**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **144 [NW147E]**

**144. Mr D Joseph (DA) to ask the Minister of Finance:**

Whether a feasibility study was done on zero-based budgeting; if not, why not; if so, what (a) were the findings and recommendations in this regard and (b)(i) are the terms and references and (ii) time frames for identified departments that will participate in the pilot project?

 NW147E

**REPLY**:

National Treasury is working on designing a Zero-based budgeting (ZBB) framework that will be implemented for the National Treasury and Department of Public Enterprises during the 2021/22 medium term expenditure framework. The framework will aim to reduce unnecessary government expenditure to create space for other priorities including prevention of deficits and spiraling of government debt. **The objectives will include:**

* Improving the performance of programmes/projects
* Identifying redundant programmes/projects
* Identifying bottlenecks within government’s finance supply chain
* Identifying possible duplication of activities between and within departments
* Improve and optimizing resource allocation, to prevent wasting available resources

The framework to implement the ZBB will be mainly through utilising expenditure reviews, which are used by several countries that have implemented ZBB before. **The elements of the framework will include, amongst others:**

* Identifying objectives and outcomes
* Roles and responsibilities and required skill sets
* The link between ZBB and the budget process