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I. INTRODUCTION

Opening remarks

1. Mr Speaker, thank you for inviting me to present to the fifth (5th) session of the ninth (9th) Parliament of Swaziland, the National Budget for the 2013/2014 fiscal year. Of all the three parliamentary terms that I have served, Mr Speaker, this has been the longest and toughest.

2. Government will focus the final budget of this Parliament on a 'big push' for growth and the theme of this budget is ***"jump-starting economic growth: bringing prosperity to the people"***. I believe that it is a budget to implement aggressive measures to boost the economy and create jobs. It is also a fair budget, supporting those who need it most and ensuring delivering better value for money from people's taxes.

3. Mr. Speaker, I wish to express my sincere gratitude to their Majesties for their support and advice not just for over the past year but for my entire tenure in Government. Their confidence in my managing the finance portfolio over the years and their dedication to the welfare of the nation has made me feel honoured to serve under them. I would like to thank His Majesty the King for his recent Speech from the Throne through which he provided hope and strength to the nation, and shared practical measures for social and economic development**.** This Budget will provide the resources and policies to deliver on these principles.

4. Mr. Speaker, I also want to recognise the strong support and collective responsibility of my colleagues in Cabinet under the leadership of the Prime Minister. This Cabinet has gone through one of the worst periods of economic hardship in the history of this country; but through faith and hope, we have triumphed over fear and hopelessness. This is a joint Budget and every minister has played his or her part.

5. I would be remiss, if I did not recognise the role played by men and women of the cloth. Their ardent prayers for their Majesties, for the Nation, for Government and for me have been answered. I urge them to continue praying, without ceasing. We are not out of the woods yet.

6. Mr Speaker, my introduction will not be complete if I do not acknowledge and extend my gratitude to the Parliamentary Finance Committee and Finance Portfolio

Committee. Their support, advice and critical evaluation have always made us strive to execute our portfolio responsibilities to the best of our ability. Finally, I would like to thank the officials who have worked long and hard to prepare this budget and advise me on all areas of public policy. When the pressure and stress of the fiscal crisis was difficult to bear, this team and others were always with me.

Our budget strategy

7. Mr Speaker, this Budget is an opportunity to reflect on the policies that this Government has introduced and we will give one last push to complete what we have started. We will reward those who work and invest in our people through better health services and education. Since not everyone has the means to go it alone, the Government will provide support to those who need it most.

8. **Our first target will be to create jobs.** Higher revenues will make the space for the expenditure needed to inject cash into the economy after the fiscal crisis. The focus will be on higher capital spending, boosting disposable income, improving access to markets, strengthening the financial sector, attracting investors, supporting industrial development and strengthening sector support for agriculture, mining and tourism.

9. **Our second target will be to improve the value for money of public spending,** by giving a legal framework for public finance management reforms, improving procurement, strengthening the Internal Audit Department and the Auditor General's Office, and fighting corruption.

10. **Our third target will be to strengthen social sector spending** through free primary education, hospitals, clinics, and social safety nets.

II. RECENT ECONOMIC PERFORMANCE

International developments

11. Mr Speaker, as a small open economy the fortunes of Swaziland are, to a large degree, affected by the strength of the global economy. As His Majesty so eloquently put it, we live in a 'global village'. It is no coincidence that the global economic malaise has coincided with declining levels of growth in Swaziland. The good news is that after successive slowdowns in 2011 and 2012 a global economic recovery is now

underway. The global economy is forecast to grow by 3.5% in 2013 and by 4.1% in 2014. As a result, world trade is forecast to increase by 3.8% and 5.5%.

Regional developments

12. Growth in sub-Saharan Africa slowed from 5.3% in 2011 to 4.8% in 2012, but is expected to rise to 5.8% in 2013 and remain at this level in 2014. Weaker demand for commodities, particularly oil, is expected to keep growth below its potential levels. As an importer of fuel, a decline in international oil prices is good news for Swaziland. It will keep inflation lower and improve our trade balance.

13. Mr Speaker, 2012 was a difficult year for South Africa, which is the destination for 63% of our merchandise exports. The medium term budget policy statement presented in late October revised the estimated growth rate for 2012 down to 2.5% for 2012 – a deceleration from 3.1% in 2011.[1] The slowdown is largely explained by South Africa's strong linkages with the European economy, which contracted in 2012. The labour disputes in the mining industry and the transport sector, also took their toll.

14. The outlook for South Africa is expected to improve over the medium term with growth forecasts of 3.0%, 3.8% and 4.1% forecast over the period 2013 to 2015.[2] However, these growth rates remain below the level observed prior to the financial crisis. The slow pace of their recovery presents a significant challenge for Swaziland's own economic recovery and reminds us of the need to diversify into other markets both in the region and internationally.

Domestic developments

15. Mr Speaker, our own economic growth rate remains sluggish and significantly below our potential. Many factors have contributed: slow growth abroad; fewer tourists; and reduced government spending. In addition, high inflation[3] and a freeze in public sector wages have reduced spending power, affecting the tertiary sector. At the same time, the agricultural sector was affected by a poor maize harvest after unfavourable weather conditions during the planting season.

[1] The current IMF estimate for 2012 is 2.3%
[2] The current IMF forecasts are 2.8% and 4.1% for 2013 and 2014 respectively
[3] Inflation was 4.5% in 2010, 6.1% in 2011 and 8.3% in 2012.

16. However, slow growth has concealed a number of positive developments. The manufacturing sector is expected to have grown in 2012 after contracting in 2010 and 2011. The mining sector has doubled in size. The wage freeze and the depreciation of the rand have helped make exporters more competitive. As a result, preliminary figures are suggesting a significant increase in exports.[4]

17. These positive trends are expected to continue in line with the global economic recovery. The preliminary forecast for the domestic economy reflects a positive growth rate of 0.7% in 2013. We have estimated that an intensive drive to reform the supply side of the economy and to promote a favourable business climate will see the growth rate accelerate to over 2% per annum in the medium term.

III. BUDGET PERFORMANCE

18. Mr Speaker, to stimulate higher economic growth, the Government must begin by setting a platform for macroeconomic stability. The fiscal crisis continues to weigh heavily on the economy and should remain firmly in our consciousness.

Actual outturn for 2011/12

19. Though it began in 2009/10, the fiscal crisis worsened in 2010/11 and 2011/12. The drop in SACU was not fully accommodated through spending cuts or external borrowing. While 2010/11 was cushioned by external borrowing and reserves, 2011/12 was supported mostly through spending cuts.

