



**NATIONAL
TREASURY**

**ANNUAL
PERFORMANCE
PLAN
2025/26**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





**NATIONAL
TREASURY**

**ANNUAL
PERFORMANCE
PLAN**

2025/26

RP: 08/2025 | **ISBN:** 978-1-77997-433-4

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel: +27 12 315 5944 | **Fax:** +27 12 315 5126

Web: www.treasury.gov.za

CONTENTS

EXECUTIVE AUTHORITY STATEMENT	1
DEPUTY MINISTER STATEMENT	3
DEPUTY MINISTER STATEMENT	4
ACCOUNTING OFFICER STATEMENT	5
OFFICIAL SIGN-OFF	8
PART A: OUT MANDATE	9
1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES.....	11
1.1 CONSTITUTIONAL MANDATE	11
1.2 LEGISLATIVE AND POLICY MANDATE.....	11
2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES.....	11
2.1 INSTITUTIONAL POLICIES	11
3. UPDATES TO RELEVANT COURT RULINGS	12
PART B: OUR STRATEGIC FOCUS	13
4. SITUATIONAL ANALYSIS.....	15
4.1 UPDATED EXTERNAL ENVIRONMENT ANALYSIS	15
4.2 INTERNAL SITUATIONAL ANALYSIS.....	20
PART C: MEASURING OUR PERFORMANCE	31
5. PROGRAMME 1: ADMINISTRATION.....	33
5.1 SUB-PROGRAMMES	33
5.2 OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	36
5.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	37
5.4 PROGRAMME RESOURCE CONSIDERATIONS	40
6. PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH	44
6.1 SUB-PROGRAMMES	44
6.2 OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	46
6.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	48
6.4 PROGRAMME RESOURCE CONSIDERATIONS.....	51
7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT.....	54
7.1 SUB-PROGRAMMES	54
7.2 OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	55
7.3 OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	58
7.4 PROGRAMME RESOURCE CONSIDERATIONS.....	63

8.	PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT	68
8.1	SUB-PROGRAMMES:	68
8.2	OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	69
8.3	OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	70
8.4	PROGRAMME RESOURCE CONSIDERATIONS	72
9.	PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS.....	75
9.1	SUB-PROGRAMMES	75
9.2	OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	77
9.3	OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	79
9.4	PROGRAMME RESOURCE CONSIDERATIONS.....	82
10.	PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS	86
10.1	SUB-PROGRAMMES	86
10.2	OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS	88
10.3	OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS.....	89
10.4	PROGRAMME RESOURCE CONSIDERATIONS	91
11.	EXPENDITURE OVERVIEW	95
12.	NATIONAL TREASURY KEY RISKS TABLE.....	98
13.	PUBLIC ENTITIES.....	100
14.	INFRASTRUCTURE PROJECTS	104
15.	PUBLIC PRIVATE PARTNERSHIPS	104
16.	ENDNOTES	104
	PART D: TECHNICAL INDICATOR DESCRIPTIONS.....	105
	ANNEXURE A: DISTRICT DEVELOPMENT MODEL	129
	ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS.....	130

EXECUTIVE AUTHORITY STATEMENT

Consideration of the economic and fiscal outlook are the foundations of the National Treasury's work. In this regard, revenue management, international relations, debt management, financial sector policy, and public financial management policies on expenditure, procurement and accounts management are all affected by the state of the economy and the fiscal position. Since 2024 the global economic environment has become more uneven, with mixed fortunes for different countries and South Africa requiring a strong focus on growth and stable policies.

The International Monetary Fund projects that global growth will stabilise at 3.3 per cent in 2025 and 2026. In the short term, growth in the United States will benefit from robust consumption and investment, while China's expansion will be supported by fiscal measures to counter investment weakness. Growth in Sub-Saharan Africa, the Middle East and Central Asia is expected to increase in 2025 despite the drag from commodity production cuts. However, geopolitical tensions – including the threat of sharpening trade disputes – alongside slow productivity gains and trade and supply chain adjustments could limit growth across regions.

South Africa's own economic performance was weaker than expected in 2024, with a revised outcome of 0.6 per cent in real growth. Nevertheless, GDP growth is expected to average 1.8 per cent from 2025 to 2027. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

During this term of government, the National Treasury will focus on four priorities for achieving sustainable and inclusive growth:

- Maintaining macroeconomic stability
- Implementing structural reforms
- Building state capability
- Supporting growth-enhancing public infrastructure investment.

A sound macroeconomic framework promotes stable prices and low interest rates, enhancing the economy's resilience to external shocks that tend to disproportionately affect poor households. For this reason, government continues to support effective inflation targeting. Meanwhile, the fiscal strategy remains on track. Prudent and sustainable fiscal policy is laying the foundation for faster economic growth and job creation. Servicing the country's large public debt now consumes 22 cents of every rand of main budget revenue. Reducing these costs is critical for national development.

Our economic reform programme is driven mainly through Operation Vulindlela. Significant progress had been made in this regard. Alongside notable improvements in the electricity and transport sectors, recent reforms have focused on improving and stabilising water supply. The newly created National Water Resources Infrastructure Agency will consolidate non-municipal water infrastructure assets, such as dams and land, to improve planning and financing of water

projects. A new phase of this reform programme will focus on the local government, especially achieving improvements in financial performance and institutional stability.

South Africa also needs higher capital investment to accelerate economic growth and create jobs. This is a central priority for government over the period ahead. Together with substantial additional resources, the infrastructure delivery mechanism is being reformed to better support private sector participation, and improve efficiency and coordination in the development of critical infrastructure.

Over the next three years, employment growth is expected to increase gradually, in line with GDP. Nevertheless, South Africa's employment rate – the percentage of the working-age population that is employed – is about 40 per cent, far below the global average of 55–65 per cent. Compared with similar economies, South Africa has low levels of agricultural employment, self-employment and informal economic activity. Addressing this challenge requires stronger economic growth, and labour demand and absorption. Several regulatory obstacles hinder South Africa's ability to create jobs. Amendments to labour market regulations to boost employment have been considered by the National Economic Development and Labour Council. The reform process has centred on simplifying labour regulations – including hiring and dismissal, enhanced protections for vulnerable workers and greater flexibility – with a particular focus on small businesses. Updates will be provided as the process unfolds.

Public financial management is at the core of ensuring the stability of public finances and sustainable service delivery. In this regard, through the Office of the Accountant-General (OAG), the National Treasury will promote transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the public sector. The OAG will drive financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provide implementation support in the three spheres of government. Moreover, it will provide support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements and will drive the development and implementation of an integrated financial management system (IFMS) in government.

Procurement rules and regulations will receive specific focus. The Office of the Chief Procurement Officer The office will aim to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery; that supports and enforces transparent and effective management of state procurement and sound stewardship of government assets and resources.



ENOCH GODONGWANA, MP

MINISTER OF FINANCE

DEPUTY MINISTER STATEMENT

In 2024, the economy grew by only 0.6 per cent. Over the medium term, GDP growth is projected to average 1.8 per cent. To meet our goals of redistribution, redress and structural transformation, the economy needs to grow much faster and in an inclusive manner. This is the central objective of the current administration.

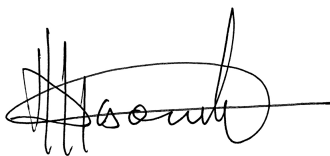
South Africa needs higher capital investment to accelerate economic growth and create jobs. This is a central priority for government over the period ahead. Together with substantial additional resources, the infrastructure delivery mechanism is being reformed to better support private-sector participation, and improve efficiency and coordination in the development of critical infrastructure. As a result, over the next three years, an estimated R1.03 trillion will be spent on public infrastructure projects by state-owned companies, other public entities, and national, provincial and local government. This includes R402 billion for road infrastructure, with R100 billions of investments by the South African National Roads Agency Limited. An amount of R219.2 billion will be spent on energy infrastructure, and R156.3 billion will flow to water and sanitation infrastructure.

In addition to this direct push for growth-enhancing investments, the National Treasury will drive and support a series of reforms and reviews during the current term of government.

A performance-based conditional grant for certain trading service entities that provide basic services, such as municipal water, is being introduced. This will incentivise financial and operational reforms to improve their functioning and sustainability.

New regulations for public-private partnerships (PPPs) have been finalised and will take effect on 1 June 2025. The regulations reduce the procedural complexity of undertaking PPPs, create capacity to support and manage PPPs, create clear rules for managing unsolicited bids, and strengthen fiscal risk governance. The regulations also make provision for national departments to establish sector-specific PPP units. These units will drive private sector participation (PSP), creating opportunities to optimise the balance sheets of financially distressed state-owned companies.

Finally, in view of recent developments, National Treasury will reflect on improvements and reforms that can strengthen the national budget process. This review will include options for enhancing political and technical engagements on the budget, clarifying the role of certain structures that provide inputs to the budget, enhancing public consultation and improving the information technology used to develop the budget presentation.



DR. DAVID MASONDO, MP

DEPUTY MINISTER OF FINANCE

DEPUTY MINISTER STATEMENT

The formation of the Government of National Unit (GNU) in 2024 provided South Africa with a renewed sense of optimism and hope. Now, our economy faces a defining moment as the GNU has adopted inclusive growth and job creation as its apex priority.

Our country now wants our government to drive reform that overcomes years of stagnant growth and fiscal pressures, so that we can deliver opportunity to every person who needs a hand up in life. The full potential of South Africa now requires us to overcome our formidable and interlocking challenges and drive meaningful change. Our focus must be to use the policy levers at our disposal to drive the reforms necessary to place the economy on a path of sustained inclusive growth.

South Africans are rightly proud of the National Treasury, which has played a vital role in building a stable macroeconomic framework that supports long-term growth and sustainability in our democracy. However, sound and prudent fiscal policy need to be accompanied by a strong reform agenda in multiple parts of government to achieve our much-needed growth targets.

Local government is a critical enabler of growth. However, poor financial management, overspending, and weak revenue collection has left many municipalities unable to pay their creditors, pushing them into financial collapse and service delivery failures. The critical work being done on metro trading service reforms, for example, will ensure that essential services are delivered and sustainably invested in. The Eskom Municipal Debt Relief programme, similarly, creates the right behavioural incentives for municipalities to reform and service their accounts – improving their viability and, eventually, their service delivery track record. The financial recovery plans that treasury devises provide a pathway to recovery for many municipalities, and strengthening their implementation at a local level will be critical to resoring growth in many parts of the country.

At a national level, the GNU promises to accelerate the work of structural reforms to ease the binding constraints on the economy, and this work is becoming increasingly critical in a global political environment characterised by new risks to trade, and an era of political populism. The work of the National Treasury, in this context, is critical to ensuring that the promise the GNU holds, translates into real economic gains for all South Africans.

As we navigate this critical period in local and global history, the choices we make today will determine our economic trajectory for years to come. I am confident that the National Treasury has the right skills, ideas and talent to create a more dynamic, competitive, and inclusive economy that delivers on the promise of our constitutional order.



ASHOR SARUPEN, MP

DEPUTY MINISTER OF FINANCE

ACCOUNTING OFFICER STATEMENT

The National Treasury Annual Performance Plan 2025/26 will guide the department's activities in realising the commitments made in the department's Strategic Plan 2025-2030. In presenting this plan as the first under the 7th administration, it is evident that this year will raise unique challenges. It will also present new opportunities to show great innovation and resilience as we chart this new national political landscape and navigate intensifying global ambiguity and contestation.

The urgency to address pervasive poverty, unemployment and increasing inequality has added impetus to the work that National Treasury must do to support accelerating economic growth. This will require that our collective efforts are harnessed towards unlocking the productive capacity of the economy, address structural constraints, ensuring macroeconomic stability supported by sound fiscal policy and implemented by a capable state.

This is made harder by domestic growth continuing to remain subdued with ongoing intermittent energy disruptions, inefficiencies in network and logistics industries and structural barriers that hamper economic activity and erode confidence. This is exacerbated by challenges that continue to persist internationally with increased geopolitical tensions.

Over the medium-term, economic prospects are cautiously optimistic given the types of interventions and support detailed in the departmental Strategic Plan 2025-2030. The work that the National Treasury has committed to undertake is in support of the government's strategy for economic growth. There are four pillars to the government's growth strategy: (i) A stable macroeconomic framework to support growth; (ii) Implementing reforms to enhance economic competitiveness; (iii) Strengthening the state's capability to deliver essential services; and (iv) Delivering quality infrastructure to support economic growth.

The Annual Performance Plan 2025/26 sets out a clear and ambitious programme. Importantly, structural reforms will continue to be advanced with the next phase of Operation Vulindlela ("OV 2.0") prioritising ongoing reforms while addressing new areas such as local government reform, improving service delivery, tackling spatial inequality, and leveraging digital infrastructure.

South Africa aims to capitalise on its G20 Presidency in 2025 to champion an Africa-focused global agenda, emphasising the continent's priorities in global discussions and ensuring that African perspectives are represented in shaping international policies. The theme for South Africa's G20 Presidency is Solidarity, Equality and Sustainability.

As part of our efforts to boost economic growth, the department will focus on initiatives that promote financial stability and enhance access to the financial sector for all South Africans and businesses operating in the country. A key aspect of this is the regulation of the financial sector to ensure safety and improve customer service. National Treasury will continue its endeavours to remove South Africa from the Financial Action Task Force grey list.

The National Treasury will ensure that a growing primary budget surplus is maintained to restore fiscal sustainability and lower interest rates. A growing primary surplus will stabilise the public debt-to-GDP ratio over time and ensure that the government does not rely on additional borrowing to cover its non-interest expenses.

During the 2025/26 financial year, the National Treasury will ensure that the Intergovernmental Fiscal Framework is reviewed and that the poverty and education components of the provincial equitable share formula are updated. Additionally, Phase 1 of the local government framework review will be completed. In respect of social security reform, National Treasury plans to conduct research on financial affordability of the social security system including active labour market instruments, social insurance and social support.

The National Treasury is drafting amendments to the Public Finance Management Act, the Treasury Regulations, and the Municipal Finance Management Act. These legislative and regulatory reforms are aimed at streamlining financial legislation to improve transparency, efficiency, and accountability in public sector financial management.

Modernisation and automation of systems is a central focus for the department. Work will be done on the development of an automated system that will enable the government to track payment of invoices within 30 days in support of the sustainability of the small businesses. During the 2025/26 financial year, automating the process for handling requests for quotations will commence. Digitisation of procurement processes will enhance efficiency, transparency, compliance and accountability. This is in line with the endeavour to ensure that the public procurement system is strengthened as envisaged in the Medium-Term Development Plan.

Following the enactment of the Public Procurement Act 2024, it is planned to promulgate the Public Procurement Act Regulations to amplify all the provisions of the amended procurement legislation in this year.

Additionally, National Treasury will continue to discharge the departmental mandate by:

- Coordinating the national budget.
- Monitoring and analysing public expenditure as well as managing future spending growth and fiscal risk.
- Coordinating fiscal relations between the three spheres of government with emphasis on ensuring sound budgetary planning at provincial and local levels of government.
- Providing advice and input into tax policy, frameworks and legislation and strengthening financial sector regulation.
- Conducting of research into strategic areas of the economy to better inform the implementation of economic policy.
- Managing government's annual funding programme by way of optimally managing public debt; ensuring that government's liquidity requirements are met through effective cash management; and overseeing state owned companies to enable their achievement of government's policy objectives.
- Strengthening public sector financial management, managing government's financial systems as well as improving financial management governance and compliance across all spheres of government and in government entities.
- Overseeing government's supply chain management systems and making government procurement more transparent, efficient, effective and economical.

- Advancing South Africa’s national economic interests, within the context of reputable international institutions dealing with economic development and facilitating regional and international cooperation.
- Supporting infrastructure development and economically integrated cities and communities.

Such a bold plan could only be contemplated by having a dedicated, diligent and resilient team. It is the collective endeavours of the National Treasury team that ensures our continued service delivery excellence, forging consensus and building compacts across government, our social partners and society at large. As part of our broader institution-building efforts, we will continue to implement initiatives to enhance the work environment, build organisational resilience and offer enhanced development opportunities.



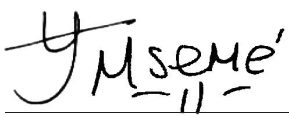
DR DUNCAN PIETERSE

DIRECTOR-GENERAL: NATIONAL TREASURY

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

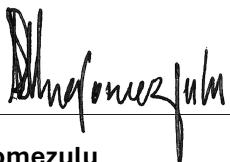
- Was developed by the management of the National Treasury under the guidance of the Honorable Minister of Finance, Mr E Godongwana;
- Takes into account all the relevant policies, legislation and other mandates for which the National Treasury is responsible;
- Accurately reflects the outcomes and outputs which the National Treasury will endeavor to achieve over the 2025/26 period.

Signature:  _____


Laura Mseme
Chief Director: Strategic Planning, Monitoring and Evaluation

Signature:  _____

Unathi Ngwenya
Chief Financial Officer

Signature:  _____

Stadi Mngomezulu
Deputy Director-General: Corporate Services

Signature:  _____

Dr Duncan Pieterse
Accounting Officer: National Treasury

Approved by:

Signature:  _____

Enoch Godongwana
Minister of Finance, MP

NATIONAL
TREASURY

**ANNUAL
PERFORMANCE
PLAN**
2025/26



PART A:
OUR MANDATE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1 Constitutional mandate

The National Treasury's legislative mandate arises from Chapter 13, Section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

1.2 Legislative and policy mandate

This role is further elaborated in the Public Finance Management Act (PFMA) (1999). The department is mandated to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions. Accordingly, for the period under review the National Treasury's legislative and other mandates remain applicable.

