund, we are going to explore new approaches to blended financing of infrastructure, using the fiscus to leverage additional funding from the private sector, development finance institutions and other sources.

We have been working closely with independent power producers in steering their projects through to the construction phase, contributing significantly to the reduction in the severity of load shedding.

We are going to continue working with companies, financial institutions and business organisations, both South African and international, during the course of our ambitious investment drive over the last five years.

In 2018, we set a target of mobilising R1.2 trillion in new investments over five years. By the conclusion of the fifth South Africa Investment Conference last year, we had exceeded that target, raising over R1.5 trillion in new investment commitments.

A vital part of this work was undertaken by the Investment Envoys we appointed to engage with potential investors and identifying opportunities and challenges.

The Investment Envoys we appointed are Mr Trevor Manuel, Mr Mcebisi Jonas, Ms Phumzile Langeni, Mr Jacko Maree, Mr Jeff Radebe and Mr Derek Hanekom.

We are extremely grateful to them for their tremendous work.

We have had an opportunity to visit many of the factories and projects that have been built or expanded as a result of these investments. And we have seen the many jobs they have created.

The work of the red tape reduction team that was established in the Presidency under the leadership of Mr Siphon Nkomo has been possible due to close cooperation with various departments, public entities and spheres of government, as well as support from the private sector.

The team is looking at a capacity building approach to tackle red tape in provincial governments and a pilot to support three city municipalities with reform action plans to address inefficient business processes.

Through this experience, it is clear that the removal of red tape is a cross-cutting exercise that requires a coordinated and integrated approach.

Significant progress was made during the Sixth Administration in implementing reforms to enable economic growth, with a focus on modernising network industries.

These reforms have been undertaken across government with the support of Operation Vulindlela, which is a joint initiative of the Presidency and National Treasury.

This progress provides a solid platform on which we will build a sustained increase in the rate of economic growth and a reduction in poverty, unemployment and inequality.

By alleviating load shedding, improving the performance of the logistics system, reducing the cost of data, improving water supply, and enabling the country to attract the skills it needs, the reforms already underway will provide a significant boost to the economy in the medium term.

In addition, these reforms support the repositioning of strategic state-owned enterprises by strengthening their balance sheets and improving their operational performance, while also enabling higher levels of private investment in infrastructure.

A recent independent study released by the Bureau of Economic Research estimates that the reforms undertaken under the auspices of Operation Vulindlela could increase real GDP growth to 3.5 percent by 2029.

Apart from the changes that these reforms are making to the country's productive capacity and competitiveness, they are also contributing to greater business confidence.

As confidence grows, so does investment, creating jobs and supporting demand. This is a virtuous cycle that leads to higher growth on a sustained basis.

One of the greatest impediments to economic growth has been the electricity crisis, which the Presidency has been instrumental in addressing.

The National Energy Crisis Committee, which was established in 2022 to oversee implementation of the Energy Action Plan, is chaired by the President and coordinated at a technical level by the Director-General in the Presidency.

With the support of National Energy Crisis Committee, there has been a marked improvement in the performance of Eskom's power stations, which produce the bulk of South Africa's electricity.

Regulatory changes have enabled substantial new investment in electricity generation.

This week, the country will have gone 120 days without load shedding.

However, it is too soon to claim victory. Our electricity system is still vulnerable and we cannot yet rule out a possibility of further load shedding.

Drawing on our experience in tackling the electricity crisis, we established the National Logistics Crisis Committee and adopted a Freight Logistics Roadmap.

The roadmap provides a clear path to resolving Transnet's immediate operational challenges while reforming the logistics system as a whole to achieve a competitive and efficient rail network.

Operation Vulindlela has facilitated support to the Department of Water and Sanitation to re-engineer the water use license application system and clear the backlog of applications, unlocking an estimated R56 billion of investment.

Through Operation Vulindlela, we have supported reforms in telecommunications aimed at lowering the cost of data and improving network reach and quality.

We have also provided support to the Department of Home Affairs in its efforts to reform the visa system to attract skills and investment and boost tourism.

The Operation Vulindlela approach to focused collaboration across government has proven its worth.

We will now be embarking on the second phase of Operation Vulindlela.

The immediate priority is to sustain the momentum and follow through on the implementation of current reforms to realise their full impact.

While these reforms are a necessary condition for growth and job creation, they are not sufficient to drive structural transformation in the economy.

In its second phase, Operation Vulindlela will therefore focus on reforming the local government system, harnessing digital public infrastructure, and addressing spatial inequality.

We will work closely with provincial and local governments to address service delivery challenges, in line with our Constitutional mandate.

We will coordinate a whole-of-government programme to drive digital transformation of government and modernise our digital public infrastructure.

Finally, we will turn the attention of Operation Vulindlela to spatial inequality, which remains a key barrier to economic growth.

The Presidency remains seized with the challenge of youth unemployment.

Nearly four years ago, in the wake of the COVID pandemic, we launched the Presidential Employment Stimulus, which has created 2 million work and livelihood opportunities.