20. Revenues increased by around 10% in 2011/12, driven equally by higher SACU receipts and domestic revenue sources. Total revenues grew from E6.8 billion in 2010/11 to E7.4 billion in 2011/12. SACU receipts increased marginally from E2.6 billion to E2.9 billion, but remained below the levels of 2008/09 and 2009/10. Individual income taxes grew by around 8% and corporate tax grew by around 7%. Sales tax increased by 13% to E1.3 billion in 2011/12.

21. Despite the strong domestic revenue performance, it was not enough to compensate for the reduction in SACU receipts in 2010/11. Cash constraints and tighter spending controls, cut public spending by around E850 million compared to 2010/11. Despite

[4] Preliminary figures from the Swaziland Revenue Authority show a 20% nominal increase in merchandise exports in 2012 compared to 2011. This data is subject to adjustments, and a significant proportion of the increase reflects exports of sugar produced in 2011.

our efforts, commitments continued to build up and created over E700 million in new arrears, bringing the total to E1.6 billion last March.

22. Total spending was held at E9.1 billion on a commitment basis. Nearly half went towards the wage bill, and only E1 billion supported capital spending. While the adjustment was not optimal, it did work. The budget deficit fell from 10.7% of GDP in 2010/11 to just 5.4% of GDP in 2011/12.

Budget forecast for 2012/13

23. Mr Speaker, we were granted a lifeline through windfall SACU receipts in 2012/13 and have spent it wisely. The Government set aside E150 million to clear arrears that could not be financed by ministries directly. We also provided E400 million to replenish reserves, which had fallen from 4.7 months of import cover in March 2009 to just 2.1 months in March 2012.

24. These objectives have been largely achieved. We have repaid the Central Bank line of credit at a cost of over E720 million, including interest. We have cleared three quarters of arrears, leaving just E400 million to be paid in 2013/14; and reserves have increased to around 3.5 months of import cover at the end of January 2013. That is equivalent to 21% of GDP.

25. This success was driven mostly by spending the SACU windfall carefully and by maintaining the public sector wage and hiring freeze. Total revenues and grants are expected to be E4.4 billion higher in 2012/13 than in 2011/12 – an increase of nearly 60%. The E7.1 billion in SACU receipts accounted for nearly all of that increase. However, domestic taxes also grew by over 10% overall. Most of the increase came from VAT, which is forecast to bring in E1.6 billion in 2012/13, nearly 25% more than the E1.3 billion in sales tax collected in 2011/12.

26. Expenditure is forecast at E11.8 billion when arrears payments are included. While recurrent expenditure is on track, capital is forecast to under spend. Despite slow implementation, we will still be investing around E1.6 billion in 2012/13 – over E500 million more in than in 2011/12. Because most savings are from donor-financed projects, there has been no significant affect on the cash-flow. On the recurrent side, small savings are forecast from the wage bill and from goods and services. This has made space to accommodate higher interest payments. At E345 million, they are E100 million over budget.

27. After appropriating a surplus of E200 million, we expect the overall fiscal balance to be a surplus of around E100 million on a cash basis. These excesses have been used to clear outstanding arrears or augment reserves to above the 17% of GDP recommended by the IMF. As promised, it was, on aggregate, a prudent and highly credible budget.

IV. 2013/14 BUDGET ESTIMATES

28. Mr Speaker, the Country continues to ride the crest of a revenue windfall from SACU. The Common Revenue Pool is forecast to grow by 11% to over E70 billion in 2013/14 and E6.5 billion is Swaziland's share. In addition, we will receive a E650 million repayment after the Revenue Pool over-performed in 2011/12. This is a one-off payment that will not be repeated in 2014/15.

29. Mr. Speaker, this boom may not last forever. There is a fundamental concern, shared by the SACU Council of Ministers, that the current global economic uncertainty could have a negative effect on the future performance of the Common Revenue Pool. A lower outturn of the Pool would require each Member State to make payments back to SACU in future years. As a reminder: in 2010/11 we paid back around E900 million; and in 2011/12 we repaid E1.4 billion.

30. We remain cautiously optimistic, but must remember that the revenue sharing formula is under review. While the new formula will be subject to negotiations, it is vital that the country prepares itself for any negative impact that this may have on future revenues.

Revenues and Grants

31. Mr Speaker, total revenue and grants for 2013/14 are projected to be E12.8 billion, nearly 6% higher than the original Budget estimates for 2012/13.

Revenue estimates

32. Excluding grants, we are forecasting revenues to reach E12.6 billion. This is E760 million more than the forecast for 2012/13. In line with our promise to reduce dependency on SACU revenues, only E90 million of the increase will come from SACU receipts. The remaining E670 million will come from domestic revenues. Because consumption taxes have a lower impact on long-run economic growth than

taxes on labour, the additional revenue will come from VAT, fuel tax, road tolls and licences.

Grant estimates

33. Mr Speaker, I would like to extend our usual appreciation to all our donor partners for their financial and technical support over the life of this Parliament. During my time in office they have been an immeasurable help to building the Nation. Project grants will fall from E376 million in 2012/13 to E200 million in 2013/14 as some larger projects are completed.

34. The EU and the Taiwanese Government continue to offer substantial financial support through grants to the Government and its activities. The EU funding is mainly supporting sector-interventions including agriculture, water, governance, health, and education, while the Taiwanese Government is supporting infrastructure projects. The UN is providing funds for health, gender programmes, statistics and poverty reduction initiatives. PEPFAR, the Global Fund and ICAP continue to be vital partners in the fight against HIV/AIDS and TB. PEPFAR is preparing to spend an additional US$43.8 million in 2013, and we are grateful for their support. Off-budget, we are receiving considerable technical assistance from the African Development Bank, the IMF, UNDP and the Commonwealth Secretariat among others.

Recurrent expenditure

35. Mr Speaker, the higher revenues mean that Government has the fiscal space to complete a number of programmes which have been initiated in this Parliament.

36. Mr Speaker, overall recurrent expenditure will remain at around E10.3 billion. The wage bill will increase from around E4.6 billion to around E5.2 billion; spending on goods and services will increase from E1.8 billion to over E2.1 billion; interest payments will remain at around E345 million; and an transfers will fall from E3.5 billion to E2.6 billion now that we have cleared E1 billion in arrears.