The National Treasury mandate is further elaborated in the Municipal Financial Management Act Section 5(2), monitoring of municipal budgets, promote good budgets and fiscal management by municipalities, accounting and reporting, monitor, support and assess compliance and investigate any system of financial management and internal control in municipalities and municipal entities. The mandate extends to issuance of regulations on all aspects of the Municipal Financial Management Act, which includes investments, borrowing, budgeting, accounting, assets, reporting, competencies, expenditure and cost containment, supply chain, public private partnerships, financial misconduct and criminal procedures, amongst others.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1 Institutional policies

Tax Administration Laws Amendment Act 2012 (Act 21 of 2012)

Taxation Laws Amendment Act 2012 (Act 22 of 2012)

The Adjustments Appropriation Act 2012 (Act 17 of 2012)

The Appropriation Act 2012 (Act 7 of 2012)

The Credit Rating Services Act 2012 (Act 24 of 2012)

The Development Bank of Southern Africa Act 1997 (Act 13 of 1997)
The Division of Revenue Act
The Division of Revenue Amendment Act
The Intergovernmental Fiscal Relations Act, 1997 (No. 97 of 1997)
The Provincial Tax Regulation Process Act, 2001 (No. 53 of 2001)
The Borrowing Powers of Provincial Governments Act, 1996 (No. 48 of 1996)
The Municipal Fiscal Powers and Functions Act, 2007 (No. 12 of 2007)
The Municipal Fiscal Powers and Functions Amendment Act, 2024 (No 4. of 2024)
The Financial Intelligent Centre Act 2001 (Act 38 of 2001)
The Financial Advisory and Intermediaries (FAIS) Act 2002 (Act 37 of 2002)
The Financial Markets Act 2012 (Act 19 of 2012)
The Financial Sector Regulation Act 2017 (Act 9 of 2017)
The Land and Agricultural Development Bank Act 2002 (Act 15 of 2002)
The Lotteries Act 1997 (Act 57 of 1997)
The Lotteries Amendment Act 2013 (Act 32 of 2013)
The Municipal Finance Management Act 2003 (Act 56 of 2003)
The National Credit Act (NCA) 2005 (Act 34 of 2005)
The National Gambling Act 2004 (Act 7 of 2004)
The Public Investment Corporation Act 2004 (Act 23 of 2004)
The Public Finance Management Act 1999 (Act 1 of 1999)
The Rates and Monetary Amounts and Amendment of Revenue Laws Act 2012 (Act 13 of 2012)
The South African Revenue Service Act 1997 (Act 34 of 1997)
The South African Reserve Bank (SARB) Act 1989 (Act 90 of 1989)
The Tax Administration Act 2011 (Act 28 of 2011)

3. UPDATES TO RELEVANT COURT RULINGS

The department has no specific court rulings that have a significant, ongoing impact on its operations or service delivery obligations.

NATIONAL
TREASURY

**ANNUAL
PERFORMANCE
PLAN**
2025/26



PART B:
OUR STRATEGIC FOCUS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

4. SITUATIONAL ANALYSIS

4.1 Updated External Environment Analysis

Growth has remained subdued following the initial recovery from the global Covid-19 pandemic but shows potential signs of recovery. The 2024 Medium Term Budget Policy Statement (MTBPS) projected South Africa's GDP growth at 1.1% in 2024, recovering marginally from 0.7% in 2023. However, the subsequent release of GDP data showing a contraction in the third quarter of 2024, places National Treasury's growth forecast at risk of a downward revision.

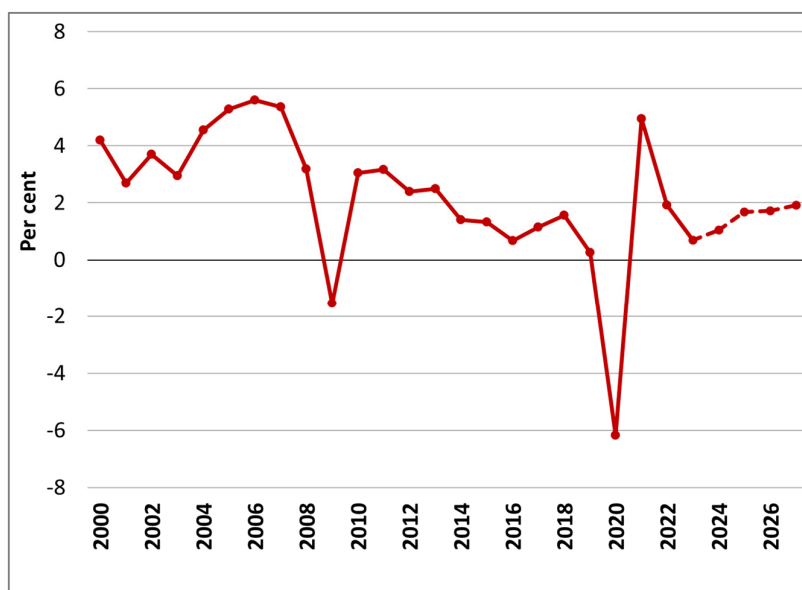
Over the medium term, the MTBPS forecasts GDP to grow by an average of 1.8%, driven by improvements in energy supply, structural reforms, and investment in infrastructure. However, this is well below the growth rates needed to significantly reduce unemployment or address pervasive poverty and inequality.

The global environment remains mixed. While inflation continues to moderate across most jurisdictions and monetary policies ease, challenges persist. These include geopolitical tensions (including ongoing conflicts in Ukraine and the Middle East), a slow recovery in China's property market, and constrained global trade. In addition, possible policy shifts (particularly around tariffs and trade) following a change of administration in the USA have caused heightened uncertainty.

Domestically, the (ongoing although easing) energy crisis, inefficiencies in network industries and logistics, and structural barriers continue to hamper economic activity and investor confidence. After having grown by 3.9 per cent in 2023, gross fixed-capital formation is forecast to contract by 2.5 per cent in 2024. Private-sector investment, which accounts for more than 70 per cent of the total, has been affected by elevated operating costs, particularly in logistics and energy. Public-sector investment has also declined amid underspending relative to capital expenditure budgets, with administrative and construction delays also leading to reductions and deferrals in infrastructure spending in the first half of the year. Domestic inflation has declined, but upside risks such as administered prices remain.

In addition, a new political dispensation has commenced domestically. Following the 7th Democratic elections in our nation's history, no single party emerged with a clear majority, and therefore the sole mandate to govern. As a result, parties from across the political spectrum have been called upon to "put aside animosity and dissent, to abandon narrow interests, and to pursue together only that which benefits the nation"¹, in the formation of a Government of National Unity (GNU). The GNU is intended to provide the necessary stability and political certainty to allow the government to tackle the economic and social challenges that South Africa faces.

¹ President Cyril Ramaphosa, Presidential Inauguration address, 19 June 2024

Figure 1: Real GDP growth and projections²

Economic Outlook

Medium-term economic prospects are cautiously optimistic, underpinned by ongoing reforms in logistics, energy, and infrastructure. These efforts are expected to bolster growth and investment, supported by structural improvements in energy supply—such as the operationalisation of the National Transmission Company and improved power station performance, which has led to more stable electricity availability since March 2024 (despite some local interruptions, mainly due to maintenance issues). Reforms in freight logistics, including the Economic Regulation of Transport Act and private-sector participation in rail, aim to address inefficiencies and reduce costs. Infrastructure investment, projected to grow by 4.2% over the medium term, is set to drive economic activity further.

However, risks remain. Volatile global commodity prices, exacerbated by geopolitical tensions, pose challenges for export-dependent sectors. Weather-related disruptions, such as the impact of El Niño on agriculture, threaten food production and inflation stability. Additionally, delays in implementing critical reforms could undermine progress, highlighting the need for sustained focus on policy execution and resilience-building measures.

² Statistics South Africa, and National Treasury MTBPS 2024

Table 1: Macroeconomic projections (2024 Medium Term Budget Policy Statement)

Calendar year	2023	2024	2025	2026	2027
	Actual	Estimate	Forecast		
<i>Percentage change unless otherwise indicated</i>					
Household consumption	0,7	1,2	1,8	1,7	1,9
Gross fixed-capital formation	3,9	-2,5	4,7	4,2	3,8
Real GDP growth	0,7	1,1	1,7	1,7	1,9
GDP at current prices (R billion)	7 024,0	7 396,7	7 897,6	8 404,1	8 953,6
CPI inflation	5,9	4,6	4,4	4,5	4,5
Current account balance (% of GDP)	-1,6	-1,8	-2,1	-2,2	-2,5

Across all tables in the Medium Term Budget Policy Statement, the use of "0" refers to a value of small magnitude that is rounded up or down to zero. If a value is exactly zero, it will be denoted by "-". If data is not available, it is denoted by "N/A"

Source: Reserve Bank and National Treasury

Labour Market Dynamics

The labour market continues to exhibit severe structural challenges. The unemployment rate worsened to 33.5 per cent during Q2 2024, before marginally improving to 32.1 per cent in Q3. This persistently high rate of unemployment reflects the persistence of low employment intensity of growth. Nonetheless, public employment programmes such as the Expanded Public Works Programme (EPWP) and the Presidential Youth Employment Initiative (PYEI) have contributed to marginal improvements. Over the medium term, addressing systemic barriers, poor educational outcomes, spatial legacies, and limited industrial dynamism, will be crucial for sustainable job creation.

Fiscal Policy Landscape

The COVID-19 pandemic significantly strained public resources, leading to an unprecedented expansion of the budget deficit and a sharp increase in the level of debt. Moreover, the combination of escalating global monetary policy rates and inflationary pressures has resulted in a rise in average weighted funding costs. Government debt as a percentage of GDP is forecast to peak at 75.5 per cent in 2025/26, before slowly declining, while debt service costs will rise to 21.7 per cent of revenue in the same year and remain near that level over the forecast horizon.

The 2024 Medium-Term Budget Policy Statement (MTBPS) reaffirmed the government's unwavering commitment to fiscal sustainability and economic resilience. A notable milestone was the achievement of a primary budget surplus in the 2023/24 fiscal year - the first in 15 years, highlighting the success of ongoing fiscal consolidation efforts.

Social protection remains a cornerstone of government spending, with nearly 60 per cent of consolidated non-interest expenditure over the medium term allocated to the social wage. This reflects the administration's commitment to reducing inequality, supporting vulnerable populations, and fostering social stability.

Infrastructure investment is another key focus, with payments for capital assets projected to grow by an average of 10.6% annually over the next three years. This increase underscores the government’s determination to drive economic growth, create jobs, and modernise public infrastructure, positioning the country for sustained long-term development.

Figure 2: Main budget primary balance³

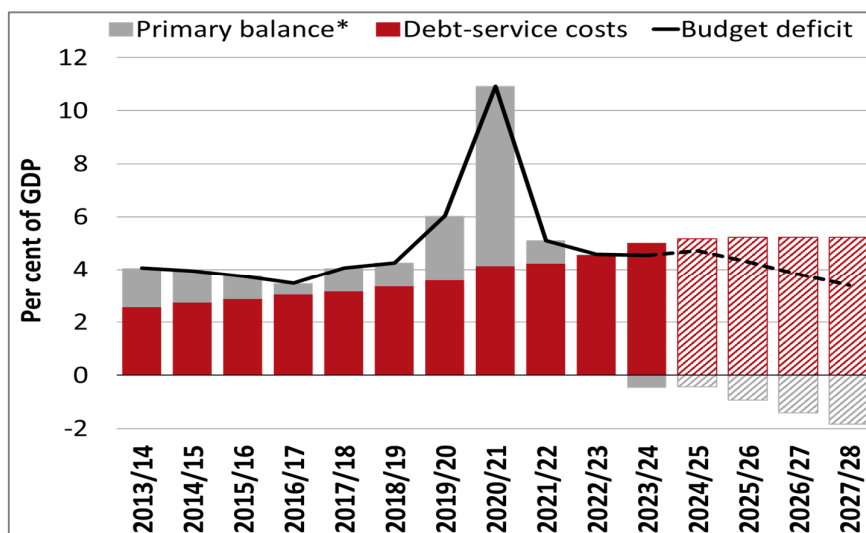
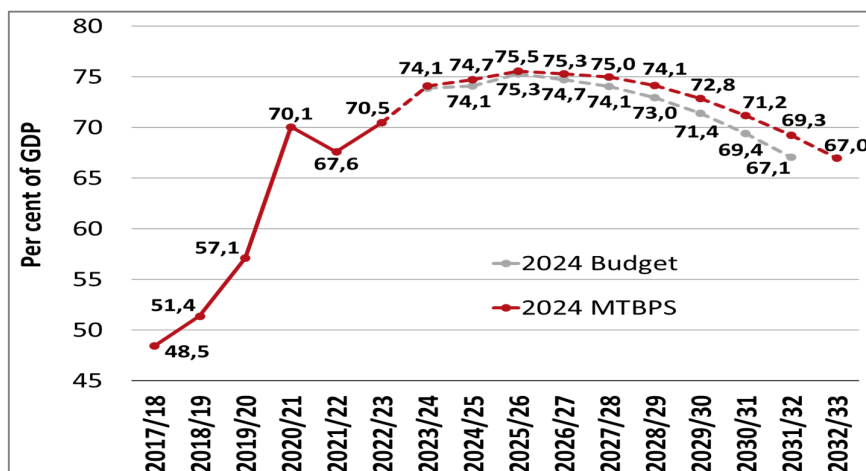


Figure 3: Gross debt-to-GDP outlook⁴



³ National Treasury MTBPS 2024

⁴ National Treasury MTBPS 2024

Looking forward, the 2024 MTBPS presented a strategy to support the economy, stabilise the public finances and protect the social wage. The government's strategy for economic growth and development is built on four key pillars:

1. Providing a Stable Macroeconomic Framework to Support Growth

A sound macroeconomic framework promotes stable prices and lower interest rates and manages macroeconomic imbalances, enhancing the economy's resilience to external shocks which tend to disproportionately affect the poor and vulnerable. This pillar focuses on stabilising debt and debt-service costs, anchored by a debt-stabilising primary budget surplus over the medium term. Capital investment is prioritised to grow faster than consumption expenditure, driving infrastructure development, stimulating economic activity, and supporting long-term growth.

2. Implementing Reforms to Enhance Economic Competitiveness

Key reforms are being implemented, particularly in network industries like energy and logistics, through Operation Vulindlela. The next phase of reforms will include local government, infrastructure, and social services to unlock employment opportunities and drive investment. The government is also prioritising green economy initiatives, with a focus on renewable energy projects such as wind, solar, and battery storage to promote both growth and job creation.

3. Strengthening the State's Capability to Deliver Essential Services

This pillar emphasises improving public sector service delivery in critical areas such as electricity and crime prevention. The digital transformation of government services is underway to enhance efficiency and scale service delivery. Initiatives include addressing excessive wage bill pressures through early retirement proposals, reforming disaster financing to streamline relief grants, and restructuring the fragmented public employment and active labour market support ecosystem to improve coordination and impact.

4. Delivering Quality Infrastructure to Support Economic Growth

Private sector involvement in infrastructure development is being scaled up to drive growth. Initiatives like the Budget Facility for Infrastructure (BFI), which has allocated R37.6 billion, and the Infrastructure Fund, supporting projects worth R57.8 billion, are mobilising private resources. Infrastructure budgets for energy, transport, and water projects are projected to grow by 4.9% over the medium term, with National Treasury leading efforts to enhance spending efficiency and governance.

Structural Reform Initiatives

Operation Vulindlela continues to advance structural reforms, achieving significant progress across key sectors. In the energy sector, improved power station performance has eliminated large-scale load-shedding since March 2024. The passage of the Electricity Regulation Amendment Bill and the operationalisation of the National Transmission Company of South Africa are pivotal steps toward a competitive energy market. In freight logistics, the implementation of the Economic Regulation of Transport Act and the integration of private-sector participation in rail operations are set to enhance efficiency and reduce costs. Meanwhile, in

digital infrastructure, the accelerated rollout of 5G networks and reforms in spectrum allocation are driving down data costs and improving connectivity.

The next phase of Operation Vulindlela (“OV 2.0”) and will prioritise ongoing reforms while addressing new areas such as local government reform, improving service delivery, tackling spatial inequality, and leveraging digital infrastructure. In the energy sector, efforts will focus on expanding the transmission network and ensuring energy security through the National Energy Crisis Committee (NECOM). For logistics, the National Logistics Crisis Committee (NLCC) will continue implementing the Freight Logistics Roadmap, with Transnet’s restructuring facilitating open access to rail infrastructure. In the water sector, institutional reforms will aim to boost investment in water infrastructure, complemented by the establishment of a new agency to manage national water resources.

International Engagement

South Africa aims to capitalise on its G20 Presidency in 2025 to champion an Africa-focused global agenda, emphasising the continent's priorities in global discussions and ensuring that African perspectives are represented in shaping international policies. The theme for South Africa’s G20 Presidency is Solidarity, Equality, Sustainability. The theme guides the priorities of the Working Groups in both the Sherpa and Finance Tracks and also informs the High-Level Deliverables of South Africa’s G20 Presidency. Examples of key topics already selected include accelerating human capital development in the context of artificial intelligence, migration, technology, education and skills gaps; strengthening multilateral development banks to support the development of poorer countries; and financing climate-resilient infrastructure. South Africa will push for the reform of multilateral institutions, seeking to make global governance systems more inclusive and reflective of the needs of developing countries.

Another priority will be attracting foreign investment into South Africa and the broader region by showcasing the continent's vast economic potential and positioning it as a critical player in the global economy. This effort will involve highlighting investment opportunities in infrastructure, energy, digital technology, and manufacturing, all aimed at fostering sustainable growth.

4.2 Internal Situational Analysis

Following the national elections held on 19 May 2024, the transition from the 6th government administration to the 7th administration was marked by the continued maturing of South Africa’s democracy with a peaceful transition to a multi-party coalition with the establishment of a Government of National Unity (GNU). The GNU adopted a Statement of Intent confirming its commitment to address pressing national challenges through a collaborative approach emphasising an undertaking to achieve a minimum programme of priorities, with three priorities identified for government through the Medium-Term Development Priorities. These priorities are intended to accelerate the national development trajectory by driving inclusive economic growth, reducing poverty and tackling the high cost of living and building a capable, ethical and developmental state.

The National Treasury’s 2025-2030 Strategic Plan is anchored by the departmental Theory of Change which was informed by the national priorities and undergirded by the department’s

constitutional mandate, together which determined the programmes and activities of the department that will lead to the desired impact. The Impact Statement for the 2025-2030 Strategic Plan is that the department is aspiring to achieve “sustainable public finances that contribute to inclusive economic growth.”

Four institutional outcomes have been identified:

- Sustainable public finances
- Coherent economic policy advocated
- Sound financial controls and management of public finances; and
- Increased public infrastructure investment

Strategic planning methodology

An iterative, inclusive and interactive planning methodology was adopted with various instruments applied tailored to the audience and appropriate to the process. These ranged from internal and external stakeholder surveys, in-depth interviews, consultations with all employees, desk-top document analysis and registry of undertakings made. The process incorporated, a comprehensive review of past performance, assessment of the organisation’s capabilities and capacity, analysis of the obligations and resolutions binding the department, risk setting and forward planning with environmental scanning to set the strategic goals, outcomes, annual deliverables, that will ensure the National Treasury fulfils its constitutional mandate over the next five-year planning period.