Two-thirds of the people who have participated in these programmes are women, and around 84 percent are between the ages of 18 and 35.

Another initiative is the Presidential Youth Employment Intervention. Central to this is SAYouth.mobi, which is a zero-rated platform for unemployed young people to access opportunities for learning and earning.

The Youth Employment Service, which was launched together with the private sector in 2018, is gaining significant momentum, having created over 150,000 work experience opportunities for young people.

The partnership that government entered into with organised business in July last year has yielded impressive results in the areas of electricity and freight logistics, and we have started to make progress in our joint work to combat crime and corruption.

As we go forward, we will look to our partners in business to put greater emphasis on our agreed programme of work on employment. This includes measures to support SMMEs in townships and rural areas, creating new jobs in areas like tourism, agriculture and green energy, and providing work experience and demand-led training to young people.

The Presidency has been working with other departments to develop an integrated anti-poverty strategy with a focus on household livelihoods.

We have held two Presidential Health Summits and adopted a Presidential Health Compact, which outlines the priorities we have identified and collectively agreed to undertake to strengthen the health system.

One of the most important areas of progress has been in the implementation of the national health quality improvement plan. This initiative has led to the establishment of more than 420 quality learning centres covering over 3,500 health facilities. As a result, we have seen significant improvements in patient satisfaction across various areas.

A vital part of the drive to provide all children with a conducive environment for learning is the provision of school infrastructure. This includes the provision of safe and appropriate toilets.

In 2018, we launched the Sanitation Appropriate for Education programme – known as the SAFE initiative – to mobilise public and private funds to replace pit toilets. Unsafe toilets have been replaced in 92 percent of schools needing safe toilets. The remaining 280 schools are scheduled for completion within this financial year.

One of the most important areas in which the Presidency has been involved is in the struggle to end gender-based violence and femicide.

We have held two Presidential Summits to bring together government, civil society and other stakeholders to forge a common national response to this pandemic.

Working together, we have been implementing the National Strategic Plan against Gender-Based Violence and Femicide.

As part of this plan, we have focused on prevention measures, such as educating boys and young men on gender equality and their roles in empowering girls and young women.

We have made important progress in implementing the actions outlined in our response to the recommendations of the State Capture Commission.

This includes the work of our law enforcement agencies to bring perpetrators to justice and to recover stolen funds, as well as the legislative and other changes needed to strengthen the fight against corruption and prevent state capture.

The Presidency plays a pivotal role in ensuring that the work of the Special Investigating Unit has an impact, and that individuals involved in wrongdoing face the consequences of their actions.

The Presidency has forged a close working relationship with the SIU and law enforcement agencies to monitor the implementation of the recommendations for criminal, disciplinary and administrative action arising from SIU investigations.

The Presidency forms an integral part of international relations and cooperation, leading the country's representation in international fora and in bilateral and multilateral engagements.

Our approach to foreign policy is informed by an understanding that our national interest is closely intertwined with the goal of achieving progress in Africa and implementation of Africa's Agenda 2063.

Guided by the Framework Document on South Africa's National Interest adopted by Cabinet, we continue to work for stronger economic, political and social links with a wider range of African countries, and advancing economic integration in Southern Africa and across the continent.

We continue to use important international platforms like BRICS and the G20 to advance the interests of the African continent and the Global South, and have been vocal in calling for the reform of the UN Security Council and other multilateral institutions to make them more representative of the changing world order.

As a country, South Africa has been at the forefront of continental and international health initiatives.

During our chairship of the African Union in 2020, South Africa was pivotal in efforts to secure COVID vaccines and other medical supplies for the continent. As the AU COVID Champion we remain involved in driving pandemic preparedness and other initiatives to promote the African health agenda.

Guided by the fundamental principle of human rights and freedom, in December last year, South Africa instituted proceedings against the State of Israel arguing that its actions in Gaza violated the Genocide Convention.

The Presidency, together with the Department of International Relations and Cooperation, will continue to participate in the Ukraine Peace Forum, a group of countries committed to finding a solution to the conflict taking place in Ukraine. We will continue to push for the parties to this conflict to talk to each other and find a just, lasting and peaceful resolution.

Madam Speaker,
Honourable Members,

If the last five years has been a time of recovery and renewal for the country, it has been a time of rebuilding and refocusing for the Presidency.

With relatively limited resources, we have had to build capacity and act with urgency to tackle pressing issues.

We now have a much firmer institutional platform on which to build. We have learned many lessons and have developed new ways of working.

As we enter a new era of inclusive growth and job creation, we will be able to put the capabilities of the Presidency to much better effect.

We will continue to mobilise the skills, capabilities and resources that reside in the state.

As the Presidency, we will work to ensure more effective coordination and collaboration. And we will continue to draw on the knowledge and expertise of individuals across society.

We will continue to build meaningful social compacts to overcome the challenges that confront our people.

The Presidency will continue to lead the work towards a better life for all South Africans and an inclusive economy that leaves no-one behind.

I hereby commend this Budget Vote of the Presidency to the National Assembly.

I thank you.