37. Of all ministries and departments, the Ministry of Education will receive the largest allocation, followed by the Ministry of Health. Between them they will receive E3.4 billion as a recurrent allocation, equal to around 10% of GDP.

Capital expenditure

38. Mr Speaker, development expenditure is essential for boosting our long-term economic growth. We have largely paid for arrears accumulated in 2011/12, but a number of projects remain behind schedule. In order to catch up, we have increased the capital allocation by nearly a third, from E2.3 billion to E2.9 billion.

39. The largest projects in 2013/2014 will be Sikhuphe International Airport, the Sikhuphe-Mbadlane Road, extending to Hlane, the Sicunusa-Nhlangano road, construction of staff houses, and the Lubombo Regional Hospital. However, the Government will also continue to support projects for health, education, water and agriculture. Projects such as the feasibility studies for two major dams Mkhondvo and Nondvo and LUSIP Phase II will commence.

Elections

40. This is the last Budget of this Parliament. In the not so distant future we shall be holding our national elections, and the Government has provided around E200 million to ensure that everyone has an opportunity to choose their representatives. The Government will also be preparing designs for the construction of a new Parliament building. This will be done in house with no additional budgetary implications. We are looking for a site and will approach His Majesty for suitable land in the Lobamba area.

V. CREATING JOBS

41. Mr Speaker, this is a Budget designed to accelerate economic growth and to ensure that the benefits of growth reach as many people as possible. To do this, we must create sustainable, wage-paying jobs.[5] The private sector must be our engine. So we will set out five areas of intervention to boost the private sector.

    a. First, *we will cut taxes*, putting money back into the pockets of the consumer, rewarding those who work hard for their living and letting companies reinvest their profits.

[5] McKinsey Global Institute. 2012. *Africa at work: Job creation and inclusive growth*

b. Second, *we will improve access to markets*, domestically, regionally and internationally by investing in our transport infrastructure and promoting stronger regional integration.

c. Third, *we will take steps to foster a fair and healthy financial sector*, improving access to credit and protecting the savings of ordinary Swazis.

d. Fourth, *we will invest in industry* by creating a safe and competitive environment that can attract new investors and retain those who have already committed to work in Swaziland.

e. Fifth, *we will continue strategic programmes* to develop the agricultural sector, the mining sector and tourism so that growth will benefit the majority of *emaswati*.

Giving money back to the people

42. Mr Speaker, reducing our dependence on SACU receipts remains a fundamental challenge. Therefore, the Budget will maintain measures introduced over this Parliament to increase domestic revenue collections through VAT and to support the Swaziland Revenue Authority. In time, this will make the Budget more predictable. However, the Government also recognises that taxes can sometimes act as a drag on growth. So we will tackle this issue head on and give money back to the people who earned it.

Reviewing income tax thresholds

43. Since 2007 there has been no amendment to the tax thresholds for personal income tax. Many know it as PAYE. When combined with other factors, we believe that this is constraining demand and slowing growth. To combat this 'fiscal drag', the Ministry of Finance will review the tax thresholds to increase disposable income for all taxpayers and protect people on low salaries. By doing this we will put around E300 million back into people's pockets.

Reducing corporate tax

44. Mr Speaker, private sector companies are the future of growth in Swaziland. Already, the private sector employs nearly twice as many people as the public sector.[6] To demonstrate our commitment to competitiveness, the Government will table legislation to cut the corporate tax rate from 30% to 27.5%. The lower rate will be accompanied by amendments to corporate tax allowances to make the tax system simpler to understand and to manage.

45. Our decision to reduce the corporate tax rate by 2.5 percentage points will not reduce cash collections. This set of taxes is still expected to bring in around E55 million more than in 2012/13 with higher economic activity.

Phasing out graded tax

46. The tax system should also be fair and simple. That is why I intend to put in place measures to phase out graded tax as quickly as possible. The levy is unfair on the poor. It is unfair on the unemployed who build up arrears for every year they do not contribute. It also costs more to collect than the revenue it brings in. The Swaziland Revenue Authority has introduced a new integrated revenue management system and is rolling out a Taxpayer Identification Number that is unique for each tax payer. Once this process is complete, graded tax will be largely redundant, so the Government will phase it out.

Improving access to markets

47. Mr Speaker, Swaziland is a small open economy – the 31st most open economy in the world according to the World Economic Forum. Since 2000 we have exported more goods and services and more manufactured produce per person than any other SACU country, except Botswana which exports diamonds. To develop the economy further, we need to diversify our markets, and we need to help companies get their products to and from these markets with better transport linkages and reduced restrictions on trade. In short, we need to improve access to markets.

[6] The 2010 Labour Force Survey shows that private sector employment was around 80,000 compared to the 42,000 people employed through the public sector.

Trade blocs and preferential markets

48. Swaziland depends heavily on preferential markets for exports. These include SACU, SADC, COMESA, the United States and the European Union. Preferential markets can bring substantial benefits. It is estimated that around 15% of textiles are destined for the United States under the AGOA agreement. This duty-free access generally results in a price about 17% higher than what is available to producers without access to preferences. That is why I am pleased that the Third Country Fabric Provision was extended to 2015. Similarly, over 40% of sugar exports are sold to Europe under preferential access. There is a concern that Europe's sugar beet quotas may be abolished in 2015 and could affect these exports.

49. The Government continues to negotiate a new Economic Partnership Agreement with the European Commission to set duty-free and quota-free access to EU markets. Once finalised, this may lead to higher trade volumes for the Swaziland. Closer to home, the tariff phase down by SADC has already improved our trade with Mozambique. We also expect that the recently signed Protocol on Trade in Services will make it easier for services to operate across-borders in SADC.

Transport infrastructure

50. Mr Speaker, to give companies in Swaziland quicker and cheaper access to these markets, the Government will gear up its investment in transport infrastructure.

51. We are preparing to open Sikhuphe International Airport this year. This will open up a new trade avenue for investors. Legislation to regulate the airline industry is complete and waiting to be passed by Parliament. The project has been allocated an additional E220 million to complete essential works. SWACCA will receive an additional E57 million to prepare for the operations of the Airport. They have already engaged a number of countries to sign Bilateral Air Services Agreements and we are encouraged by the interest expressed by some airlines. Further allocations have been provided to establish police, immigration, fire and meteorological services and new controlled urban areas.