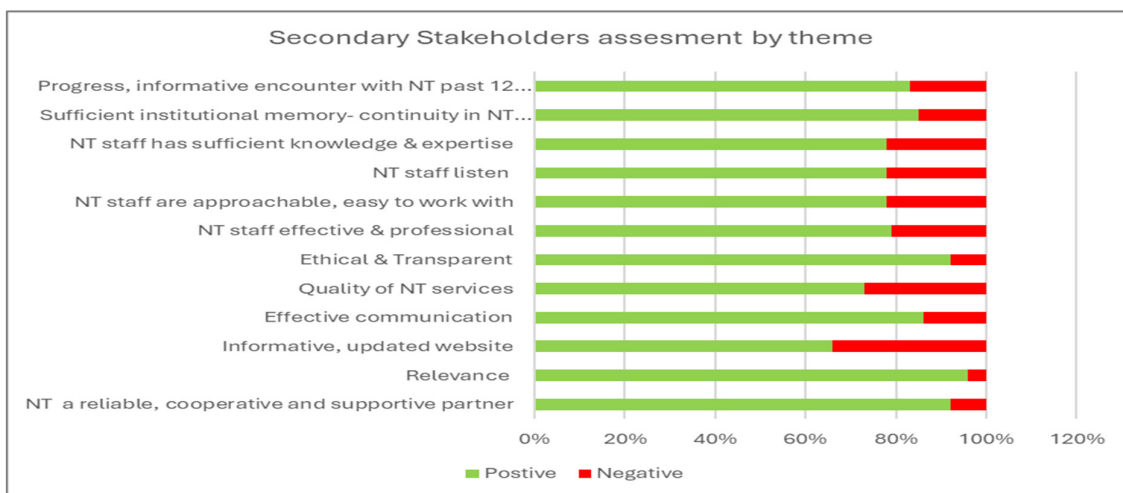
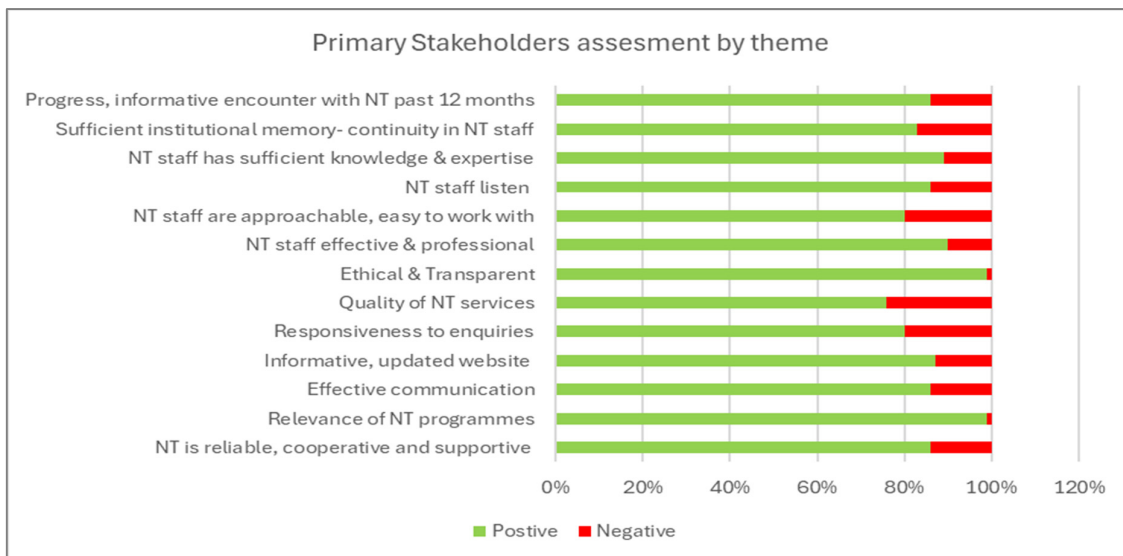
Analysis of the outcomes of the engagement process

To further augment insights informing the medium terms strategic approach adopted by the department, an external stakeholder survey was conducted guided by a SWOT analysis methodology. Stakeholders’ voices are an important tool in measuring performance, assessing impact and identifying opportunities for improvement contributing to the usefulness and relevance of the institutional situational analysis.

The primary external stakeholders’ overall perceptions on the performance of National Treasury provided a high approval rating with 76 per cent rating at “good” and 14 per cent at “very good”. The quality of services provided by the department was rated at 76 per cent.

Areas identified for improvement include:

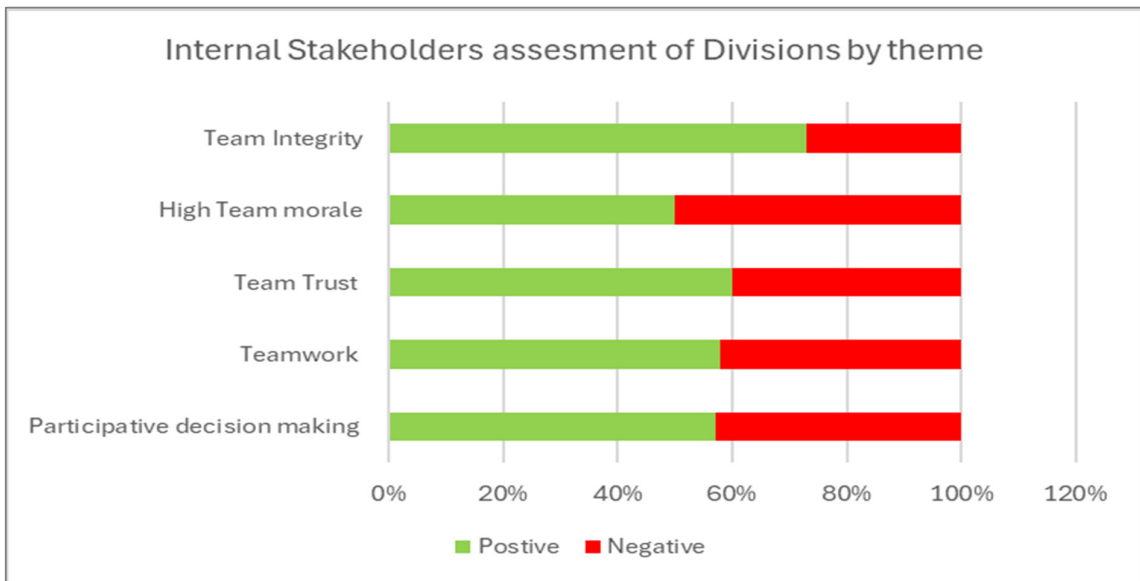
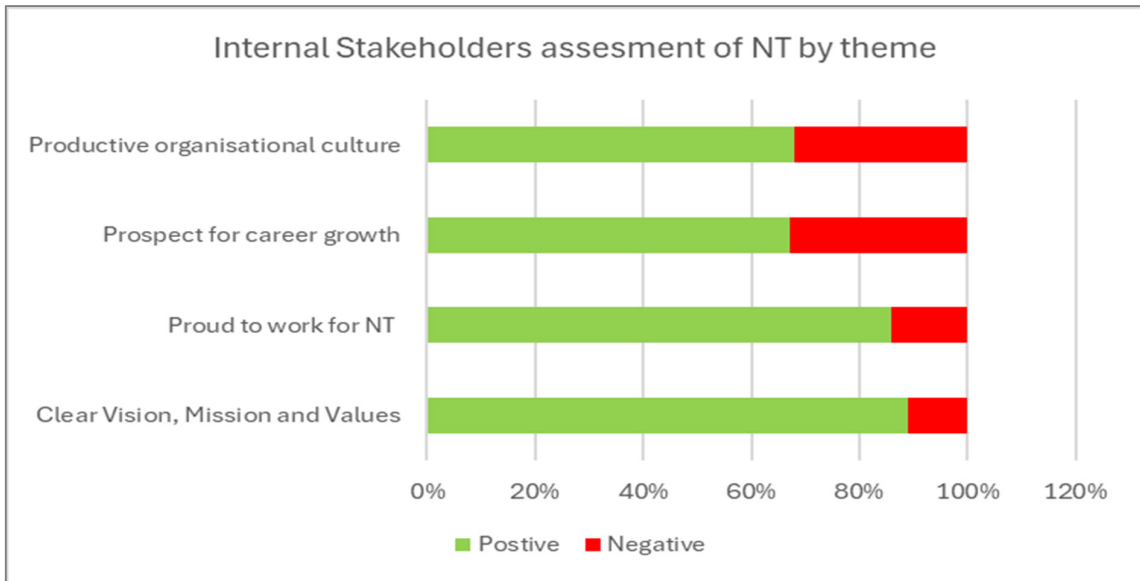
- Ensuring the National Treasury website is updated and informative
- Improving formulation of NT policy guidelines, instruction notes
- Improving reporting platforms

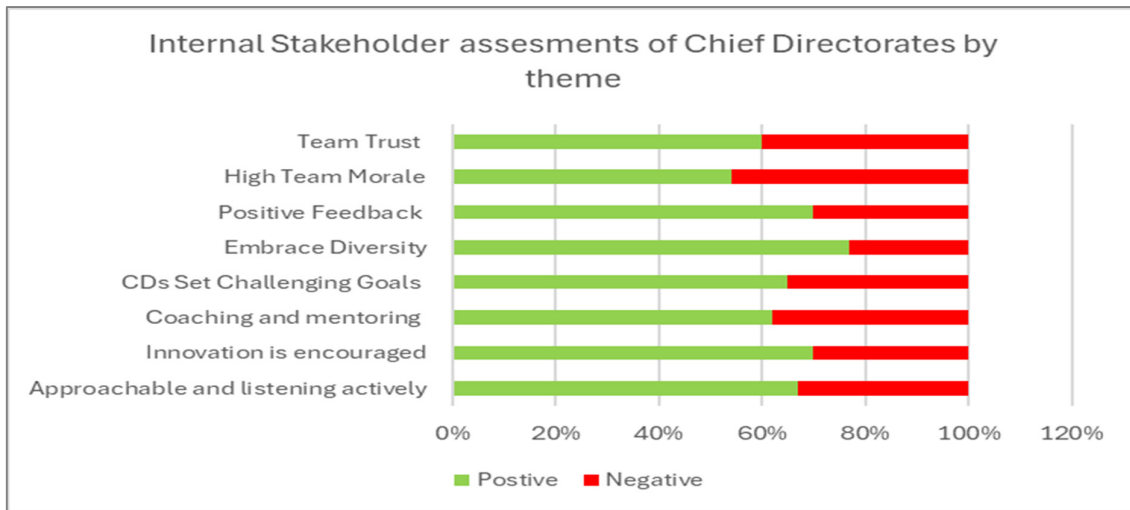


An internal survey was conducted to measure the perceptions of all employees with a stratified questionnaire covering a 360-degree assessment of the organization. The feedback from the internal stakeholders was correlated with the live interactive surveys conducted during the divisional strategic planning sessions as well as with the environmental scanning analysis conducted through the SWOT-PESTLE analysis during the divisional strategic planning sessions.

The overall perception is that the National Treasury is the employer of choice, with high prospects for career growth and personal development. Majority of the respondents are proud to be working for National Treasury, approving of the department’s performance and historical positions adopted as well as the continued instilling of a high productivity working culture. Areas for improvement identified include strengthening participative decision-making which has an impact on working conditions of employees, continuing to improve teamwork, staff morale and motivation within divisions. For the Chief Directorates, the feedback identified further embracing diversity and cultural differences, enhancing coaching and mentoring within the business units, encouraging innovation; promoting high staff morale and motivation, providing positive feedback

to staff; and setting challenging goals and objectives for the teams as well as individual employees within the various Chief Directorates.





As part of the National Treasury’s commitment to evidence-based planning, an iterative, consultative approach was adopted to the development of the 2025-2026 strategic plan. This included divisional strategic planning sessions, which adopted a SWOT-PESTLE approach to inform the institutional situational analysis. SWOT analysis serves as a strategic tool to identify Strengths, Weaknesses, Opportunities, and Threats, providing a holistic view of both internal and external factors that may influence the department’s programs over the next five years. PESTLE analysis evaluates the external and internal conditions affecting the department’s performance and policy development.

The integration of the SWOT and PESTLE frameworks resulted in a hybrid matrix that assesses both internal and external factors impacting the implementation of National Treasury’s programs and projects for the 2025-2030 planning period. This modified tool includes variables such as Politics, People, Economy, Expenditure, Society, Social dynamics, Technology, ICT, Legislation, Legal issues, Environmental climate, and Cultural environment. This combination enhances the environmental scan by recognizing the interdependency and mutual influence of factors and provides nuanced insights into areas that may require improvement measures and interventions.

SWOT / PESTLE High impact factors

		EXTERNAL					INTERNAL							
		Politics	Economy	Society	Technology	Environment Climate	People	Expenditure	Social	ICT	Legal	Environment Culture		
INTERNAL	STRENGTHS	Experienced political leadership	Strength of public financial institutions	High regard for NT	Innovation and adaptability	JET-IP	Qualified, experienced, dedicated staff	Improvement in identifying spending priorities	Embracing flexibility and diversity	Service automation and digitalisation	Efficient legal council providing consistent advice	Supportive, productive, ethical work culture	STRENGTHS	
	OPPORTUNITIES	Collaborative approach	Increasing investor confidence	Emerging culture of inclusivity	Digitalisation, integration, big data analysis and AI	Renewable energy with international collaboration	Biased to internal progression	Efficiency in budget and resource allocation	Positive values and staff morale	Integrate systems for better accountability and innovation	Integrate systems for better accountability and innovation	Implementing organisational review	OPPORTUNITIES	
	WEAKNESSES	Instability of GNU	Slow domestic growth	High expectation of public services	Outdated systems	Insufficient planning and resourcing for climate changes and disasters	Staff turnover	Expenditure reduction	Poor collaboration	Network instability across government	Insufficient internal capacity	Poor integration	WEAKNESSES	
	THREATS	Inability to make decisions	Geo-political conflicts	Unemployment, crime and poverty	Cyber-attacks	Disasters driving increased crisis expenditure	Lower benefits compared to other public financial sector institutions	Absorbing budget adjustments	High expectations leading to burnout	Dependency on consultants	Insufficient resources	Brain drain to private and public financial sector	THREATS	
		EXTERNAL					INTERNAL							

Institutional Capability Plan

The Institutional Capability Plan will serve as an integrated framework identifying resources required across the three key pillars of people, process, and technology to enable the organization to consistently perform at an optimal level to fulfil the mandate of the National Treasury.

- The People – remain at the center of the organization and refers to the assessment of future needs in terms of skills, knowledge, management and leadership capability and culture of the workforce that drives the department’s capabilities. Strategies will be employed to attract, appoint and retain skills that will enable the department to remain at the forefront of service delivery performance and innovative thinking.
- The Process - will review the workflow and identify areas of improvement in terms of efficiency and effectiveness in departmental operations. Strategies to embrace innovation and automation will be adopted to enable the department to enhance the impact of actions taken and advice given.
- The Technology - refers to the assessment of future technology expertise and tools to lead the modernisation of the department’s work and the workplace.

The institutional capability review aligns with the department’s strategy and long-term performance improvement and workplace innovation over the medium-term period.

Organisational Establishment

The National Treasury is entering the 2025-2030 planning period with a strong organisational foundation that will enable it to meet its constitutional mandate, mitigate external challenges and promote service delivery. Anchored on the recently completed Phase 1 of the organisational review, National Treasury is committed to maintaining a culture of performance excellence, decisive-management, employee development, positive engagements with external stakeholders and internal participation in decision making. Arising out of Phase 1, an Office of the General Counsel has been established to provide legal and related policy advice to the Minister of Finance, the Deputy Ministers, Director General and senior officials within the National Treasury to greater effect as the department navigates the increasingly complex legal environment facing the National Treasury. The interdependency of the policy function and advocacy service has been better accommodated by joining these roles into a single division. Additionally, units location in the organizational structure has been realigned to ensure better coordination and collaboration. Phase 2 of the review will focus on Local and Provincial government services, entities and GTAC.

The new organisational structure will enhance the working environment by realigning the departmental programmes, fostering a culture of cooperation and integration in the endeavor to achieve service delivery priorities and targets.

Human Resources

National Treasury is entering into this planning cycle with 1,071 filled positions and 174 vacancies. Due to budgetary constraints, the department plans to fill these vacancies gradually over the medium term. The Compensation of Employees (CoE) ceiling amounts to R932 million in the current financial year, R973.3 million in 2025/26, R1.018 billion in 2026/27 and R1.064 billion in the 2027/28 financial year. The HRM plan is anchored on the Talent Management Framework that supports the integration of Human Resources operations in support of the departmental needs. There are three focal areas of the Talent Management Framework, namely: the Talent Acquisition principles which advocate for the recruitment of suitable candidates, Positive Engagement principles which advocate for a positive working environment that creates a conducive experience for employees, from onboarding, employee wellness, and exit interviews; and Talent Development that promotes employee development through providing bursaries and various learning opportunities such as secondments to other institutions internally and internationally.

During the 2025/26 financial year, the National Treasury will strengthen its human resources capital by ensuring that all critical posts are filled to enable the department sufficient institutional capability to meet its constitutional obligations. For National Treasury, the development of its workforce is a key priority. In general, National Treasury attracts highly skilled employees with the requisite technical knowledge. As a result, the focus of the training offering of the department will be on developing leadership and management skills, including behavioural and generic skills over the medium term, allowing these skills to mature and address the department's succession needs of the medium to long term. The Graduate Development Programme continues to be a strong foundation and a pipeline for entry-level positions in the department. The Mentorship and

Coaching initiatives are structured and continuously rolled out to employees as part of their developmental journey. The department encourages rotation as a means of continuous professional development and retention.

In respect of women, youth, and people with disabilities: National Treasury has a total of 605 women employed permanently on the establishment, with 139 as senior managers (SMS) totaling 54 per cent, which is above the national target of 50 per cent. In terms of youth, 26 per cent of the staff complement is made up of young employees who are below the age of 35. The department will continue to ensure a high percentage of representation of women at SMS level and overall, noting that the department's gender representation has improved to 57 per cent as of September 2024, young persons and the recruitment of people with disabilities with the required skills which remains a challenge with the gap still higher than the actual filled positions.

National Treasury will continue to collate and monitor data through the CSD on the procurement spend on Women, Youth and Persons with disabilities by public institutions. This data is reported as part of the quarterly procurement statistics. Additionally, the department reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities, this is in line with performance indicator 1.1.5 in the 2025/26 annual performance plan.

Regarding Gender Responsive Planning, Budgeting, Monitoring, Evaluation, and Auditing, the National Treasury established a Gender Responsive Budgeting Task Team. This team collaborates with the DWYPD and Department of Planning, Monitoring and Evaluation (DPME) in rolling out the Framework for Gender Responsive Budgeting across government departments. An Inter-departmental Task Team that meets monthly has been set up to advance the GRB roadmap. The team developed the GRB guidelines in collaboration with national and provincial departments and took part in a GRB workshop for Forum of South Africa Director-Generals (FOSAD). Over the medium term, the Task Team will enhance the Gender Responsive Guidelines to incorporate gender equality considerations into the annual budget preparation process through the annual Technical Guidelines for the MTEF and the Estimates of National Expenditure (ENE) issued by the National Treasury.

Once the GRB practices are entrenched, the budget reporting and accounting framework will be updated to ensure that gender equality-related expenditures and performance can be reported through in-year and end-year reports. During the 2024 MTEF process, the department conducted an internal analysis of the budget for 9 pilot departments regarding responsiveness to WYPD priorities. A plan is in place to evaluate 11 departments during the second phase of pilots for the 2025 MTEF process, and a Gender Budget Statement will be included in the 2025 Budget.

Digitalisation: Automation and modernisation of public procurement

In respect of Information and Communication Technology (ICT), the department has consistently enhanced its ICT resources, systems, and solutions to provide better support. Recognising the constantly evolving IT offerings, there is constant effort to increase the desired level of services achieved. In addition to safeguarding the department's ICT platform, ensuring security and protection of business continuity, it is essential to recognise that the ICT service is crucial for the smooth operation of business units within National Treasury.

Key aspects of this include:

- providing consistent ICT services for Asset and Liability Management business operations enabling it to operate as a modern bank. In this regard, it ensures high availability, business continuity and disaster recovery capabilities.
- support the Office of the Chief Procurement Officer with modernising public procurement by enhancing faster and transparent procurement through various applications such as the Central Supplier Database and e-Tenders system
- support the Budget Office and the Public Finance unit to efficiently coordinate the government budgeting process through automating integrated and secure budgeting applications.

National Treasury intends to fully digitilise the public procurement system over the medium term in compliance with the Public Service Regulations, 2016 Regulation 25:

“(1) An executive authority shall prepare a strategic plan for his or her department that:

(e) specifies information systems that

(i) enable the executive authority to monitor the progress made towards achieving those targets and core objectives;

(ii) support compliance with the reporting requirements in regulation 31 and the information requirements, referred to in regulation 70; and

(iii) enable service delivery through the use of information and communication technology;

The integration of innovative technological tools can lead to improved service delivery, increased transparency, and greater accessibility for the public. Through the strategic utilisation of technology, NT can optimise their performance, enhance their outreach efforts, and cultivate stronger relationships with the public.

Ensuring a conducive environment that supports the achievement of organisational outcomes involves promoting positive interactions with the public and fostering a culture of collaboration and accountability. In light of the above, NT sees value in embracing emerging technologies such as Artificial Intelligence to improve organisational efficiencies. This includes working on enhancing our online presence, through the websites and social media, to improve internal and external collaboration with all stakeholders.

For the 2025-2030 planning period, National Treasury identified modernising public procurement as a strategic intervention aimed at creating a more efficient, transparent, and accountable procurement system that delivers better value for taxpayers’ money while promoting fair competition and supporting economic development. This aligns with the Medium-Term Development Priority 1: Building a capable, ethical and developmental state, in reference to the strategic intervention on strengthening the public procurement system, in line with the Public Procurement Act, for efficiencies and effectiveness and to stimulate demand. National Treasury prioritised digital transformation as the foundation for the modernisation of public procurement in South Africa.

Digitalisation of public procurement fundamentally changes the way procurement activities are conducted, making the process more efficient, transparent, and accountable. It empowers both buyers and suppliers with digital tools and platforms that streamline operations, enhance

decision-making, and drive better outcomes in public procurement. It will transform business models and processes and create improved new service value offering as changes from traditional manual processes to automated digital ones, enhancing efficiency and enabling new ways of working. Importantly, it will facilitate timeous access to integrated dynamic public procurement information to enhance scrutiny and public accountability.

The 2025-2030 Strategic Plan targets to have completed the project on digitised Public Procurement System for the state by 2030. Over the medium term, the focal areas of the procurement automation process include implementation of a fully automated end to end open tendering solution by 2027/28 and piloting of the automated process of handling requests for quotations by 2025/26 financial year as part of the government-wide digitalization of the state plan.

Financial management

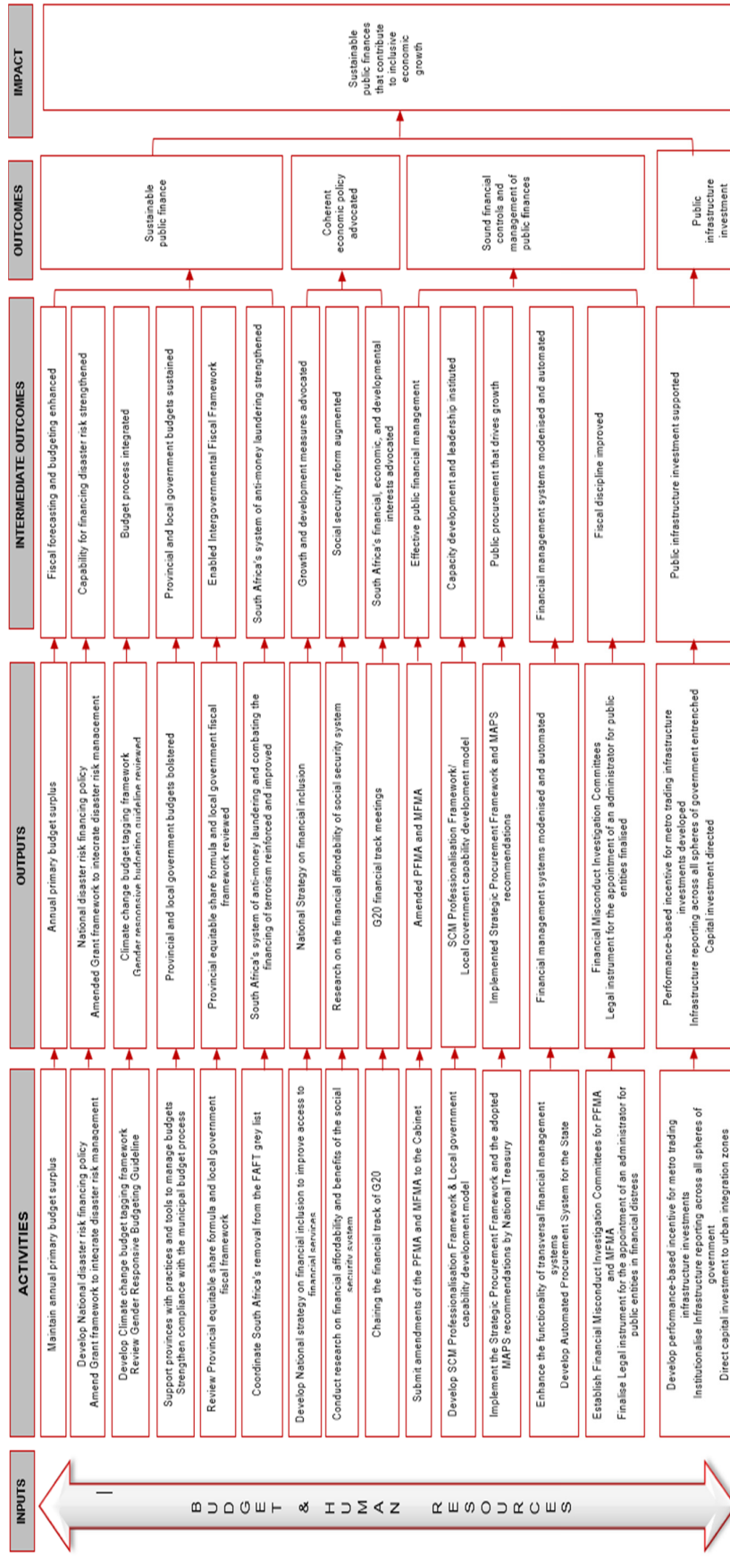
National Treasury received an unqualified with no material findings audit opinion during the 2023/24 financial year. This conveys a key indicator of good governance and prudent financial management, and it is the highest level of assurance that the AGSA can provide signifying excellent financial management, performance monitoring and governance.

This confirms that the financial statements are free from significant errors and that there are no major issues concerning performance reporting or compliance with legislation. Over the medium term, the department is taking comprehensive steps to consistently maintain this achievement, which entails:

- **Improved management oversight:** ensuring that the leadership is actively involved in monitoring and guiding financial management practices across the spectrum of programme implementation, budgeting and subsequent procurement management.
- **Increased Policy and Procedure Clarification:** making sure that all policies and procedures are clear and well documented to ensure clarity of the evidence audit trail to avoid any misunderstandings or errors.
- **Monitor performance and Rectify Underperformance:** ensuring a credible monitoring system produces verifiable performance reports that inform decision making, identifies learning and enables the adoption of innovation. Underperformance is addressed and mitigation plans are implemented to rectify root causes effectively.
- **Investments in Training and Development:** providing staff with the necessary training to stay updated on best practices and regulatory requirements.
- **Timely and Effective Consequence Management:** enforcing accountability to address any issues promptly and effectively.

National Treasury received the Level 8, Broad-Based Black Economic Empowerment (B-BBEE) Certificate Verification status, that confirms that the department is compliant with the Code of Good Practices for the implementation of the B-BBEE Act (2003) by conducting its procurement services in accordance with the Broad-Based Black Economic Empowerment policy framework.

Theory of change



NATIONAL
TREASURY

**ANNUAL
PERFORMANCE
PLAN**
2025/26



PART C:
**MEASURING
OUR PERFORMANCE**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

5. PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership, management and support services to the department.

5.1 Sub-Programmes

Office of the Minister and Deputy Minister

The Minister of Finance provides strategic direction and leadership to the National Treasury. With the support of the Deputy Ministers, The Minister of Finance is also responsible for policy matters and departmental outcomes.

This sub-programme supports the Minister and Deputy Ministers by providing executive and administrative services. The sub-programme is responsible for the development of systems and mechanisms that deal with parliamentary questions and replies, Cabinet matters, correspondence, submissions and memoranda.

Office of the Director-General

The Director-General supports the Minister of Finance in providing strategic direction and leadership to the National Treasury. The Director-General is also responsible for departmental outputs and implementation as well as all responsibilities conferred by being the department's accounting officer.

Management

This sub-programme primarily provides administrative services and reports directly to the Director-General. It consists of the following support services:

Internal Audit contributes to the strengthening of National Treasury's accountability and enhancing public stewardship by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. The unit provides robust and practical strategic advice and recommendations founded on aligning the business with best practice. By acting as a frame of reference, the unit also supports the OAG in providing guidance and support to internal audit functions in government.

Enterprise Risk Management improves organisational risk communication and knowledge sharing, developing a common risk language that ensures that a risk management culture is embedded in National Treasury. The unit supports evidence-based decision-making by reducing uncertainty. This is realised by providing a holistic view of risks and the application of robust risk management system. Fraud prevention is an integral part of the strategy, operations and administration function. The unit ensures that National Treasury has a strategic risk profile register that enables coordination and alignment of strategic initiatives across the department.

Strategic Planning, Monitoring and Evaluation is tasked with embedding planning into National Treasury including facilitating the department's short, medium and long-term strategic planning processes and ensuring that plans are aligned to legislative mandates and broader government imperatives. The unit develops and administers systems and processes that entrench effective and efficient monitoring, evaluation and reporting on departmental performance delivery and facilitates the development and implementation of service delivery improvement.

Legal Services is responsible for providing a comprehensive legal advisory service to enable National Treasury to carry out its mandate effectively within the law.

Legislation Services provides legislative services which include managing the National Treasury's legislative programme, drafting or checking draft fiscal and intergovernmental and financial sector regulation legislation, and commenting on other legislation as well as advising on the interpretation of legislation.

Communication enhances the National Treasury's transparency and credibility by fostering effective communication with stakeholders, ensuring broad access to and understanding of economic policies and the Budget.

Financial Management administers compliance with all relevant financial statutes and regulations, the most important of which is the PFMA. In ensuring a cohesive compliant service delivery environment, the unit strives to attain this balance of achieving service excellence and maintaining an agile internal control environment to instill fiscal discipline within National Treasury.

Corporate Services

The Corporate Services division delivers and oversees shared services in alignment with National Treasury's needs. It does so by proactively identifying requirements, monitoring and maintaining service levels and setting standards aligned with compliance and best practices, including reporting on delivery.

Human Resources Management ensures strategic, transactional and transformational human resources partnership so that National Treasury can attract, develop and retain the skills needed to deliver on the department's mandate and objectives.

Information and Communication Technology improves National Treasury's operational efficiency, optimises costs, drives innovation and accelerates the delivery of services. The unit provides long-term planning and day-to-day support in respect of ICT-enabled delivery using ICT services and systems.

Strategic Projects and Support is responsible for preserving the institutional memory and tangible knowledge of the department, as well as providing management support to internal projects. Knowledge management is the custodian of the preservation and dissemination of organisational information created within and in-collaboration with other entities. Records management focuses on the preservation of tangible knowledge so that it can be easily retrieved and be in compliance with the National Archives Act, 2003 (Act No. 629 of 2003).

Facilities and Security Management ensures continuous stringent physical and information security and provides, maintains and services available facilities.

5.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance				Planned Performance					
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
1.1.1	Sound financial controls and management of public finances	Reports on the implementation of the Corporate Governance of Information Communication Technology (CGICT)	Number of reports on the implementation of the CGICT	#	#	#	#	#	4	4	4	4	4
1.1.2		Progress reports on the implementation of the audit action plan	Number of progress reports on the implementation of the audit action plan	#	#	#	#	#	4	4	4	4	4
1.1.3		Reports on the implementation of Business Continuity Management plan	Number of reports on the implementation of Business Continuity Management plan	#	#	#	#	#	2	2	2	2	2
1.1.4		Management and leadership development programme	Number of management and leadership development programmes implemented	#	#	#	#	#	4	4	4	5	5
1.1.5		Quarterly reports	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced	#	#	4	4	4	4	4	4	4	4

5.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1.1	Number of reports on the implementation of the CGICT	4	1	1	1	1
1.1.2	Number of progress reports on the implementation of the audit action plan	4	1	1	1	1
1.1.3	Number of reports on the implementation of Business Continuity Management plan	2	N/A	1	N/A	1
1.1.4	Number of management and leadership development programmes implemented	4	N/A	2	1	1
1.1.5	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced	4	1	1	1	1

Explanation of planned performance over the medium-term period

The administration programme remains fundamental to promoting good governance, ensuring compliance, and facilitating efficient operations by delivering integrated corporate services throughout the department.

Number of reports on the implementation of the CGICT

The ICT unit will continue to improve institutional productivity and ensure business continuity by implementing the Corporate Governance Information Communication Technology framework (CGICT). To this end quarterly reports on the implementation of the CGICT will be produced. The ICT unit will support the Office of the Chief Procurement Officer with modernising public procurement by enhancing faster and transparent procurement through various applications such as the Central Supplier Database and eTenders systems. Additionally, ICT support will be provided to Budget Office and Public Finance to efficiently coordinate the government budgeting process through automating integrated and secure budgeting applications.

Number of progress reports on the implementation of the audit action plan

Reports on the implementation of audit action plans are essential for ensuring that audit recommendations lead to tangible improvements in public financial management. Through these reports, management track progress towards addressing internal control weaknesses identified during the previous audit, thus ensuring accountability, and improving public financial management.

Number of reports on the implementation of Business Continuity Management plan

The Chief Risk Officer is responsible for the effective implementation of a Business Continuity Plan (BCP) that minimises disruptions, protects critical operations, and ensures resilience in the face of unexpected events. Business continuity is a crucial pillar of risk management that outlines step-by-step procedures for responding to disruptions, including communication protocols and escalation processes. By regularly preparing and reviewing quarterly BCP reports, Management can ensure that their business continuity efforts remain on track, adaptive to changes, and aligned with organisational goals.

Number of management and leadership development programmes implemented

The National Treasury will continue with the customised management and leadership development training programme provided by the Stellenbosch University for officials in levels 9 to 16 positions. These programmes seek to enhance employees' career progression opportunities and ensure a structured way of building a leadership pipeline for the department. Programmes offered include women in leadership and negotiation skills.

Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced

The National Treasury prepares quarterly reports on the implementation of action plans for mainstreaming women, youth, and persons with disabilities. These reports document efforts to integrate the needs and perspectives of these groups into all aspects of governance, planning, and service delivery. Public procurement spending through the Central Supplier Database;

internal monthly procurement expenditure incurred to companies owned by women, youth, and persons with disabilities are also reported. Additionally, the report includes progress made against targets set for recruitment, employment equity, training and development targets for these special groups.

Programme 1 outputs contribute to the National Treasury institutional outcome: Sound financial controls and management of public finances.