52. Mr. Speaker, air transport is not suitable for transporting bulk goods. That is why the Governments of South Africa and Swaziland have signed a Memorandum of Understanding for the *Lothair* project. Together, we will look at options to build a new railway link with Gauteng and Durban and possibly Maputo. E10 million has

been provided to prepare the preliminary designs. The project is at an early stage, but once developed, the railway will allow quicker and cheaper transport of goods made in Swaziland to these major ports.

53. Mr Speaker, our road network is already rated among the top 50 in the world by the World Economic Forum. We will not stand still. The primary focus will be connecting our ports of entry. The Budget has allocated E148 million to start construction of the Sicunusa-Nhlangano Road to connect the Sicunusa, Gege and Mahamba border stations more quickly to central Swaziland. A total of E10 million has been included for the designs to upgrade the Bulembu-Piggs' Peak road and the Kalanga-Big Bend road. A further E15 million is provided to begin upgrading the Manzini-Mbadlane road to a double carriageway.

54. However, roads are important to support domestic markets as well. So feasibility studies will be conducted to prepare to upgrade the road network in the Shiselweni Region, which remains the least developed part of the country. The Ministry of Public Works and Transport will be considering work along the MR14 that connects Siphofaneni to Nsoko; the MR 25 that connects Sithobelweni and Hlathikhulu; the MR10 that connects Hlathikhulu with Maloma; the MR12 between Sandleni and Mhlosheni; and the MR21 from Maloma to Nsalitje.

55. To ensure that the transport infrastructure will promote broad-based growth, E15 million has been allocated to the feeder roads programme, linking rural areas more quickly to urban ones. We will continue to allocate around E120 million for road maintenance so that these significant investments benefit the country in the long run.

Making border crossing more efficient

56. Mr Speaker, as a landlocked country, we currently rely on transporting our goods through either South Africa or Mozambique. Delays at the border add costs to the producer which are inevitably passed onto the consumer – making imports and exports more expensive. Last year we extended border opening hours at Ngwenya up to midnight to give companies more flexibility about when they transport their goods. The World Bank has supported a Time Release Study for the Ngwenya, Lavumisa and Lomahasha border posts to assess how the Swaziland Revenue Authority can cut the time to clear goods across the border. In tandem, the Revenue Authority will start to replace the ASYCUDA system and continue discussions with South Africa to improve direct VAT refunds.

57. This is essential for businesses to reduce their costs, but also for Government to accurately record its trade with other countries. Our trade data has a significant influence on the sharing of revenues in the SACU Common Revenue Pool. Not declaring goods at the border is illegal and directly reduces how much Swaziland receives in SACU receipts. I urge all citizens to declare all goods purchased outside the country.

Building a fair and stable financial sector

58. Mr Speaker, the global economic crisis was caused by a financial crisis. It showed the world the importance of regulation. This is a theme that has re-emerged in recent meetings with the IMF.

59. A resilient, well regulated financial system is essential for macro-economic stability;[7] and I can confirm that the financial system in Swaziland is generally sound. Overall, financial institutions complied with requirements for cash reserve management, capital adequacy and liquidity. The banking sector's overall profit increased from E273 million in September 2011 to E283 million in September 2012. In the same period, banking sector assets grew by around 5% from E11.6 billion to over E12.2 billion.

60. The industry cost-to-income ratio also improved from 65.5% to 64.8%, showing that banks are better managing their costs, deepening relationships with customers and enhancing product and pricing decisions.

Regulating non-bank financial institutions

61. While generally healthy, not all parts of our financial system are adequately regulated. In particular, there is a rapidly growing non-bank financial sector that needs greater attention.

62. There is no immediate crisis, but risks may develop in the future unless we take action. Mr Speaker, last year the Government operationalised the Financial Services Regulatory Authority. This new parastatal is preparing legislation to supervise the activities of non-bank financial institutions such as capital markets, insurance

[7] Problems in the financial sector can reduce the effectiveness of monetary policy, exacerbate economic downturns or trigger capital flight. Access to credit, especially for smaller enterprises, is a key driver of inclusive economic growth and development; and a well-developed financial system can improve the efficiency of capital allocation within the economy.

companies, pension funds and savings and credit cooperatives. The Government will follow-up its commitment with an additional E4 million in 2013/14 to allow FSRA to perform forensic audits when risks are detected that might threaten our personal savings.

63. Mr Speaker, FSRA will also investigate options to ensure that more of the 30% local asset requirement is invested in Swaziland, and not just held in cash deposits that are often invested abroad. It is estimated that these assets are worth E5 billion.

64. To complement these efforts, the Central Bank has established a Financial Stability Unit. It will provide periodic macro-prudential surveillance of the financial system on an on-going basis.

Improving access to fair credit

65. Mr Speaker, the financial sector is not just a destination for our savings, but a vehicle for lending to the private sector. The Central Bank will continue to pursue an accommodative monetary policy, with low interest rates to encourage businesses to borrow and invest.

66. There are many people who are not in regular employment and have limited access to financial services. To allow more people to save and borrow, the Government established a Microfinance Unit with support from the International Fund for Agricultural Development. This unit has supported the introduction of mobile money and will develop the micro-finance sector. It is supporting small scale honey producers and farmers. It is also improving access to market information through mobile technology. This Budget provides finance for Commercial Amadoda to get a consultant to improve its administration structure and review its strategic plan.

67. As the number of financial products diversifies, the Government must ensure that lending is fair and transparent. That is why Government is finalising a National Credit Bill to regulate the consumer credit market. This will help protect Swazis from becoming heavily indebted. It will make sure that the charges on loans are fair; and it will improve credit referencing to facilitate formal lending to individuals. I hope to present the Bill before Parliament is dissolved.

68. Mr Speaker, I would also like to take this opportunity to relay a message from the Central Bank. There are growing concerns that illegal pyramid schemes are becoming

popular, and are sadly resulting in big losses to the general public. The Central Bank will continue to provide information publicly on this topic, but I appeal to everyone to report such schemes to the Central Bank before they cause damage to their members. I also appeal to everyone to avoid schemes that look 'too good to be true'. Many Swazis have joined these schemes looking to boost their savings, but have lost them instead.

Attracting foreign direct investment and supporting industry

69. Mr Speaker, between 1985 and 1999, Swaziland recorded FDI inflows averaging US$58 million a year – three times the average inflows recorded by Lesotho. But over the last ten years, foreign investment has stagnated. As a percentage of GDP, FDI inflows to Swaziland have fallen from 5.3% during the period from 1985-1999, to 2.5% over the last ten years.