5.4 Programme Resource Considerations

5.4.1 Expenditure trends and estimates

Table 8.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)			Medium-term expenditure estimate			Average: Expenditure/Total (%)
	2021/22	2022/23	2023/24			2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	Average: Expenditure/Total (%)		
Ministry	3.7	4.0	4.1	5.9	16.1%	7.4	7.7	8.0	11.0%	1.1%		
Departmental Management	36.4	59.8	63.2	74.2	26.7%	78.6	82.7	87.1	5.5%	12.7%		
Corporate Services	149.8	163.3	134.0	288.0	24.3%	190.5	204.3	211.9	-9.7%	35.2%		
Enterprise-wide Risk Management	32.5	33.1	36.4	41.9	8.8%	46.1	48.8	50.9	6.7%	7.4%		
Financial Administration	54.9	54.6	58.8	60.5	3.3%	56.4	71.0	62.6	1.1%	9.9%		
Legal Services	26.3	24.8	29.1	19.8	-9.1%	26.1	27.2	28.5	12.9%	4.0%		
Internal Audit	18.8	19.7	19.4	25.6	10.8%	28.2	29.5	30.8	6.4%	4.5%		
Communications	10.8	10.6	11.5	12.9	6.2%	12.1	12.9	13.4	1.4%	2.0%		
Office Accommodation	121.8	117.0	129.7	137.5	4.1%	143.8	150.6	157.4	4.6%	23.2%		
Total	455.1	486.8	486.2	666.2	13.5%	589.0	634.8	650.6	-0.8%	100.0%		
Change to 2024 Budget estimate				-		40.9	58.9	48.7				
Economic classification												
Current payments	432.4	452.0	474.3	538.0	7.5%	570.3	615.5	630.5	5.4%	92.7%		
Compensation of employees	202.5	208.6	219.8	237.9	5.5%	276.6	293.4	305.5	8.7%	43.8%		
Goods and services of which:	229.9	243.4	254.5	300.1	9.3%	293.7	322.2	325.0	2.7%	48.8%		
Computer services	52.1	59.4	41.3	92.2	21.0%	72.1	76.6	80.1	-4.6%	12.6%		
Legal services	16.6	13.5	20.5	10.5	-1.1%	16.5	17.3	18.2	19.9%	2.5%		
Contractors	14.9	15.5	17.1	15.7	1.8%	15.8	16.8	17.5	3.8%	2.6%		
Operating leases	73.1	72.7	84.6	87.1	6.0%	93.2	98.3	102.8	5.7%	15.0%		

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average: Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27	
R million										
<i>Property payments</i>	23.4	23.1	24.1	26.0	3.5%	4.6%	27.3	28.6	29.8	4.8%
<i>Travel and subsistence</i>	2.8	15.0	19.7	12.2	62.4%	2.4%	14.4	14.9	15.6	8.8%
Transfers and subsidies	5.9	11.0	5.6	10.5	21.2%	1.6%	5.3	5.1	5.3	-20.5%
Departmental agencies and accounts	2.2	2.3	2.3	2.6	6.4%	0.5%	2.8	2.4	2.5	-1.7%
Public corporations and private enterprises	0.0	-	-	-	-100.0%	0.0%	-	-	-	-
Households	3.7	8.8	3.3	7.9	28.6%	1.1%	2.5	2.6	2.8	-29.4%
Payments for capital assets	16.7	23.7	5.7	117.7	91.7%	7.8%	13.4	1.2	14.8	-49.9%
Machinery and equipment	16.7	23.6	5.7	117.6	91.7%	7.8%	13.4	14.1	14.7	-50.0%
Software and other intangible assets	-	0.1	-	0.1	-	0.0%	0.1	0.1	0.1	3.2%
Payments for financial assets	-	0.1	0.6	-	-	0.0%	-	-	-	-
Total	455.1	486.8	486.2	666.2	13.5%	100.0%	589.0	634.8	650.6	-0.8%
Proportion of total programme expenditure to vote expenditure	0.8%	1.6%	1.8%	2.5%	-	-	2.1%	2.2%	2.1%	-
Details of transfers and subsidies										
Households										
Social benefits										
Current	1.7	7.3	2.1	5.5	48.1%	0.8%	-	-	-	-100.0%
Employee social benefits	1.7	7.3	2.1	0.7	-26.5%	0.6%	-	-	-	-100.0%
Claims against the state	-	-	-	4.8	-	0.2%	-	-	-	-100.0%
Other transfers to households										
Current	2.0	1.5	1.2	2.4	6.1%	0.3%	2.5	2.6	2.8	4.8%
Employee social benefits	-	-	0.0	-	-	-	-	-	-	-
Bursaries for non-employees	2.0	1.5	1.2	2.4	6.1%	0.3%	2.5	2.6	2.8	4.8%

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million	2.2	2.3	2.3	2.6	6.4%	0.5%	2.8	2.4	2.5	-1.7%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.2	2.3	2.3	2.6	6.4%	0.5%	2.8	2.4	2.5	-1.7%	0.4%
Finance and Accounting Services Sector Education and Training Authority	2.2	2.3	2.3	2.6	6.4%	0.5%	2.8	2.4	2.5	-1.7%	0.4%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Communication licences	0.0	-	-	-	-100.0%	-	-	-	-	-	-

5.4.2 Personnel Information

Table 8.7 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Number				
		Actual 2023/24			Revised estimate 2024/25			2025/26			2026/27			2027/28			Average growth rate (%)	Average Salary level/ Total (%)
Number of funded posts	Number of posts additional to the establishment	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
		Medium-term expenditure estimate																
Administration		331	219.8	0.6	360	237.9	0.7	388	276.6	0.7	391	293.4	0.8	386	305.5	0.8		
Salary level		78																
1-6		110	31.8	0.3	114	34.5	0.3	114	37.0	0.3	114	39.1	0.3	114	41.3	0.4		29.9%
7-10		120	73.6	0.6	139	80.0	0.6	152	94.0	0.6	155	100.8	0.7	152	104.6	0.7		39.2%
11-12		59	52.2	0.9	62	55.3	0.9	72	68.1	1.0	72	71.8	1.0	69	73.5	1.1		18.0%
13-16		42	62.2	1.4	46	68.1	1.5	50	77.5	1.5	50	81.7	1.6	50	86.2	1.7		13.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

6. PROGRAMME 2: ECONOMIC POLICY, TAX, FINANCIAL REGULATION AND RESEARCH

Purpose: Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, the financial sector, taxation and regulatory reform.

6.1 Sub-Programmes

Research

This sub-programme promotes economic research institutions by funding economic research in the public interest and dedicated economic research on behalf of National Treasury. This includes research into the promotion of macroeconomic stability, poverty alleviation, social security and retirement reform and financial sector policy development. Most funding is assigned towards long-term agreements with institutions and for ad hoc economic research related projects

Financial Sector Policy

This sub-programme is responsible for developing policy relating to the regulation of the financial sector in South Africa, with specific focus on making it safer by increasing resilience, stability, enhancing integrity and competition, and making it serve South Africans better including broadening access to financial services, and improving household savings rate through continuing retirement reforms.

Tax Policy

This sub-programme is responsible for preparing tax and revenue proposals for the annual national budget, and for drafting the necessary tax legislation to give effect to the proposals adopted. The unit also processes recommendations to the Minister of Finance and provides advice to the Minister on such recommendations. The unit promotes an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability, reduction of inequality, and raising of revenue.

Economic Policy

This sub-programme provides macroeconomic and microeconomic policy analysis, economic forecasts that inform the Budget Review and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling. The sound policy advice helps to improve South Africa's macroeconomic and microeconomic frameworks and assists in promoting economic policy coherence in relation to the objectives of growth and job creation, as policy advice is mainly focused on creating decent employment through inclusive economic growth.

6.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets					MTEF Period			
				Audited / Actual Performance		Estimated Performance	Planned Performance	Current Year				
				2021/22	2022/23					2023/24	2024/25	2025/26
2.1.1	Coherent economic policy	Research papers	Number of research papers completed	#	15	30	45	30	8	8	8	8
2.1.2	advocated	Financial sector legislation	Financial sector legislation drafted	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted for tabling in Parliament	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet	Financial sector legislation submitted to Cabinet
2.1.3		Tax legislation	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted for tabling in Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament	Tax legislation submitted to Parliament
2.1.4	Sustainable public finances	FATF Action Plan Progress Report	Number of progress reports on the implementation of FATF Action Plan produced	#	#	#	3	3	3	N/A	N/A	N/A
2.1.5		Economic forecasts	Number of economic forecasts developed	4	4	4	4	4	4	4	4	4

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period					
				2021/22	2022/23			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
2.1.6	Coherent economic policy advocated	Analysis and advice	Number of macro and microeconomic policy analysis and advice reports produced	#	8	9	8	8	8	8	8	8	8

6.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2.1.1	Number of research papers completed	30	N/A	N/A	N/A	30
2.1.2	Financial sector legislation drafted	Financial sector legislation submitted to Cabinet	N/A	N/A	N/A	Financial sector legislation submitted to Cabinet
2.1.3	Legislation to give effect to tax proposals from the Budget drafted	Tax legislation submitted to Parliament	N/A	Draft tax legislation published	Tax legislation submitted to Parliament	N/A
2.1.4	Number of progress reports on the implementation of FATF Action Plan produced	3	1	N/A	1	1
2.1.5	Number of economic forecasts developed	4	1	1	1	1
2.1.6	Number of macro and microeconomic policy analysis and advice reports produced	8	N/A	N/A	N/A	8

Explanation of planned performance over the medium-term period

Number of research papers completed

During the 2025/26 financial year, the Economic Policy division plans to produce 30 economic research papers, quarterly economic forecasts and compile 8 macro and microeconomic policy analysis and advice reports. These economic research papers will be developed through National Treasury programs and in collaboration with research partners, including academic institutions and policy think tanks. This research is vital for informing policies that promote inclusive growth and economic transformation in the Southern Africa region.

Financial sector legislation submitted to Cabinet

As part of its efforts to boost economic growth, the department will focus on initiatives that promote financial stability and enhance access to the financial sector for all South Africans and businesses operating in the country. A key aspect of this is the regulation of the financial sector to ensure safety and improve customer service. The work on the review of the financial sector code will continue among the Financial Sector Transformation Council constituencies. Additionally, there are comprehensive reforms underway for the financial ombud system to foster good market conduct and build consumer confidence in the financial sector.

Tax legislation submitted to Parliament

The Tax and Financial Sector Policy division will continue supporting the Minister to develop financial sector legislation as well as tax legislation. As part of the annual budget process, the program will continue to advise the Minister of Finance on changes to tax rates and thresholds linked to the annual budget. This involves formulating tax proposals and the technical work necessary to draft the legislative amendments needed to implement these proposals. These initiatives play a crucial role in achieving the institutional goal of promoting a coherent economic policy.

Number of progress reports on the implementation of FATF Action Plan produced

National Treasury will continue its endeavors to remove South Africa from the FAFT grey list by 2026. Over the five-year period, NT has targeted to coordinate the development of the National Policy Strategy to combat, track and stop illicit financial flows, and to recover and repatriate assets. This aligns with the National Development Plan 2030 on fighting corruption and crime in the country.

Number of economic forecasts developed

Over the medium term, the division will focus on several key initiatives to enhance the fiscal framework. This includes preparing macroeconomic forecasts, developing and maintaining economic models, and strengthening modelling capabilities. Additionally, the program will prioritise formulating and assessing structural reforms while conducting research to inform economic policy decisions.

Number of macro and microeconomic policy analysis and advice reports produced

To achieve the National Treasury's goal of advocating coherent economic policy, the department will conduct both macro and microeconomic policy analysis and provide relevant advice. Over

the medium-term, NT will continue ensuring macroeconomic policy and a sustainable fiscal trajectory in support of growth and employment is implemented. The macro-economic policy will be reviewed and published as committed in the National Treasury Strategic Plan 2025-2030.

6.4 Programme Resource Considerations

6.4.1 Expenditure trends and estimates

Table 8.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	31.1	21.0	22.3	35.3	4.3%	25.2%	44.8	48.1	49.9	12.2%	30.1%
Financial Sector Policy	21.2	21.2	28.4	26.0	7.1%	22.2%	28.9	30.2	31.5	6.5%	19.7%
Tax Policy	28.0	29.4	27.4	31.1	3.6%	26.6%	35.6	36.4	38.2	7.1%	23.9%
Economic Policy	24.7	26.8	28.5	33.4	10.6%	26.0%	37.0	41.7	44.4	10.0%	26.4%
Total	105.0	98.3	106.6	125.8	6.2%	100.0%	146.3	156.3	163.9	9.2%	100.0%
Change to 2024 Budget estimate				-			(10.3)	(8.0)	(7.8)		
Economic classification											
Current payments	104.0	95.6	97.6	125.4	6.4%	97.0%	144.7	154.8	162.3	9.0%	99.1%
Compensation of employees	78.6	76.7	75.0	90.3	4.7%	73.6%	101.8	109.5	114.9	8.4%	70.3%
Goods and services	25.3	18.9	22.7	35.1	11.4%	23.4%	42.8	45.3	47.4	10.5%	28.8%
of which:											
Bursaries: Employees	0.3	0.2	0.0	0.5	28.5%	0.2%	0.6	0.7	0.7	7.0%	0.4%
Consultants: Business and advisory services	21.6	12.9	14.1	20.9	-1.1%	16.0%	27.3	29.2	30.5	13.5%	18.2%

Subprogramme	Audited outcome				Adjusted appropriation		Average growth rate (%)		Average Expenditure/Total (%)		Medium-term expenditure estimate				Average growth rate (%)		Average Expenditure/Total (%)	
	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25	2027/28	2024/25 - 2027/28	2024/25	2027/28	
<i>Consumables: Stationery, printing and office supplies</i>	0.3	1.1	1.4	2.1	85.0%	2.1	1.1%	2.5	2.4	2.4	2.4	5.4%	1.6%					
<i>Travel and subsistence</i>	0.1	1.9	3.1	5.8	279.1%	5.8	2.5%	5.5	5.7	6.0	6.0	1.4%	3.9%					
<i>Training and development</i>	0.2	0.0	0.4	0.8	67.2%	0.8	0.3%	1.0	1.1	1.1	1.1	9.1%	0.7%					
<i>Operating payments</i>	2.6	2.0	3.2	3.4	9.7%	3.4	2.6%	4.5	4.7	4.9	4.9	13.1%	3.0%					
Transfers and subsidies	0.5	0.8	8.9	-	-100.0%	-	2.3%	-	-	-	-	-	-					
Departmental agencies and accounts	-	-	8.0	-	-	-	1.8%	-	-	-	-	-	-					
Households	0.5	0.8	0.9	-	-100.0%	-	0.5%	-	-	-	-	-	-					
Payments for capital assets	0.5	1.9	0.0	0.5	-2.6%	0.5	0.7%	1.7	1.6	1.6	1.6	48.5%	0.9%					
Machinery and equipment	0.5	1.9	0.0	0.5	-2.6%	0.5	0.7%	1.7	1.6	1.6	1.6	48.5%	0.9%					
Payments for financial assets	-	0.0	0.0	-	-	-	0.0%	-	-	-	-	-	-					
Total	105.0	98.3	106.6	125.8	6.2%	125.8	100.0%	146.3	156.3	163.9	163.9	9.2%	100.0%					
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.4%	0.5%	-	0.5%	-	0.5%	0.5%	0.5%	0.5%	-	-					
Details of transfers and subsidies																		
Households																		
Social benefits																		
Current	0.5	0.8	0.9	-	-100.0%	-	.5%	-	-	-	-	-	-					
Employee social benefits	0.5	0.8	0.9	-	-100.0%	-	0.5%	-	-	-	-	-	-					

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)		Average Expenditure/Total (%)		Medium-term expenditure estimate		Average growth rate (%)		Average Expenditure/Total (%)	
	2021/22	2022/23		2023/24	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25 - 2027/28	
R million	-	-	8.0	-	-	1.8%	-	-	-	-	-	-	-
Departmental agencies and accounts													
Departmental agencies (non-business entities)													
Current	-	-	8.0	-	-	1.8%	-	-	-	-	-	-	-
Financial Sector Conduct Authority	-	-	8.0	-	-	1.8%	-	-	-	-	-	-	-

6.4.2 Personnel Information

Table 8.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

Economic Policy, Tax, Financial Regulation and Research	Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average Salary level/Total (%)				
	Number of funded posts	Number of posts additional to the establishment	Actual				Revised estimate				Medium-term expenditure estimate				Average growth rate (%)	Total (%)			
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35					
Salary level	86	5	77	75.0	1.0	86	90.3	1.0	92	101.8	1.1	93	109.5	1.2	93	114.9	1.2	2.5%	100.0%
1-6	5	4	1	0.3	0.3	1	0.3	0.3	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	-	1.1%
7-10	20	-	18	12.5	0.7	18	13.7	0.7	21	16.6	0.8	21	17.5	0.8	20	17.9	0.9	2.9%	21.9%
11-12	26	-	27	21.7	0.8	29	24.8	0.8	31	27.2	0.9	31	28.7	0.9	31	30.3	1.0	1.4%	33.1%
13-16	35	1	31	40.5	1.3	38	51.5	1.4	40	57.7	1.4	41	62.9	1.5	41	66.4	1.6	3.1%	43.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

7. PROGRAMME 3: PUBLIC FINANCE AND BUDGET MANAGEMENT

Purpose: Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support. Facilitate employment creation and high-impact government initiatives and strengthen infrastructure planning and delivery. Supports effective administration of pensions, retirement, and other benefits.

7.1 Sub-Programmes

Budget Office

The Budget Office is responsible for providing fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework. The Budget Office coordinates the national budgeting process which includes coordinating resource allocation to meet priorities set by government. The Budget Office oversees expenditure planning, leads the budget reform programme, coordinates international development cooperation, provides advice on public service remuneration and pension arrangements and compiles public finance statistics, ensures effective administration of pension, retirement, and other benefits.

Public Finance

Public Finance provides financial and budgetary analysis, advises on policy and manages National Treasury's relations with other national departments as well as its own analytical work. The division monitors the use of scarce public resources by national spending agencies, engaging where necessary with accounting officers and other officials to promote efficient and effective use of these resources. Based on engagements with departments, the Public Finance team provides recommendations annually to the Technical Committee on Budget (TCB)

Intergovernmental Relations

Intergovernmental Relations coordinates fiscal relations between national, provincial and local government, promotes sound provincial and municipal budgetary planning, monitors implementation through periodic reporting and assists in building capacity that enables efficient and effective financial management practices. The division monitors the use of scarce public resources by provincial and local government, regularly engaging with a range of stakeholders to promote efficient and effective use of these resources. It also provides technical assistance to government departments to promote improved planning and management of infrastructure delivery and assists Provinces with the preparation of mandatory financial recovery plans for municipalities placed under mandatory intervention.

7.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year	MTEF Period				
				2021/22	2022/23			2023/24	2024/25	2025/26	2026/27	2027/28
3.1.1	Sustainable public finances	Primary budget surplus maintained	Primary budget surplus maintained	#	#	#	#	Primary budget surplus maintained	Primary budget surplus maintained	Primary budget surplus maintained	Primary budget surplus maintained	Primary budget surplus maintained
3.1.2		Published National Disaster Risk Financing Strategy Amended grant frameworks	Capability for financing disaster risk reviewed	#	#	#	#	National Disaster Risk Financing Strategy published Grant frameworks amended to integrate disaster risk management	National Disaster Risk Financing Strategy reviewed	National Disaster Risk Financing Strategy implemented	National Disaster Risk Financing Strategy reviewed	National Disaster Risk Financing Strategy implemented
3.1.3		Revised Public Private Partnership Regulations	Public Private Partnership Regulations amended	#	#	#	#	Revised Public Private Partnership Regulations gazetted	N/A	N/A	N/A	N/A
3.1.4		Poverty and education components of the provincial equitable share formula updated Phase 1 of the	Intergovernmental fiscal framework reviewed	#	#	#	#	Poverty and education components of the provincial equitable share formula updated	Phase 1 of the	Remaining components and weightings assigned to components in the formula reviewed	Phase 2 of the	Phase-in revised formula
				#	#	#	#		Phase 1 of the	Phase 2 of the	Local	Findings of the

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance		Estimated Performance	Planned Performance Current Year		MTEF Period			
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
3.1.5		review of the local government fiscal framework completed Progress reports on the economic development strategies produced		#	1	1	1	1	1	1	1	review of local government fiscal framework implemented
3.1.6	Increased public infrastructure investment	Infrastructure plans review reports	Percentage of infrastructure plans reviewed	#	100%	100%	100%	100%	100%	100%	100%	100%

No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance					Annual Targets				
				2021/22	2022/23	2023/24	2024/25	Estimated Performance	Planned Performance Current Year	MTEF Period			
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
3.1.7	Sustainable public finances	Financial affordability assessment	Financial affordability of the social security system assessed	#	#	#	#	#	Research on Financial affordability of the social security system conducted	Report on Financial affordability of the social security system issued	N/A	N/A	N/A
3.1.8		Financial recovery plans	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment	#	#	#	#	#	100%	100%	100%	100%	100%
3.1.9		Functional budget group reports	Number of functional budget group reports produced	#	#	#	7	7	7	7	7	7	7
3.1.10		SCOA reports	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	4	4	4	4	4	4	4	4	4

7.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.1	Primary budget surplus maintained	Primary budget surplus maintained	N/A	N/A	N/A	Primary budget surplus maintained
3.1.2	Capability for financing disaster risk reviewed	National Disaster Risk Financing Strategy published	N/A	National Disaster Risk Financing Strategy approved	National Disaster Risk Financing Strategy published	N/A
		Grant frameworks amended to integrate disaster risk management	N/A	N/A	Proposed amendments to conditional grant frameworks consulted with relevant stakeholders	Grant frameworks amended to integrate disaster risk management
3.1.3	Public Private Partnership Regulations amended	Revised Public Private Partnership Regulations gazetted	N/A	N/A	Revised Public Private Partnership Regulations gazetted	N/A
3.1.4	Intergovernmental fiscal framework reviewed	Poverty and education components of the provincial equitable share formula updated	Analysis of the income and expenditure data conducted	Preliminary data insights presented to the Technical Committee on Finance	Updated formula presented to Budget Council	Poverty and education components of the provincial equitable share formula updated
		Phase 1 of the review of the local government fiscal framework completed	N/A	Project inception report adopted	N/A	Phase 1 of the review of the local government fiscal framework completed
3.1.5	Number of progress reports on the implementation of the township economic development strategies produced	1	N/A	N/A	N/A	1
3.1.6	Percentage of infrastructure plans reviewed	100%	N/A	N/A	100%	N/A

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1.7	Financial affordability of the social security system assessed	Research on Financial affordability of the social security system conducted	N/A	N/A	N/A	Research on Financial affordability of the social security system conducted
3.1.8	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment	100%	100%	100%	100%	100%
3.1.9	Number of functional budget group reports produced	7	N/A	N/A	7	N/A
3.1.10	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations	4	1	1	1	1

Explanation of planned performance over the medium-term period

Primary budget surplus maintained

The National Treasury will ensure that the primary budget surplus is maintained essentially for debt stability, market trust, and long-term growth. The focus is on ensuring that the primary surplus helps stabilize or reduce the public debt-to-GDP ratio over time by ensuring that the government does not rely on additional borrowing to cover its non-interest expenses.