70. Mr Speaker, aggressive measures are needed to build and modernise our industrial base, and attract new foreign investors. I have already committed to lowering corporate tax and improving access to markets through better infrastructure and more efficient border control. But there is more that we can do.

Investor Road Map

71. We will begin by supporting Swaziland Investment Promotion Authority implement the Investor Roadmap with an additional E750,000. This strategy clearly outlines a comprehensive set of reforms to reduce the cost of doing business in Swaziland and making our country a more competitive destination for investors. Since its launch in April last year, we have cut the time needed to issue a work permit to four days, established an online company database and cut the time it takes to register a company from 21 days to five. Their hard work is expected to allow 500 new jobs to be created this year.

72. SIPA, in collaboration with the World Bank, will develop a programme to improve the linkages between foreign investors and local business. The programme will identify areas of opportunity and address existing capacity constraints among small- and medium-sized enterprises.

Starting Public-Private Partnerships

73. Mr Speaker, we must unlock the potential of the private sector to provide services and create more jobs. We have spoken for many years about the potential benefits of public-private partnerships. These strategic partnerships can deliver essential services whilst relieving the national budget to fund social expenditures that cannot be delivered through the private sector. I can confirm that Cabinet has approved the PPP policy and will receive assistance from the World Bank and International Finance Corporation to build our capacity to implement it.

74. As a pioneer project, we will start by engaging the Swaziland National Housing Board on a key issue; the shortage of institutional housing for nurses, teachers, police, warders, soldiers and fire officers. The Government will focus budget resources on the maintenance and rehabilitation of existing buildings at a cost of over E120 million. For new housing, the Housing Board will borrow to build priority structures and lease them back to Government. We will start small, and keep our options open. If this model is successful, the total value of the project could rise to E1.5 billion and create as many as 5,500 jobs over its duration. It will set a model for future partnerships with the private sector.

75. Similarly, the Government will dedicate available public resources to operationalising the first phase of the Lubombo Regional Referral Hospital. For the next phase, we will look for private sector partners. We will also look to join hands with investors to develop state of the art radiography facilities in Swaziland.

Cutting the cost of communication

76. Parliament can also play its part. Swaziland is rated 118 in the world for internet bandwidth, and I urge my colleagues to review and pass the new Communications Bill as soon as possible to allow competition in the telecommunications sector. Once passed, the Government has set aside E3 million to establish an independent telecommunications regulator.

77. E30 million is provided for the digital immigration from analogue to digital in time for 2015 - the global target set by the United Nations.

Regulating electricity prices

78. Like telecommunications, the cost of electricity has been highlighted as one of the main impediments to growing the private sector in Swaziland. To address this problem, the Government has established the Swaziland Energy Regulatory Authority that will ensure the market is providing electricity at a fair price. We will give them an additional E2 million in 2013/14 to support their mandate.

79. Mr Speaker, consistent with our commitment to broad-based growth, we will allocate an additional E30 million for rural electrification. Currently, only around a third of rural households are electrified. This project will extend electricity lines provide lines to rural schools, health care facilities, *tinkhundla* centres, youth care centres, and densely settled communities around the country. This project has been supported by significant contributions from the Government of Taiwan. I would like to thank them for their generous support that is making real differences to thousands of people.

Fostering a safe and stable climate for investment

80. Mr Speaker, crime is a deterrent for foreign direct investment, particularly violent crime. The Police, the Army and the Correctional Services must be recognised for their efforts to make Swaziland a safe place to live and invest. In the past five years, the Police have adopted a new approach to policing through the communities and have successfully reduced priority crimes by nearly 16%. Serious or fatal road traffic accidents have fallen by 9%. To ensure that these critical institutions are properly resourced, the Budget will provide an additional recurrent allocation of E175 million to the Ministry of Defence, the Police and the Correctional Services.

81. Investors also rely on the quality and speed of the judicial system. So I am pleased that Parliament has passed the necessary legislation to create a small claims court for disputes of less than E5,000. These will be established at the *tinkhundla* level to reduce the backlog of cases. The Ministry of Justice will be appointing the presiding officers for these courts, which will not require formal legal representation.

Strengthening infrastructure for industry

82. Mr Speaker, the industrial sector is now the mainstay of our economy. The sector has grown significantly over past decades, nearly doubling its contribution to value added

since 1980.[8] In 2010 it contributed around 33% to GDP and employs around 40,000 men and women.

83. Continued support is vital to accelerate economic growth. So we will strengthen the infrastructure needed. E100 million will be reinstated to build new factory shells, rolling out the red carpet to prospective manufacturers. A further E74 million will be provided to improve the Nhlangano Water Supply project and E75 million will be used to provide a new waste facility for Matsapha Industrial Estate.

Building a knowledge-based economy

84. Swaziland also lags behind other countries in access to the latest technologies. We want to change that, so the Budget will invest E110 million in a new Biotechnology Park and an ICT Park with assistance from Taiwan and a loan from the EXIM Bank of India. These cutting-edge facilities will represent a leap forward for our industrial sector, taking the country one step closer to being a knowledge-based economy.

Sector-specific interventions

Textiles

85. Mr Speaker, some priority sectors will receive targeted support, starting with textiles. The textile sector contributes significantly on the economy, employing around 12,000 people and producing around E809 million[9] in exports. However, the industry faces a host of challenges ranging from unfavourable exchange rates to stiff competition in the world market from major textile producers such as China and India. The uncertainty over the extension of AGOA beyond 2015 is also threatening the sustainability of the industry. A number of companies have closed or relocated over the past seven years. In order to level the playing field, Government has set aside E8 million in the 2013/2014 Budget to support the textile industry. The Ministry of Commerce, Industry and Trade will review the existing incentives offered by Government and will adopt an appropriate facility in order to have the greatest impact.

[8] Industry accounted for 43% of total value added in 2010, compared to 25% thirty years earlier, in 1980.
[9] 2011 figure.

Agriculture

86. Mr Speaker, while manufacturing is the mainstay of the economy, agriculture remains its heart. Many manufacturing firms have their base in what we grow and around 24,000 people are engaged primarily in paid agricultural work, including forestry. Many more are engaged in subsistence farming.