Capability for financing disaster risk reviewed

The National Treasury will ensure that the national disaster risk financing policy is developed, grant frameworks are amended to integrate disaster risk management and financing instruments that respond to disasters are designed in the short-term to medium term period. Additionally, 36 municipalities that have implemented the revised disaster management system will be prioritised for improved capabilities for disaster management. This aligns with the National Treasury Strategic Plan 2025-2030 outcome on strengthened capability for financing disaster risk.

During the 2025/26 financial year, the priority is to ensure that the Grant frameworks are amended to integrate disaster risk management, and the National Disaster Risk Financing Strategy is approved. The National Disaster Risk Financing Strategy is in response to the intensity and frequency of climate change disasters in the Southern Africa region which has severe economic and fiscal impacts that need to be mitigated through proactive forward planning and budgeting. This contributes towards achieving the Medium-Term Development Plan Strategic Priority 1: Outcome for improved capability for disaster management at the local government level.

Public Private Partnership Regulations amended

Regarding the review of the Public Private Partnership, the MTDP strategic intervention is to simplify the regulations on public-private partnerships to enable greater investment in both social and economic infrastructure development. National Treasury planned to have the Public Private Partnership Regulations - National Treasury Regulations 16 (NTR 16) and PPP Municipal Regulations and revised regulation gazetted in the 2025/26 financial year.

Intergovernmental fiscal framework reviewed

During the 2025/26 financial year, National Treasury will ensure that the Intergovernmental Fiscal Framework is reviewed. The priority will be updating the poverty and education components of the provincial equitable share formula. Additionally, Phase 1 of the local government framework review will be completed during the 2025/26 financial year.

Number of progress reports on the implementation of the township economic development strategies produced

The Cities Support Programme will continue to facilitate spatialised, integrated, and participatory economic development planning by implementing Township Economic Development Strategies in metropolitan areas. In collaboration with intergovernmental partners, the National Treasury will prioritise necessary reforms in several key areas, including the metro trading services reform as well as the human settlements transformation programme.

Specific focus areas for these reforms will include, assisting selected cities in enhancing customer-facing business processes to improve the ease of doing business (localised SNDB); Supporting municipalities in accessing and utilising anonymised tax data through the City Spatialised Economic Data Initiative (City SEAD); promoting efficiencies in metro water and energy services and Improving infrastructure planning and management.

Percentage of infrastructure plans reviewed

The National Treasury support and monitor the ability of provincial departments to improve their infrastructure planning and the institutionalisation of the infrastructure delivery management system (IDMS). To this end, asset management plans and infrastructure programme management plans from provincial departments are reviewed and assessed to enhance infrastructure planning and integrated development.

Financial affordability of the social security system assessed

In respect of social security reform, National Treasury plans to conduct research on financial affordability of the social security system including active labour market instruments, social insurance and social support by 2026. During the 2025/26 financial year, the unit will assess the financial affordability of the social security system.

Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment

As part of the local government support portfolio, the National Treasury assists municipalities to prepare mandatory financial recovery plans. This is to ensure that municipalities can recover from financial distress, maintain solvency, and continue with service delivery. The department commits to respond within 90 days from date of submission of the status quo assessment for compilation of mandatory financial recovery plans. Financial recovery plans include evaluation of the municipality's financial condition, assessment of its revenue streams, expenditures, debt levels, and operational inefficiencies. Thereafter, a detailed plan aimed at addressing the root causes of the financial distress is developed. Regular progress reports are required to track the municipality's adherence to the plan and its financial improvement.

Number of functional budget group reports produced

Public Finance coordinates and monitors the various functional budget groups to ensure insight into the financial performance of specific functional areas within the government. Quarterly reports are typically produced by budget groups responsible for managing and monitoring expenditures within their respective functions. Through comparison of actual expenditures against the budgeted amounts, with explanations for any significant variances, the reports contribute to the achievement of the National Treasury's institutional outcome: sustainable public finances.

Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations

Quarterly expenditure reports submitted to the Standing Committee on Appropriations provide a detailed breakdown of how funds have been spent over a three-month period. These reports are crucial for ensuring transparency, accountability, and effective oversight of public finances.

Additionally, these reports are essential for maintaining fiscal discipline and ensuring that public funds are used efficiently and effectively to achieve the intended outcomes.

National Spatial Development Framework

The National Treasury does not lead projects implementing the National Spatial Development Framework (NSDF); however, NT's role is to provide financial support, policy frameworks, and give guidance to ensure that the NSDF and its agendas are effectively implemented by other government entities and municipalities. The National Treasury is responsible for ensuring that sufficient financial resources are allocated to support the implementation of the NSDF and NSAA. This includes budgeting for infrastructure development, urban planning, and other spatial transformation initiatives. The National Treasury provides guidance and support to municipalities in implementing the NSDF and NSAA. This includes technical assistance, capacity building, and sharing best practices for spatial planning and land use management. Through the intergovernmental fiscal system and policy environment National Treasury ensures that spatial development initiatives are integrated into broader government planning and budgeting frameworks. To this end, the NT supports the government efforts to align national, provincial, and local government infrastructure planning, funding and project implementation processes in the various National Spatial Action Areas.

7.4 Programme Resource Considerations

7.4.1 Expenditure trends and estimates

Table 8.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million											
Programme Management for Public Finance and Budget Management	20.4	18.5	19.9	28.5	11.9%	0.5%	35.1	40.2	42.3	14.0%	0.8%
Public Finance	69.7	74.4	76.1	77.1	3.4%	1.8%	78.6	82.4	85.7	3.6%	1.8%
Budget Office and Coordination	120.5	129.5	135.7	138.6	4.8%	3.1%	137.1	146.9	153.3	3.4%	3.2%
Intergovernmental Relations	107.3	181.2	143.8	220.1	27.0%	3.9%	302.6	311.1	323.6	13.7%	6.3%
Financial and Fiscal Commission	63.2	63.8	59.1	60.3	-1.6%	1.5%	63.0	65.8	68.8	4.5%	1.4%
Facilitation of Conditional Grants	2 366.2	2 379.6	2 384.6	2 424.0	0.8%	56.7%	2 328.5	2 593.0	2 626.2	2.7%	54.6%
Catalytic Infrastructure and Development Support Programme	677.8	741.5	567.2	825.9	6.8%	16.7%	951.0	1 117.4	1 167.9	12.2%	22.2%
Government Technical Advisory Centre	837.3	765.6	653.7	421.4	-20.5%	15.9%	432.4	454.7	475.3	4.1%	9.8%
Total	4 262.4	4 354.2	4 040.2	4 195.8	-0.5%	100.0%	4 328.1	4 811.6	4 943.1	5.6%	100.0%
Change to 2024 Budget estimate				-			452.2	630.2	572.6		

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million	826.2	905.2	805.0	1 292.7	16.1%	22.7%	1 518.1	1 714.2	1 787.8	11.4%	34.5%
Economic classification											
Current payments	826.2	905.2	805.0	1 292.7	16.1%	22.7%	1 518.1	1 714.2	1 787.8	11.4%	34.5%
Compensation of employees	223.0	234.9	257.1	265.8	6.0%	5.8%	280.6	299.1	312.4	5.5%	6.3%
Goods and services	603.2	670.3	547.8	1 026.9	19.4%	16.9%	1 237.4	1 415.1	1 475.4	12.8%	28.2%
of which:											
Bursaries: Employees	0.7	1.1	0.8	1.5	27.2%	0.0%	1.5	1.6	1.6	3.1%	0.0%
Computer services	1.2	1.3	4.2	1.7	12.0%	0.0%	1.7	1.6	1.6	-1.3%	0.0%
Consultants: Business and advisory services	594.2	658.3	532.0	508.6	-5.0%	13.6%	566.9	592.9	616.3	6.6%	12.5%
Inventory: Other supplies	-	-	-	500.0	-	3.0%	650.0	800.0	836.2	18.7%	15.2%
Travel and subsistence	1.6	5.6	5.8	8.4	73.0%	0.1%	9.4	9.9	10.6	8.2%	0.2%
Operating payments	3.5	2.1	1.1	1.8	-19.8%	0.1%	3.0	3.9	3.6	25.2%	0.1%
Transfers and subsidies	3 434.6	3 445.0	3 233.1	2 901.7	-5.5%	77.2%	2 807.5	3 094.7	3 152.4	2.8%	65.4%
Provinces and municipalities	2 366.2	2 379.6	2 384.6	2 424.0	0.8%	56.7%	2 328.5	2 593.0	2 626.2	2.7%	54.6%
Departmental agencies and accounts	237.2	139.5	135.3	131.9	-17.8%	3.8%	138.1	144.8	151.3	4.7%	3.1%
Public corporations and private enterprises	830.6	924.6	712.8	345.5	-25.4%	16.7%	340.6	356.6	374.6	2.7%	7.8%
Households	0.5	1.4	0.4	0.4	-12.7%	0.0%	0.3	0.3	0.3	-8.9%	0.0%
Payments for capital assets	1.7	4.0	2.0	1.4	-5.9%	0.1%	2.6	2.7	2.9	27.6%	0.1%
Machinery and equipment	1.7	4.0	2.0	1.4	-5.9%	0.1%	2.6	2.7	2.9	27.6%	0.1%
Payments for financial assets	-	0.0	0.1	-	-	0.0%	-	-	-	-	-
Total	4 262.4	4 354.2	4 040.2	4 195.8	-0.5%	100.0%	4 328.1	4 811.6	4 943.1	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	7.6%	14.2%	14.7%	15.9%	-	-	15.5%	16.4%	16.2%	-	-

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25 - 2027/28
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.5	1.1	0.4	0.4	-12.7%	0.4	0.3	0.3	0.3	-8.9%	-
Employee social benefits	0.5	1.1	0.4	0.4	-12.7%	0.4	0.3	0.3	0.3	-8.9%	-
Other transfers to households											
Current	-	0.3	-	-	-	-	-	-	-	-	-
Employee social benefits	-	0.3	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	237.2	139.5	135.3	131.9	-17.8%	131.9	138.1	144.8	151.3	4.7%	3.1%
Financial and Fiscal Commission	63.2	63.8	59.1	60.3	-1.6%	60.3	63.0	65.8	68.8	4.5%	1.4%
Government Technical Advisory Centre: Support on infrastructure planning	-	22.7	23.5	20.7	-	20.7	21.7	23.1	24.1	5.3%	0.5%
Government Technical Advisory Centre	74.0	52.9	52.7	51.0	-11.7%	51.0	53.5	55.9	58.4	4.6%	1.2%
Government Technical Advisory Centre: Independent power producer project preparation support	100.0	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	233.8	288.8	198.8	47.3	-41.3%	47.3	40.0	40.0	41.8	-4.0%	0.9%
Development Bank of Southern Africa	153.7	95.0	-	-	-100.0%	-	-	-	-	-	-
Development Bank of Southern Africa: Support to the Infrastructure Fund operations	80.2	41.8	46.3	47.3	-16.1%	47.3	40.0	40.0	41.8	-4.0%	0.9%

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)		Average Expenditure/Total (%)			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23		2023/24	2024/25	2021/22 - 2024/25	2025/26	2026/27		
R million										
Development Bank of Southern Africa: Support to the Infrastructure Fund social housing programme	-	152.0	152.5	-	-	1.8%	-	-	-	-
Other transfers to private enterprises										
Current	596.8	635.8	514.0	298.2	-20,6%	12.1%	300.6	316,6	332.8	3.7%
Various institutions: Jobs Fund	596.8	635.8	514.0	298.2	-20,6%	12.1%	300.6	316,6	332.8	3.7%
Provinces and municipalities										
Municipal bank accounts										
Current	707.3	725.6	719.9	747.6	1,9%	17.2%	762.5	797,4	833.4	3.7%
Local government financial management grant	552.1	566.4	568.6	582.2	1,8%	13.5%	589.7	616,7	644.6	3.5%
Infrastructure skills development grant	155.2	159.2	151.4	165.4	2,1%	3.7%	172.8	180,7	188.9	4.5%
Capital	1 658.9	1 654.0	1 664.7	1 676.4	0,3%	39.5%	1 566.0	1 795,6	1 792.7	2.3%
Programme and project preparation support grant	341.3	360.9	318.7	385.8	4,2%	8.3%	-	-	-	-100.0%
Neighbourhood development partnership grant	1 317.6	1 293.1	1 346.0	1 290.6	-0,7%	31.1%	542.4	430,2	449.6	-29.6%
Urban development financing grant	-	-	-	-	-	-	573.6	1 365,4	1 343.1	-
Public employment programme	-	-	-	-	-	-	450.0	-	-	-
										18.0%
										2.5%

7.4.2 Personnel information

Table 8.11 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average Salary level/ Total (%)								
Number of funded posts	Number of posts of additional to the establishment	Actual			Revised estimate			2024/25			2025/26			2026/27			2027/28			Average growth rate (%)		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Public Finance and Budget Management		9	264	257.1	1.0	260	265.8	1.0	259	280.6	1.1	262	299.1	1.1	260	312.4	1.2	260	312.4	1.2	2024/25 - 2027/28	
1-6	9	9	2.2	0.2	9	2.4	0.3	9	2.5	0.3	9	2.7	0.3	9	2.8	0.3	9	2.8	0.3	9	-	3.5%
7-10	76	77	48.3	0.6	77	51.1	0.7	76	53.5	0.7	77	57.3	0.7	77	60.1	0.8	77	60.1	0.8	77	-0.3%	29.5%
11-12	98	98	100.6	1.0	98	107.0	1.1	97	111.8	1.2	98	118.7	1.2	98	123.9	1.3	97	123.9	1.3	97	-0.5%	37.4%
13-16	80	80	106.0	1.3	76	105.4	1.4	77	112.8	1.5	78	120.4	1.5	77	125.6	1.6	77	125.6	1.6	77	0.5%	29.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
 2. Rand million.

8. PROGRAMME 4: ASSET AND LIABILITY MANAGEMENT

Purpose: To prudently manage government's financial assets and liabilities.

8.1 Sub-Programmes:

Programme Management for Asset and Liability Management

This sub-programme provides the overall management and regulatory support related to this programme, including support for planning, delivery implementation, monitoring and associated activities that include the management of government debt, financial assets and investments.

State-Owned Companies (SOCs) Financial Management and Governance

This sub-programme is responsible for overseeing SOCs to enable them to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance of these enterprises.

Government Debt Management

This sub-programme is responsible for government's long-term funding needs. It manages the funding of domestic and foreign debt, contributes to the development of domestic financial markets, maintains sound investor relations, and ensures that debt servicing costs remain sustainable.

Financial Operations

This sub-programme provides for government's short-term funding needs, invests government's surplus cash, prudently manages cash of government, and ensures efficient accounting for debt, the supply of reliable systems, and the provision of high-quality information.

Strategy and Risk Management

This sub-programme develops and maintains a risk management framework for the debt and contingent liabilities of government and monitors the implementation of strategies to ensure that risks remain within tolerance thresholds and that the risk of an adverse sovereign credit rating is mitigated.

8.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets								
				Audited / Actual Performance			Estimated Performance		Planned Performance		MTEF Period	
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
4.1.1	Sound financial controls and management of public finances	Reviewed planning and performance documents	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.2			Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.3		Reviewed complete applications	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%	100%	100%	100%	100%
4.1.4		Annual gross borrowing requirement and refinancing risks benchmarks reports	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	#	#	100%	100%	100%	100%	100%	100%	100%

8.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4.1.1	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.2	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.3	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed	100%	100%	100%	100%	100%
4.1.4	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks	100%	100%	100%	100%	100%

Explanation of planned performance over the medium-term period

The Asset and Liability Management programme contributes to the National Treasury's institutional outcome of ensuring sound financial controls and effective management of public finances. To this end, the program will continue to promote and enforce prudent financial management of state-owned companies (SOCs) over the medium term through financial analysis and oversight, maintain the financing of the government's gross borrowing requirement, review corporate plans and annual reports from Schedule 2 and 3B public entities.

Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed

The assessment of the corporate plans from Schedule 2 and 3B public entities is critical to ensuring transparency, accountability, and oversight over the public entities. These plans are essential for aligning the entity's activities with government priorities, ensuring efficient use of public resources, promoting transparency and accountability.

Percentage of annual reports received from Schedule 2 and 3B public entities reviewed

National Treasury has a responsibility to examine the annual reports submitted by public entities classified under Schedule 2 and Schedule 3B to ensure that the reports are accurate, complete, and compliant with relevant laws and standards. The review of annual reports is a key part of ensuring good governance and financial accountability in public entities.

Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed

National Treasury will continue to ensure efficient and effective implementation and monitoring of the Approved Minimum Criteria for new or additional guarantee requests. These collective efforts aim to enhance the outlook and credit ratings of the sovereign, further supporting the institutional outcome of sound financial controls and management of public finances.

Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks

National Treasury will enhance the implementation of the gross borrowing strategy aimed at maintaining fiscal stability and ensuring that the government can meet its financial obligations without imposing undue burdens on the economy. This entails stringent adherence to the annual borrowing framework as well as conducting continuous monitoring of the economic conditions, adjustments on the borrowing strategy as required by the changing circumstances.

8.4 Programme Resource Considerations

8.4.1 Expenditure trends and estimates

Table 8.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average Expenditure/Total (%)			Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/Total (%)	
	2021/22	2022/23	2023/24		2024/25	2021/22 - 2024/25	2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	2024/25 - 2027/28	2024/25 - 2027/28			
R million																
Programme Management for Asset and Liability Management	7.6	18.7	51.5	35.8	67.4%	0.3%	41.7	36.9	36.5	0.6%	23.6%					
State-owned Entity Financial Management and Governance	26 600.9	5 148.8	540.1	38.9	-88.6%	98.9%	44.3	46.2	48.1	7.3%	27.8%					
Government Debt Management	18.5	20.6	23.1	22.6	7.0%	0.3%	25.1	27.3	29.1	8.8%	16.3%					
Financial Operations	25.8	27.9	31.3	34.7	10.4%	0.4%	38.9	39.3	31.4	-3.2%	22.6%					
Strategy and Risk Management	10.4	9.5	10.4	12.9	7.4%	0.1%	14.6	16.3	17.6	11.0%	9.6%					
Total	26 663.2	5 225.5	656.4	144.9	-82.4%	100.0%	164.5	166.0	162.7	4.0%	100.0%					
Change to 2024 Budget estimate				-			27.6	22.7	13.0							

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million											
Economic classification											
Current payments	97.9	112.8	155.1	144.6	13.9%	1.6%	163.7	165.1	161.8	3.8%	99.5%
Compensation of employees	83.4	84.1	89.2	96.3	4.9%	1.1%	105.0	112.8	119.5	7.4%	68.0%
Goods and services	14.5	28.7	65.8	48.2	49.3%	0.5%	58.6	52.3	42.3	-4.3%	31.6%
<i>of which:</i>											
<i>Audit costs: External</i>	1.4	1.3	1.2	1.6	4.3%	0.0%	1.7	1.7	1.8	4.5%	1.1%
<i>Bursaries: Employees</i>	0.3	1.1	0.9	0.8	39.4%	0.0%	0.8	0.8	0.9	2.4%	0.5%
<i>Computer services</i>	10.0	10.8	13.4	15.1	14.8%	0.2%	17.2	15.5	6.0	-26.3%	8.4%
<i>Consultants: Business and advisory services</i>	2.1	12.8	46.5	26.3	133.7%	0.3%	34.4	29.3	28.5	2.7%	18.6%
<i>Travel and subsistence</i>	0.1	1.7	3.0	2.5	189.8%	0.0%	2.6	2.8	2.9	5.8%	1.7%
<i>Training and development</i>	0.2	0.2	0.1	0.6	40.1%	0.0%	0.6	0.6	0.7	4.5%	0.4%
Transfers and subsidies	0.9	0.7	0.2	-	-100.0%	0.0%	-	-	-	-	-
Households	0.9	0.7	0.2	-	-100.0%	0.0%	-	-	-	-	-
Payments for capital assets	1.5	1.1	1.0	0.3	-41.1%	0.0%	0.8	0.9	0.9	44.0%	0.5%
Machinery and equipment	1.5	1.1	1.0	0.3	-41.1%	0.0%	0.8	0.9	0.9	44.0%	0.5%
Payments for financial assets	26 562.9	5 110.9	500.1	-	-100.0%	98.4%	-	-	-	-	-
Total	26 663.2	5 225.5	656.4	144.9	-82.4%	100.0%	164.5	166.0	162.7	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	47.3%	17.0%	2.4%	0.6%	-	-	0.6%	0.6%	0.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.9	0.7	0.2	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.9	0.7	0.2	-	-100.0%	-	-	-	-	-	-

8.4.2 Personnel information

Table 8.13 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average Salary level/ Total (%)					
Asset and Liability Management Salary level	Number of funded posts	Number of posts of additional establishment	Actual 2023/24			Revised estimate 2024/25			2025/26			2026/27			2027/28			Average growth rate (%)	
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
1-6	104	12	102	89.2	0.9	105	96.3	0.9	111	105.0	0.9	113	112.8	1.0	113	119.5	1.1	2.3%	100.0%
7-10	13	12	5	0.7	0.1	5	0.8	0.2	5	0.8	0.2	5	0.9	0.2	5	0.9	0.2	-	4.5%
11-12	37	-	40	22.8	0.6	43	25.8	0.6	47	30.2	0.6	47	31.9	0.7	47	33.7	0.7	3.7%	41.8%
13-16	33	-	36	36.0	1.0	35	36.7	1.0	36	39.1	1.1	36	41.7	1.2	36	44.4	1.2	1.4%	32.4%
	21	-	21	29.8	1.4	23	33.1	1.4	23	34.9	1.5	24	38.4	1.6	24	40.5	1.7	1.4%	21.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

9. PROGRAMME 5: FINANCIAL ACCOUNTING AND SUPPLY CHAIN MANAGEMENT SYSTEMS

Purpose: Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

9.1 Sub-Programmes

Programme Management for Financial Accounting and Supply Chain Management Systems

This sub-programme supports planning, monitoring and coordinating deliverables of the programme plan.

Office of Accountant-General

The purpose of this sub-programme is to facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the South African public sector through:

- **Financial Systems:** Maintains and improves existing financial management systems and develops and implements Integrated Financial Management Systems (IFMS). This will replace ageing and fragmented financial, supply chain and HR management systems within national and provincial departments.
- **Financial Reporting for National Accounts:** Provides support to all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Responsibilities include monthly monitoring of state budgets and expenditure reports in line with the PFMA.
- **Financial Management Policy and Compliance Improvement:** Promotes financial management compliance with the PFMA and MFMA through the development of supporting guides and frameworks, instructions and regulations, and provides implementation support in the three spheres of government. It regulates financial management and accounting policies and sets the risk and IA frameworks in the three spheres of government. It also provides technical and other support for institutional capacity building relating to financial management and provides assistance with specialised performance audits and investigations of malpractice across all spheres of government.

Office of the Chief Procurement Officer

The purpose of this sub-programme is to manage policy and legislative formulation for procurement systems in government, reduce wasteful expenditure and bring about efficient and cost-effective procurement across government. The office aims to enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery; that supports and enforces transparent and effective management of state procurement and sound stewardship of government assets and resources.

9.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcomes	Outputs	Output Indicators	Annual Targets									
				Audited / Actual Performance		Estimated Performance	Planned Performance	MTEF Period					
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
5.1.1	Sound financial controls and management of public finances	Public Finance Norms and Standards Amendments to the PFMA and MFMA	Number of norms and standards developed	#	#	#	#	6	6	6	6	6	
5.1.2		Amendments to the PFMA and MFMA drafted	Amendments to the PFMA and MFMA	#	#	#	PFMA and MFMA amendments published for public comments	Amendments to the PFMA and MFMA submitted to FOSAD	1	1	N/A	N/A	N/A
5.1.3		Report on Public Finance Management support initiatives	Number of reports on Public Finance Management support initiatives produced	#	#	#	#	1	1	1	1	1	
5.1.4		Draft SCM Professionalisation Framework	SCM Professionalisation Framework developed	#	#	#	#	Draft SCM Professionalisation Framework developed	1	1	1	1	SCM Professionalisation Framework implemented
5.1.5		Financial management systems	Financial management systems automated	#	#	#	#	Functionality to track invoices and payments within 30 days developed	1	1	N/A	N/A	N/A

		Annual Targets								
No.	Outcomes	Outputs	Output Indicators	Audited / Actual Performance		Estimated Performance	Planned Performance	MTEF Period		
				2021/22	2022/23	2023/24	2024/25	Current Year	2026/27	2027/28
5.1.6		Automation of public procurement	Government procurement automated	#	#	#	Automated process for handling requests for quotations implemented	Implementation of Government electronic marketplace completed	Automated end to end open tendering solution implemented	N/A
5.1.7		Transversal term contracts	Number of transversal term contracts implemented	35	27	40	14	10	17	10

9.3 Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5.1.1 Number of norms and standards developed	6	N/A	3	N/A	3
5.1.2 Amendments to the PFMA and MFMA drafted	Amendments to the PFMA and MFMA submitted to FOSAD	N/A	N/A	N/A	Amendments to the PFMA and MFMA submitted to FOSAD
5.1.3 Number of reports on Public Finance Management support initiatives produced	1	N/A	N/A	N/A	1
5.1.4 SCM Professionalisation Framework developed	Draft SCM Professionalisation Framework developed	N/A	N/A	N/A	Draft SCM Professionalisation Framework developed
5.1.5 Financial management systems automated	Functionality to track invoices and payments within 30 days developed	N/A	N/A	N/A	Functionality to track invoices and payments within 30 days developed
5.1.6 Government procurement automated	Automated process for handling requests for quotations implemented	N/A	N/A	N/A	Automated process for handling requests for quotations implemented
5.1.7 Number of transversal term contracts implemented	14	1	2	3	8

Explanation of planned performance over the medium-term period

Number of norms and standards developed

The Office of the Accountant General will develop six norms and standards during the 2025/26 financial year. The priority is to enhance compliance with financial regulations and prevent fraud and mismanagement; maximise the value of public spending, minimise waste; and support long term fiscal stability. Essentially, these financial norms and standards will ensure transparency, comparability, and reliability of financial information. This output contributes to the National Treasury's institutional outcome: sound financial controls and management of public finances.

Amendments to the PFMA and MFMA drafted

The National Treasury is drafting amendments to the Public Finance Management Act (PFMA), the Treasury Regulations, and the Municipal Finance Management Act (MFMA). These legislative and regulatory reforms are aimed at streamlining financial legislation to improve transparency, efficiency, and accountability in public sector financial management. Additionally, these changes will align and simplify processes, strengthen accountability and enforcement within institutions required to comply with the PFMA and MFMA.

Number of reports on Public Finance Management support initiatives produced

The Office of the Accountant General undertakes several Public Financial Management (PFM) capacity building and support initiatives that are critical for improving governance, transparency, and efficiency in the management of public resources. These initiatives help government institutions to strengthen budgeting, accounting, auditing, revenue collection, and expenditure management. During the 2025/26 financial year, the Office of the Accountant General will produce a comprehensive report on the implementation of these capacity building and support initiatives.

SCM Professionalisation Framework developed

The Office of the Chief Procurement Officer will continue with the development of the Draft SCM Professionalisation Framework aimed at increasing the cohorts of supply chain management practitioners in public service. For the local government level, 22 low performing municipalities will be supported to improve the procurement process for the Municipal Infrastructure Grant funded projects over the medium term. In addition, OCPO will enhance partnerships with higher education institutions to strengthen capacity-building initiatives that will improve SCM capacity across all government levels. This collaboration will involve providing support to students pursuing qualifications in logistics and public administration.

Financial management systems automated

Tracking and enforcing the payment of government invoices within 30 days supports economic growth, particularly by improving cash flow for businesses, especially SMEs, boosting productivity, and fostering trust in public institutions. The Office of the Accountant General will work on the development of an automated system that will enable the government to track payment of invoices within 30 days.

Government procurement automated

As part of the strengthening of public procurement, National Treasury prioritised the automation of the public procurement system over the medium term. During the 2025/26 financial year, the plans to commence with automating the process for handling requests for quotations. Digitilisation of procurement processes will enhance efficiency, transparency, compliance and accountability. This is in line with the endeavor to ensure that the Public Procurement System is strengthened as envisaged in the MTDP.

Number of transversal term contracts implemented

The Office of the Chief Procurement Officer is intensifying its efforts to promote centralised procurement to benefit from economies of scale and reduce procurement efforts on common goods and services. NT currently arranges 69 transversal term contracts with an estimated spend of R72 billion across all three spheres of government including state entities. During the 2025/26 financial year, 14 transversal contracts are planned for implementation.

9.4 Programme Resource Considerations

9.4.1 Expenditure trends and estimates

Table 8.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2021/22	2022/23				2023/24	2024/25	2025/26			2026/27
R million	42.9	41.8	58.3	62.1	13.1%	6.9%	84.0	89.9	93.4	14.6%	10.1%
Programme Management for Financial Accounting and Supply Chain Management Systems											
Office of the Chief Procurement Officer	67.7	73.6	79.2	81.8	6.5%	10.1%	89.8	94.2	98.0	6.2%	11.2%
Financial Systems	400.7	317.6	333.8	353.7	-4.1%	47.0%	341.4	351.9	380.4	2.5%	43.8%
Financial Reporting for National Accounts	107.2	111.3	114.4	120.3	3.9%	15.2%	140.4	147.8	155.9	9.0%	17.3%
Financial Management Policy and Compliance Improvement	92.9	122.2	118.9	136.3	13.6%	15.7%	138.0	146.4	152.5	3.8%	17.6%
Audit Statutory Bodies	50.0	50.0	50.0	-	-100.0%	5.0%	-	-	-	-	-
Service Charges: Commercial Banks	0.3	0.2	0.3	0.4	5.7%	0.0%	0.4	0.4	0.4	4.5%	0.0%
Total	761.7	716.7	754.9	754.6	-0.3%	100.0%	794.0	830.5	880.6	5.3%	100.0%
Change to 2024 Budget estimate				-			18.4	13.0	26.2		

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23				2023/24	2024/25	2025/26		
R million	645.7	597.2	633.2	2.0%	85.7%	715.4	754.3	797.4	5.2%	90.6%
Economic classification										
Current payments										
Compensation of employees	208.0	213.1	225.9	4.6%	29.6%	265.9	283.8	297.4	7.8%	33.3%
Goods and services	437.7	384.1	407.3	0.8%	56.1%	449.5	470.5	499.9	3.7%	57.3%
<i>of which:</i>										
<i>Audit costs: External</i>	8.4	5.1	6.7	4.2%	1.0%	10.4	10.9	11.4	6.3%	1.3%
<i>Bursaries: Employees</i>	0.8	1.2	1.9	59.9%	0.3%	3.3	3.6	3.8	2.7%	0.4%
<i>Computer services</i>	369.8	292.3	303.8	-4.1%	43.2%	305.0	314.8	336.1	1.0%	39.3%
<i>Consultants: Business and advisory services</i>	50.9	75.4	86.3	20.3%	10.1%	109.7	118.2	122.1	11.3%	13.5%
<i>Travel and subsistence</i>	1.7	5.4	3.1	72.8%	0.6%	8.2	9.8	10.4	6.6%	1.1%
<i>Venues and facilities</i>	2.6	1.1	1.2	-4.9%	0.2%	2.4	2.5	4.9	29.5%	0.4%
Transfers and subsidies	112.1	112.5	112.4	-16.9%	13.4%	67.0	70.0	73.2	4.5%	8.4%
Departmental agencies and accounts	109.0	110.3	110.5	-17.0%	13.1%	65.0	68.0	71.0	4.5%	8.2%
Households	3.1	2.3	1.9	-14.1%	0.3%	1.9	2.0	2.1	2.8%	0.2%
Payments for capital assets	3.9	6.9	9.2	8.5%	0.8%	11.6	6.2	10.1	26.1%	1.0%
Machinery and equipment	3.9	6.9	9.2	8.7%	0.8%	11.6	6.2	10.1	26.1%	1.0%
Software and other intangible assets	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Payments for financial assets	-	0.0	0.1	-	0.0%	-	-	-	-	-
Total	761.7	716.7	754.9	-0.3%	100.0%	794.0	830.5	880.6	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	2.3%	2.7%	-	-	2.8%	2.8%	2.9%	-	-

Subprogramme	Audited outcome		Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23				2023/24	2024/25	2025/26		
R million	2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	2025/26	2026/27	2027/28	2024/25 - 2027/28	Average: Expenditure/Total (%)
Details of transfers and subsidies										
Households										
Social benefits										
Current	1.8	1.6	1.9	2.0	3.2%	1.9	2.0	2.1	2.8%	0.2%
Employee social benefits	1.8	1.6	1.9	2.0	3.2%	1.9	2.0	2.1	2.8%	0.2%
Other transfers to households										
Current	1.3	0.7	-	-	-100.0%	-	-	-	-	-
Bursaries for non-employees	1.3	0.7	-	-	-100.0%	-	-	-	-	-
Departmental agencies and accounts										
Departmental agencies (non-business entities)										
Current	109.0	110.3	110.5	62.2	-17.0%	65.0	68.0	71.0	4.5%	8.2%
Accounting Standards Board	14.4	14.6	14.6	14.8	1.1%	15.5	16.2	16.9	4.5%	1.9%
Independent Regulatory Board for Auditors	44.6	45.7	45.9	47.4	2.1%	49.5	51.8	54.1	4.5%	6.2%
Auditor-General of South Africa	50.0	50.0	50.0	-	-100.0%	-	-	-	-	-

9.4.2 Personnel information

Table 8.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025			Number and cost ² of personnel posts filled/planned for on funded establishment												Average Salary level/ Total (%)					
Financial Accounting and Supply Chain Management Systems	Number of funded posts	Number of posts of additional to the establishment	Actual 2023/24			Revised estimate 2024/25			2025/26			2026/27			2027/28			Average growth rate (%) 2024/25 - 2027/28		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level 1 – 6	269	43	255	225.9	0.9	253	237.7	0.9	267	265.9	1.0	271	283.8	1.0	270	297.4	1.1	2.2%	100.0%	
7 – 10	119	35	108	60.6	0.6	107	64.3	0.6	115	74.0	0.6	118	79.8	0.7	118	84.3	0.7	3.5%	4.8%	
11 – 12	69	–	67	72.0	1.1	68	79.3	1.2	70	86.7	1.2	70	92.5	1.3	70	97.6	1.4	3.4%	43.2%	
13 – 16	70	1	69	89.5	1.3	66	89.8	1.4	70	100.6	1.4	70	106.2	1.5	69	109.9	1.6	0.8%	26.2%	
																			1.3%	25.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

10. PROGRAMME 6: INTERNATIONAL FINANCIAL RELATIONS

Purpose: Advocate for South Africa's financial, economic and developmental interests in forums regionally and globally.

10.1 Sub-Programmes

Programme Management for International Financial Relations

This sub-programme supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors programmes and activities of the division.

International Economic Cooperation

This sub-programme focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and fora such as the African Development Bank (AfDB), New Development Bank (NDB), the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the Group of G20 (G20), the Brazil- Russia-India-China-South Africa (BRICS) group of countries, the International Monetary Fund (IMF), the Paris Club, Organisation for Economic Cooperation and Development (OECD) and the Group of 24 (G24).

African Integration and Support

This sub-programme serves mainly as a vehicle to enable the National Treasury to engage with Africa through the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the African Union (AU). Regional integration in terms of growing trade, infrastructure investment and strengthening bilateral relations with key countries are the focus areas for strengthening South Africa's relations with SACU, SADC and Africa more broadly.