87. Food security remains a top priority and the Ministry will start implementing the food security and mechanisation project with an initial allocation of E100 million in 2013/14. The project is financed through a loan of around E320 million from the EXIM Bank of India. The targeted investment in farm inputs is expected to increase maize production by 40,000 metric tonnes. If successful, the country may realise a maize surplus in the near future. Extension services will support this initiative by encouraging farmers to diversify their production and adjust to the negative impacts of climate change.

88. We will continue help our farmers to supply domestic and international markets. The national marketing boards will be revitalised to play more critical roles in promoting Swazi produce. The Government will continue to subsidise dipping chemicals at an additional cost of E2 million in 2013/14. Together with the vigilant control of pests and diseases, this will enable our cattle farmers to export to the European market. To reduce theft and improve quality control, the Government will provide E940,000 in further funding for the livestock identification programme.

89. In the past three years, the Government has constructed 26 earth dams to service livestock around the country. Building on this success, an additional E10 million will be provided next year for water and irrigation development at Sigangeni, Mpuluzi, Gege, Ngcoseni and Nyamane.

90. Mr Speaker, the implementation of Komati Downstream Development Project and the Lower Usuthu Smallholder Irrigation Project will be continued in 2013/14 at a cost of E27 million and E140 million, respectively.[10] These two large scale projects have already benefitted more than 40,000 direct beneficiaries through irrigation and access to clean water.

[10] The total area to be developed for irrigation with this budget is 2,270 hectares of which 2,085 hectares are under LUSIP and 185 under KDDP.

91. Recognising the achievements being made in these projects, the Government will be funding the second phase of LUSIP. A total area of 10,000 hectares will be developed at a cost of E1.8 billion spread over 8 years. The project will benefit nearly 26,000 people from five chiefdoms: Mngometulu, Ngcamphalala, Matsenjwa, Myeni and Gasa Wa Ngwane. It will supply enough water for irrigating cane for a fourth sugar mill and create an estimated 4,000 permanent jobs.

Mining

92. Mr Speaker, the sector has doubled its contribution to GDP. All minerals performed well in 2012. Production of anthracite coal improved by 50% and iron ore by ten fold. Prospects for the medium term are also positive. Coal production will increase as more mining blocks become available. A small size gold mine is expected to be commissioned at the defunct Piggs' Peak Gold Mine. We will soon be producing higher grade iron ore when a new beneficiation plant is constructed. These improvements will increase revenues and foreign investment in the country.

Tourism

93. Mr Speaker, we live in a beautiful country that is endowed with welcoming people and many great attractions. Swaziland is also strategically located between popular sites in South Africa and Mozambique. In 2011, we had nearly one million international visitors. But I believe there is vast untapped potential to promote tourism to create more jobs. The Ministry of Tourism and Environmental Affairs will be allocated E18 million in 2013/14 to do just that. Through the Swaziland Tourism Authority, Swaziland will adopt a new marketing strategy for the country, supported by the Commonwealth Secretariat. We urge private sector stakeholders to share their visions.

VI. GETTING BETTER VALUE FOR MONEY

94. Mr Speaker, investors believe the most problematic factors for doing business in Swaziland emerge directly or indirectly from Government.[11] In a recent survey, over 20% pointed to inefficient government bureaucracy as the most serious constraint to doing business in the country. This is followed by corruption (17%), access to financing (10%) and insufficient capacity to innovate (7%).

[11] World Economic Forum. (2012). *Global Competitiveness Report 2012-2013*

95. Total expenditure by central Government is budgeted at 39% of GDP for 2013/14. In nominal terms, we will be spending more than ever before. This spending comes from taxing the private sector; so we must make sure that it is not being wasted or stolen. In short, we must demand better value for money.

96. Over the coming year, the Government will focus efforts on public finance management reforms, strengthening financial oversight and fighting corruption and money laundering.

Public finance management and procurement reforms

97. Mr Speaker, after many years of work, the Ministry of Finance will soon be tabling the Public Finance Management Bill. The PFM Bill will make Government more accountable for its expenditure, and increase the transparency of its operations. It will strengthen the existing systems while gradually introducing reforms in budget planning, execution and reporting. It is a critical piece of legislation that will set the legal framework for an ambitious reform programme supported through financial and technical assistance from the EU, African Development Bank, IMF, World Bank and UNDP.

98. The FSE and Chamber of Commerce are concerned about the management of our public enterprises. We also want to ensure these vital institutions deliver on their mandates, so I will also bring amendments to the Public Enterprise Monitoring and Control Act (1989) to align the accountability framework to the PFM Bill.

99. The Budget will provide E20 million for PFM reforms in 2013/14. Some of this allocation will go to updating the Government chart of accounts to improve fiscal reporting and facilitate the move to international accounting standards. It is also a critical step towards a new Integrated Financial Management System.

100. Modernising procurement has the potential to generate significant savings. I am happy that Cabinet has approved the new Procurement Agency and National Tender Board. Very soon, we will be launching these.

101. PFM reforms are also being extended to local governments. The Government is implementing the Swaziland Local Government Project, which is financed by a loan from the World Bank. The project will build financial management capacity in all local authorities and eight *tinkhundla* centres. Two teams of consultants are

developing capacity for administration, financial management, participatory budgeting and improved service delivery.

Strengthening financial oversight

102. The Government established the Internal Audit Department in 2009 and will set its responsibilities through the PFM Bill. It needs to be capacitated, so this year the Government will move to fill vacancies and initiate the necessary staff training at a cost of E2.5 million. In the interim, the Government will continue to outsource critical functions where necessary at a cost of E11 million.

103. The Government has also submitted amendments to Parliament to the Audit Act, to broaden the responsibilities of the Auditor General. An additional allocation of E1.5 million has been provided to enable auditors to cover the increasing number of public entities, including schools and parastatals.

Combating corruption and money laundering

104. Mr Speaker, the Government will step up its fight against corruption. The PFM Bill will set more severe punishments for financial misconduct. The Swaziland Revenue Authority has signed agreements with the new Financial Intelligence Unit, the Police and the Anti-Corruption Commission to allow these institutions to share information. The Revenue Authority is also preparing to conduct lifestyle audits to see if people have been under-declaring their income from any source.

105. Parliament has enacted the new Money Laundering and Financing of Terrorism (Prevention) Act. This Act empowers the new Financial Intelligence Unit to actively combat money laundering. It is sharing information with the Financial Intelligence Centre of South Africa and has received 31 suspicious transaction reports in 2012. To ensure the independence of this essential function, the Government will provide an additional E4 million to establish the Financial Intelligence Unit as a fully-fledged parastatal.

106. We wish to commend the work of the Anti-Corruption Commission whose efforts are beginning to bear fruit. We all pay the price of corruption and money laundering. I appeal once again for every citizen to take responsibility and report cases to the Anti-Corruption Commission or the Police. I ask everyone to cooperate with all the agencies fighting this scourge. Together, we can root it out.

VII. STRENGTHENING SOCIAL PRIORITIES

107. Mr Speaker, the Budget is not about infrastructure and systems. It is about people. To enable everyone to benefit from the growth of the country depends entirely on their human capital. The quality of human capital is directly related to the quality of health services, education, sanitation, safe water and social protection. So we must also invest in our social sectors. In total, around E4.2billion will be spent towards expenditure on these areas.

Health

108. Challenges in the health sector may arguably be the greatest of all. Swaziland has a high rate of HIV; a high incidence of TB; and a low average life expectancy as well. Poor health outcomes ruin people's lives and constrain economic growth. They must be addressed.

109. Despite the recent fiscal challenges, Government has made health a priority. Since 2007/08, the Government has more than doubled the budget allocation for the Ministry of Health. The ministry is now receiving an additional 3.2% of the total budget. Spending on drugs has nearly tripled, so that in 2012/13, 13% of total spending on goods and services by Government is going to drugs. This is up from just 4% in 2008/09. We will continue this commitment and add another E13 million for drugs in 2013/14, taking the total to over E245 million.

110. Mr Speaker, this commitment has come with great benefits, particularly in the fight against HIV/AIDS. Coverage for testing and counselling has reached nearly 80% since inception in 2003. Nearly 37,000 men have been circumcised. To help people living with HIV live a longer more fulfilling life, we provide anti-retroviral drugs to approximately 83,000 men and women. We are also protecting the next generation: Swaziland's programme for prevention of mother-to-child transmission is one of the best in the world. Nearly 90% of health facilities offer these services.

111. In addition, the Government has increased the number of facilities providing TB treatment from 17 in 2009 to 70 in 2012. The TB treatment success rate has also increased to 73%. We are gaining world-wide recognition for our efforts to eradicate Malaria. Since 2009 the number of malaria cases has fallen by 90%. More generally, the expansion of the Central Medical Stores has minimised stock-out periods for drugs helping all of us get access to the treatments that we need. And significantly,

under-five child mortality has fallen from 120 deaths per 1000 births in 2007 to just 104 deaths per 1000 births in 2011.

112. Mr Speaker, these are significant achievements and we will continue to demonstrate our commitment to this important sector. An additional E114 million will be provided for the Ministry of Health in 2013/14, increasing the total recurrent budget to over E1.2 billion.

113. The outpatient facilities of the Lubombo Regional Hospital will become operational this year at an initial cost of E28 million. We will open specialised clinics for oncology and radiology at an estimated cost of E50 million. This will reduce referrals to South Africa. We will carefully examine the challenges facing our subvented hospitals – RFM and Good Shepherd. Both have failed to remit PAYE from their employees and face considerable challenges in retaining their staff. We will hire a consultant to try to find a sustainable, lasting solution.

114. Giving birth at home is not safe for the mother and the child. With assistance from the World Bank and the European Union, the Government will revamp all maternity and neonatal units in hospitals and health centres. The programme will improve waiting huts and transport services to hospitals so that women who live far from these centres can deliver in a safe and secure environment. This represents a fantastic opportunity to reduce the unacceptable incidence of maternal deaths. The same project will also pilot cash transfers and strengthen health systems.

Education

115. Mr Speaker, after strong improvements in health care, we wish to ensure that wider access to education remains a legacy of this Parliament. That is why the Government has agreed to increase the total budget for the Ministry of Education by over E150 million to around 18% of the total budget, excluding statutory. The recurrent budget will increase to over E2.1 billion.

116. The Government will continue to roll-out state-funded primary education for Grade V and the first quarter of Grade VI in 2014 at a cost of over E100 million. Total grants to schools will increase to nearly E130 million. The EU will continue to support Government in this essential programme by funding transfers to all Grade 1 students.

117. Mr Speaker, this policy is already paying dividends. The enrolment at the primary school level increased by seven percentage points from 86% to 93% between 2009 and 2012. The number of children in primary school repeating a grade has fallen; the proportion of children who start Grade I and reach Grade 7 has risen; and the primary school completion rate is now 92% for boys and 95% for girls.

118. Primary schooling is important because it produces a healthier, more equitable society. It represents some of the best value spending in the Budget. Improving access to primary education will inevitably increase demand for secondary schooling. Currently the country has over 550 public primary schools, yet there are only around 250 secondary schools. With support from the Government of Japan and the parents, this Government has embarked on a construction project to increase physical capacity at secondary school level. Twelve new secondary schools have been completed and will be made operational over the next three fiscal years. These schools will have an initial combined capacity of 2,400 students which will increase the capacity of secondary schools physical capacity by 3% in a single year.

119. Mr Speaker, the Government cannot sustainably fund both free primary, better secondary and free tertiary education. It is also unfair to poorer households that those who were able to pay their way through primary and secondary schools receive subsidised tertiary education and later move on to better paid jobs. Therefore, the Government will continue to implement the new scholarships policy. Not all students will receive a scholarship and the grant element of each scholarship will be gradually phased out. Even so, the Budget will increase the allocation for scholarships by nearly E30 million to E311 million in 2013/14 in order to accommodate the growing number of students. Around 800 more students will benefit from a government scholarship next year than in 2009/10, an increase of around 10%.

120. In the meantime, the administration of scholarships collections is being improved. A commercial account has been opened at FNB to make it easier for everyone to repay what they owe. Records have already been updated for the period 2000 to 2010. A new IT system will be installed to improve collections from previous beneficiaries and reduce the time needed to transfer scholarships to students.

121. Mr Speaker, the variety of tertiary education institutions has also been increased. The Government in collaboration with private universities has facilitated the establishment of the Southern African Nazarene University in 2012 and approved the

establishment of the Swaziland Christian University which will be operational in 2013 at an initial cost of E3 million, to be funded from within the existing allocation for higher education.

122. Mr Speaker, so that our children have a place to expend their energy outside the classroom, the Government will budget E5 million in 2013/14 to establish recreation centres around the country. Because the national team is a source of pride, we will continue to provide E5 million for *Sihlangu*. They are ambassadors for the country, and I hope that they will put it to good use.

Water and sanitation

123. Mr Speaker, the provision of safe drinking water reduces the incidence of water borne diseases and increases productivity of the people in all ages. With support from the Government of Taiwan worth E9 million, the Government will be able to procure tools and equipment for provision of potable water supplies. With this support, we will increase access to potable water from 69% to 71% of rural residents in 2013. This is expected to benefit nearly 36,000 people. Specifically,

a. we will complete 100 micro portable water supply schemes serving an additional 3,000 people;

b. we will drill 250 boreholes that will benefit communities, schools, clinics and some *tinkhundla* centres; and

c. we will ensure that existing water infrastructure is functional.

124. Mr Speaker, if we maintain this progress, with the support of development partners, the Government will be able to meet the Millennium Development Goal 7: to halve the number of people who do not have access to potable water by 2015. By then the coverage will be 77% of the rural population of the country.

Social protection

125. Mr Speaker, it is estimated that around 63% of the population lives below the poverty line, down from around 69% in 2001.[12] Worryingly, the Central Statistics Office suggests that the poorest fifth of our society has not benefited from the

[12] Swaziland Household Income and Expenditure Survey

moderate growth of the past decade.[13] Social safety nets are vital to help these households move out of poverty and to prevent others from falling into poverty.

126. Mr Speaker, today the elderly are the bedrock of our broken homes and the glue that holds our communities together. In recognition of their contribution to society, the Government will increase the elderly grant by 10% to E2,640 per annum. This will cost an additional E13.2 million, bringing the total budget to E157 million.

127. National vocational training and rehabilitation centres provide training for between 70 and 90 disabled adults every year. These have been upgraded with a new computer laboratory to improve the relevance of training to available jobs. This laboratory will be fully networked and made operational in 2013/14 at a cost of E80,000.

128. In recognition that disasters are unplanned, we have moved the allocation for 'Disaster Management' from capital to recurrent. This way it will be easier to manage the programme. In 2012/13 this scheme has benefitted 8,670 people. This allocation of E15 million will continue to cater for storm damage and other disasters.

VIII. PUBLIC DEBT

129. Mr Speaker, maintaining low level of public debt is vital for stability and adds to our competitive advantage.[14] During the fiscal crisis we were not ready as a country to implement necessary cuts in the wage bill and other public spending. Because of this, the Government had to borrow domestically to protect priority services. We started to pay for those decisions in 2012/13, by clearing arrears and repaying the E660 million line of credit from the Central Bank. This has been helped by the high SACU receipts.

130. In 2013/14, more domestic debts will fall due. Two bonds worth E419 million will need to be repaid. We will also be servicing the loan taken from the Public Service Pension Fund to accommodate delayed employer contributions. This will cost E240 million in 2013/14.

131. The Central Bank will issue a revised auction calendar for Treasury Bills and bonds to roll over maturities in a smooth and manageable way. The Government is

[13] [Insert figures from SHIES]
[14] The World Economic Forum rate Swaziland 22 out of 144 countries for public debt.

aware that greater public demand for financing can increase the interest rate charged to private companies. To minimise this risk, we will actively seek to ensure the rate of interest paid on these securities is competitive. The average interest rate has fallen from 6.99% in April 2012 to 6.45% in February 2013. This is good for the public purse and good for business.

132. After increasing from 14.0% of GDP in 2010 to 15.9% in 2012/13, total public debt will rise again to 16.9% of GDP in 2013/14. This is below the level of 35% that I committed to stay below in the recent Mid-Year Budget Review. Debt service is also forecast to increase. Interest payments will rise from E250 million in the 2012/13 Budget to E348 million in 2013/14. Loan redemption will increase from E275 million in the current Budget to E894 million in 2013/14.[15]

133. Mr Speaker, I have already stated that around E400 million in arrears will be carried forward into 2013/14. As was made clear last year, outstanding payments are the responsibility of each ministry's controlling officer, and must be paid by each ministry from within their budget ceiling. All companies that have not been paid and hold a valid order should approach the Principal Secretary of the ministry that was supplied.

IX. APPROPRIATION

134. Mr Speaker, the budget presented today represents an expansionary budget policy needed to jump start the economy after three years of sluggish growth.

135. Total expenditure will rise to nearly E13.1 billion, of which E200 million is one-off spending for the election. The budget balance will be a deficit of 1.1% of GDP, with a primary deficit excluding interest payments of 0.1% of GDP.

136. Mr Speaker, I now present to this Honourable House, the Budget Estimates for 2013/14 as follows:

a. Revenue plus grants: E12,839 million;

b. Recurrent expenditure: E9,706 million;

c. Capital expenditure: E2,927 million;

[15] Bonds and loans are captured on a gross basis. Treasury Bills are captured on a net basis.

d. Total expenditure: E12,634 million; and

e. Deficit: E397 million.

X. CONCLUSION AND CHALLENGES FOR THE NEXT PARLIAMENT

137. Mr Speaker, this is the last budget of the Parliament. It is a bold budget that will boost growth and support the vulnerable. It focuses on industry as the driver of the economy and sets the platform for building the private sector. It generously rewards those who work and protects the elderly who have already contributed to our society. But this is just the beginning of a long road to prosperity.

138. Mr Speaker, we have run the race through turbulent times and we will be evaluated by the contribution that we are leaving behind. We may not have fully met expectations of the people but *sesikhatsi sekushiya inqabhayi kulabanye*. When the next Parliament is formed, it will find a solid foundation on which to build. They should continue to improve the standard of living for every Swazi.

139. There are no short cuts, as rightly pointed out by His Majesty in his Speech from the Throne. The next Government will need to implement the measures and strategies identified to build a more competitive economy and diversify our markets. They must continue to fight corruption and target spending where it is needed most. The PFM Bill will need to be implemented, and services decentralised where it is cost-efficient to do so. The fight against HIV must continue relentlessly, and the quality of education needs to improve to meet 21st century challenges.

140. The Government must do this in a constrained resource envelope to maintain an affordable level of debt. Public spending may need to be cut, particularly from the wage bill to free up space for more productive spending. These are substantial challenges. Challenges to be addressed together as a Nation.

141. Mr Speaker, I beg to move that this Honourable House resolves itself into a Committee of Supply, to enable it to consider the Estimates of Revenue and Expenditure to be paid into and drawn out of the Consolidated Fund during the 2013/14 fiscal year.