International Development Funding Institutions

This sub-programme provides for subscriptions and contributions to international development institutions and Multilateral Development Banks (MDBs) and oversees South Africa's relationship with these institutions. It transfers funds to the AfDB, the World Bank Group (WBG) and the NDB to buy shares that contribute to the increases in authorised capital of the MDBs; and it makes contributions to the replenishment of the African Development Fund and the International

Development Association to support African development through provision of concessional loans and grants to low income countries.

International Projects

This sub-programme transfers funds to international projects and interventions, supports priorities such as building capacity and providing medical support to disaster-hit and impoverished areas. To this end, the National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunization (GAVI), a public-private global health partnership aimed at supporting health care and providing vaccines to reduce the number of vaccine-preventable deaths among children in low-income countries.

10.2 Outcomes, Outputs, Output Indicators and Targets

No.	Outcome	Output	Output Indicators	Annual Targets						
				Audited/Actual Performance		Estimated Performance	Planned Performance	MTEF Period		
				2021/22	2022/23			2023/24	2025/26	2026/27
6.1.1	Coherent economic policy advocated	Economic surveillance response-reports	Percentage of economic surveillance reports responded to	100%	100%	100%	100%	100%	100%	100%
6.1.2		G20 Finance Track ministerial meetings	Percentage of the required G20 Finance Track ministerial meetings convened	#	#	#	100%	N/A	N/A	N/A
6.1.3		Outcomes of South Africa's engagements in regional and global forums analysis reports	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	1	1	1	3	3	3	3

10.3 Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6.1.1	Percentage of economic surveillance reports responded to	100%	100%	100%	100%	100%
6.1.2	Percentage of the required G20 Finance Track ministerial meetings convened	100%	100%	100%	100%	100%
6.1.3	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced	3	1	1	N/A	1

Explanation of planned performance over the medium-term period

Percentage of economic surveillance reports responded to

National Treasury monitors economic surveillance reports produced by international organisations such as the IMF, World Bank, or OECD, financial institutions, or private research firms to design and adjust economic policies, identify risks, and provide recommendations for policymakers, investors, and businesses.

Percentage of the required G20 Finance Track ministerial meetings convened

South Africa is hosting and Presiding over the G20 Summit, during this period, the National Treasury, working together with the South African Reserve Bank (SARB), will lead the finance track agenda for the G20. The outcome from this finance track will contribute to the broader goals set for the Leaders' Summit. The Presidency will prioritise the needs and aspirations of Africa and the Global South, enhancing collaboration among G20 nations, focusing on key areas such as trade, investment, and infrastructure development to stimulate growth across the continent.

Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced

The National Treasury will strengthen its oversight of the implementation of country partnership programs that facilitate the flow of development finance to South Africa from institutions like the African Development Bank Group (AfDB), the World Bank Group (WBG), and the New Development Bank (NDB). By systematically analysing and reporting on these engagements, National Treasury enables South Africa to advocate for policies that align with its economic goals and regional commitments.

10.4 Programme Resource Considerations

10.4.1 Expenditure trends and estimates

Table 8.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)			Medium-term expenditure estimate	Average growth rate (%)	Average Expenditure/Total (%)
	2021/22	2022/23	2023/24			2024/25	2021/22 - 2024/25	2025/26			
Programme Management for International Financial Relations	4.7	10.1	14.7	18.1	57.7%	0.3%	16.2	16.9	18.1	-0.2%	0.6%
International Economic Cooperation	27.7	30.5	35.1	93.4	49.9%	1.2%	148.1	75.7	77.7	-5.9%	3.3%
African Integration and Support	1 569.2	1 664.2	1 505.5	1 639.1	1.5%	39.5%	1 673.8	1 746.0	1 838.6	3.9%	58.2%
International Development Funding Institutions	6 203.4	1 119.3	1 126.6	997.5	-45.6%	58.5%	1 076.4	1 125.7	1 176.7	5.7%	36.9%
International Projects	21.5	24.5	25.9	27.2	8.1%	0.6%	28.2	29.4	30.7	4.2%	1.0%
Total	7 826.5	2 848.6	2 707.7	2 775.3	-29.2%	100.0%	2 942.8	2 993.9	3 141.8	4.2%	100.0%
Change to 2024 Budget estimate				-			47.3	(39.2)	(28.4)		
Economic classification											
Current payments	32.2	40.2	49.5	111.0	51.1%	1.4%	163.3	91.6	94.7	-5.1%	3.9%
Compensation of employees	30.5	33.0	38.5	41.7	11.0%	0.9%	44.4	49.2	50.4	6.5%	1.6%
Goods and services	1.7	7.1	11.0	69.3	243.0%	0.6%	118.9	42.4	44.3	-13.8%	2.3%
of which:											
Administrative fees	0.1	0.1	0.3	0.6	59.1%	0.0%	0.7	0.6	0.6	4.7%	0.0%
Bursaries: Employees	0.2	0.1	0.0	0.6	47.8%	0.0%	0.4	0.4	0.5	-6.9%	0.0%
Consultants: Business and advisory services	-	0.0	0.0	7.9	-	0.0%	0.6	0.7	0.7	-55.3%	0.1%
Travel and subsistence	0.9	5.7	8.8	11.7	135.8%	0.2%	11.8	11.9	12.4	1.8%	0.4%
Operating payments	0.4	0.9	1.3	1.4	56.3%	0.0%	1.4	1.5	1.6	5.0%	0.0%
Venues and facilities	-	0.0	0.2	46.5	-	0.3%	103.0	26.4	27.7	-15.9%	1.7%

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million	1 744.2	1 848.1	1 707.1	1 846.9	1.9%	44.2%	1 890.8	1 972.8	2 075.7	4.0%	65.7%
Transfers and subsidies											
Foreign governments and international organisations	1 744.2	1 847.9	1 707.0	1 846.9	1.9%	44.2%	1 890.8	1 972.8	2 075.7	4.0%	65.7%
Households	0.0	0.2	0.1	-	-100.0%	0.0%	-	-	-	-	-
Payments for capital assets	0.2	0.2	0.2	0.6	45.7%	0.0%	1.0	1.0	1.1	25.2%	0.0%
Machinery and equipment	0.2	0.2	0.2	0.6	45.7%	0.0%	1.0	1.0	1.1	25.2%	0.0%
Payments for financial assets	6 049.9	960.2	950.8	816.9	-48.7%	54.3%	887.7	928.4	970.4	5.9%	30.4%
Total	7 826.5	2 848.6	2 707.7	2 775.3	-29.2%	100.0%	2 942.8	2 993.9	3 141.8	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	13.9%	9.3%	9.9%	10.5%	-	-	10.5%	10.2%	10.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	0.0	0.2	0.1	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.0	0.2	0.1	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	1 605.3	1 668.6	1 476.7	1 666.3	1.3%	39.7%	1 702.1	1 775.4	1 869.4	3.9%	59.2%
Common Monetary Area compensation	1 565.7	1 622.1	1 445.6	1 633.3	1.4%	38.8%	1 668.2	1 740.1	1 832.5	3.9%	58.0%
Collaborative Africa Budget Reform Initiative	2.3	2.6	2.8	2.9	8.1%	0.1%	2.7	2.8	2.9	0.2%	0.1%

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2021/22	2022/23	2023/24				2024/25	2025/26	2026/27		
R million											
Commonwealth Fund for Technical Cooperation	5.9	6.4	7.0	6.3	2.0%	0.2%	6.6	7.0	7.3	5.0%	0.2%
International Finance Facility for Immunisation	15.6	18.0	18.9	20.9	10.2%	0.5%	21.6	22.4	23.4	4.0%	0.7%
African Institute for Economic Development and Planning	1.1	-	1.5	1.5	8.9%	-	1.5	1.6	1.6	3.7%	0.1%
Regional Technical Assistance Centre for Southern Africa	-	1.3	1.0	1.4	-	-	1.5	1.5	1.6	4.5%	0.1%
New Development Bank Project Preparation Fund	14.6	18.2	-	-	-100.0%	0.2%	-	-	-	-	-
Capital	138.9	179.2	230.4	180.6	9.2%	4.5%	188.7	197.4	206.3	4.5%	6.5%
African Development Fund	79.2	77.7	109.4	114.3	13.0%	2.4%	119.4	124.9	130.5	4.5%	4.1%
World Bank Group	59.7	63.3	66.3	66.3	3.6%	1.6%	69.3	72.5	75.8	4.5%	2.4%
Financial Intermediary Fund	-	38.3	54.7	-	-	0.6%	-	-	-	-	-

10.4.2 Personnel information

Table 8.17 International Financial Relations personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2025		Number and cost ² of personnel posts filled/planned for on funded establishment												Average growth rate (%)	Average Salary level/ Total (%)			
Number of funded posts	Number of posts of additional to the establishment	Actual 2023/24			Revised estimate 2024/25			2025/26			2026/27			2027/28			2024/25 - 2027/28	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
International Financial Relations																		
Salary level	2	38	38.5	1.0	49	41.7	0.8	50	44.4	0.9	52	49.2	0.9	51	50.4	1.0	1.1%	100.0%
1 – 6	2	2	0.2	0.1	2	0.2	0.1	2	0.3	0.1	2	0.3	0.1	2	0.3	0.1	–	4.0%
7 – 10	–	11	6.7	0.6	15	10.1	0.7	16	11.1	0.7	17	13.0	0.7	17	13.7	0.8	4.4%	32.5%
11 – 12	–	7	5.9	0.8	9	8.5	0.9	9	9.0	1.0	10	10.5	1.0	9	10.5	1.1	1.6%	18.6%
13 – 16	–	18	17.3	1.0	23	22.8	1.0	23	24.1	1.0	23	25.4	1.1	22	25.9	1.2	-1.3%	45.0%
Other	–	–	8.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data. Rand million.

11. EXPENDITURE OVERVIEW

The department's budget over the medium term is R3.501 trillion, of which 56.7 per cent (R1.984 trillion) is for transfers to provincial governments for the provincial equitable share. The increase on the department's baseline amounts to R15.682 billion over the medium term in relation to the provincial equitable share for adjustments to the compensation of employees. The department has an increase to its baseline related to transfers and subsidies over the medium term: R3.528 billion to the South African Revenue Service to implement capital projects.

The budget allocation per economic classification over the medium term is as follows: R3.422 billion on compensation of employees; R6.983 billion on goods and services; R2.138 trillion on transfers and subsidies; R89 million on payment of capital assets; and R2.786 billion on payment for financial assets.

Compensation of employees

The budget allocation for compensation of employees in 2025/26 financial year is R1.074 billion which is earmarked for the headcount averaging 1 100 per annum. In the period between 2023/24 and 2024/25 there has been a decrease of 0.28 per cent from 1 082 to 1 058 on the headcount largely due to the replacement of vacant positions during this period. Over the medium term, budget allocation for compensation of employees is R 3.422 billion.

Goods and services

Over the medium term, expenditure on goods and services is projected to be R6.983 billion with the amount of R2.201 billion allocated for the 2025/26 financial year. These funds are budgeted for various line items which cover the day-today spending on the operation of the department. However, a significant part of the spending on goods and services is on consultancy services, computer services and inventory: other supplies. These three-line items are the main cost drivers of the department on goods and services spending, with consultancy services projected to spend R2.331 billion over the medium term, inventory other supplies amount to R2.286 billion whilst the computer services budgeted at R1.228 billion.

The consultancy services spending is largely within the catalytic infrastructure and development support programme which comprises of the Municipal Finance Improvement Programme (MFIP), Infrastructure Delivery Improvement Programme (IDIP), Cities Support Programme (CSP), Neighbourhood Development Partnership Grant-indirect (NDPG) as well as the Municipal Revenue Management Improvement Programme (MRMIP). Expenditure on other supplies as the second largest cost driver is mainly on Intergovernmental Relations which provides capital and operational subsidies to implement and co-fund smart metering systems on behalf of municipalities. Expenditure on computer services as the third largest cost driver is mainly on the financial systems which comprises of the maintenance and support of the legacy systems – basic accounting system (BAS), personal and salaries management system (PERSAL), logistical information system (LOGIS), and Vulindlela.

Transfers and subsidies

The transfers and subsidies are allocated a budget amount of R2.138 trillion over the medium term. This constitutes the largest spending component for the department. This expenditure item comprises of different categories of transfers i.e., department agencies account largely for public

entities reporting to the Minister of Finance, the conditional grants to municipalities, the civil and military pensions as well as the foreign governments and international organisations. For the 2025/26 financial year, the transfer and subsidies are allocated R681.829 billion.

Transfers or allocations to the public entities reporting under the department consist of the Financial Intelligence Centre (FIC), Accounting Standards Board (ASB), Independent Regulatory Board of Auditors (IRBA), Financial and Fiscal Commission (FFC) and South African Revenue Service (SARS) amongst others. SARS constituted 1.97 per cent or R36.212 billion of the transfers total spending of R1.834 trillion over the three previous financial years. This trend continues over the medium term with 2.23 per cent or R41.761 billion allocated to SARS of the R2.138 trillion total transfers budget. The Conditional Grants to various municipalities in line with the Division of Revenue Act (DORA) comprise of the Neighbourhood Development Partnership Grant (NDPG), Infrastructure Skills Development Grant (ISDG), Local Government Financial Management Grant (LGFMG) Urban Development Financing Grant (UDFG) and Public Employment Programme (PEP). Included in the expenditure was also spending towards job creation on the Jobs Fund projects, the transfer payment to the Government Technical Advisory Centre (GTAC).

These constituted approximately 0.25 per cent or R7.130 billion in spending for the past three financial years. Over the medium term, the budget allocation for Conditional Grants is R7.548 billion, with R2.328 billion budgeted for the 2025/26 financial year. For the 2025/26 financial year, the NDPG is budgeted R542 million, LGFMG is budgeted R590 million; the ISDG is budgeted with R173 million, Urban Development Financing Grant (UDFG) is budgeted with R574 million and Public Employment Programme (PEP) is budgeted with R450 million

The public sector related pension, post-retirement medical and other benefits in terms of statutory and collective agreement obligations also comprise a significant portion of the department's spending. The major contributors to the spending on this area are mainly the transfer payments to the Post-Retirement Medical Benefits (PRMB), the Special Pensions, Injury on Duty and the SA Citizen Forces to the Government Pensions Administration Agency (GPAA).

These constituted approximately 1.03 per cent or R18.853 billion in spending for the past three financial years. Over the medium term, the budget allocation for the Civil Pensions and Contributions to Funds is R25.972 billion. International commitments are also part of the large spending on transfers as it constituted approximately 0.29 per cent or R5.301 billion in spending for the past three financial years. These commitments are under the Common Monetary Area (CMA) compensation, the Collaborative Africa Budget Reform Initiative (CABRI), Commonwealth Fund for Technical Cooperation (CFTC), International Finance Facility for Immunisation (IFFI), African Development Bank and Fund (AfDB) and the World Bank.

Over the medium term, the international commitments include budget allocation for the International Development Funding Institutions with the total amount of R3.379 billion allocated for the next three years, Africa Integration and Support with the total budget allocation of R5.258 billion and R302 million allocated for the International Economic Cooperation. The impact of the foreign exchange rate poses ongoing risk on budget allocation. There is high volatility on the Rand exchange rate against the US Dollar.

The budgeted amount most often tends to be lesser than the actual payments, therefore resulting in a significant budget shortfall. Due to tight fiscal constraints, the department is unable to budget at the highest forecasted exchange rate. For the Africa Integration and Support, 99.7 per cent or R5.241 billion of the total budget allocation of R5.258 billion over the medium term is budgeted for Common Monetary Area compensation, with the Collaborative Africa Budget Reform Initiative

allocated R8.374 million, the African Regional Technical Centre for Southern Africa budgeted with R4.634 million and the Africa Institute for Development and Economic Planning allocated R4.724 million. Similarly for the 2025/26 financial year, the Common Monetary Area compensation is budgeted with R1.668 billion from the total budget allocation of R1.891 billion.

Payment for capital assets

The payment for capital assets is budgeted at R89 million over the medium term, with R 31.1 million budgeted for the 2025/26 financial year. There is an average decline of 36 per cent from R24.5 to R18.1 million in the past 3 years compared to the medium term because of Cost Containment Measures implementation resulted from budget constraints.

Payment for financial assets

The payment for financial assets is also one of the biggest cost drivers within the department over the medium term. Over the medium term, the department has allocated a budget amount of R2.786 billion on payment for financial assets, with R887.718 million budgeted for the 2025/26 financial year. Over the medium term, the spending priorities for the department are consistent with the past 3 financial years. The spending drivers for the department have not changed and the spending configuration and composition is still more aligned and relevant to the department's mandate.

12. NATIONAL TREASURY KEY RISKS TABLE

Outcome	Key risks	Risk mitigation
Sustainable public finances	Compromised policy decisions on the national budget	<p>In-depth comprehensive analysis to allow an opportunity to question data from stakeholders</p> <p>Highly integrated and consultative budget process involving stakeholders at various levels</p> <p>Regular monitoring of data submissions for information credibility and data integrity</p> <p>ICT strategies and platforms (Excel) to improve data integrity across government</p> <p>Formal technical training and on the job training for employees in place to ensure improved data quality</p> <p>All budget processes conducted on the SQL server environment, thereby improving data security</p> <p>Daily data update meetings with relevant stakeholders are held to ensure uniformity in data utilised</p> <p>Rigorous number checking process is conducted before the publication of budget documentation</p> <p>MinCommBud, BCC, budget Coordinating committee, MTEC and number consolidation processes</p> <p>Strict quality control (verification of information) by CDs and DDG of information distributed to the DG and Ministry</p> <p>Peer reviews of research by academic experts outside NT</p> <p>Ensure transparency and credibility of assumptions and forecast process</p>
Coherent economic policy advocated	South Africa's interests potentially compromised at international institutions and fora	<p>Consultations with the Ministry of Finance held regularly for endorsement of NT's proposed position on SA's interests at international engagements and shared with appropriate government departments</p> <p>Collaboration of staff across NT Divisions to provide input on different areas of expertise in the preparation of international meetings</p> <p>Provision of submissions to DIRCO and Embassies on NT's positions</p>
Sound financial control and	NT Organisation not optimised for effective, efficient and economical service delivery	Strengthen the adequacy and effectiveness of governance, risk management and control processes

Outcome	Key risks	Risk mitigation
management of public finances		<p>Improve ICT support by implementing innovative solutions</p> <p>Provide governance and legal support to ensure that the NT's mandate is carried out within the legal framework</p> <p>Implement Business Continuity Management solutions to minimize and eliminate business disruptions</p> <p>Provide a safe and secure environment for all employees</p>
	Fraud, corruption and unethical behaviour	<p>Implementation of fraud prevention strategies</p> <p>Implement and advocate for whistleblowing measures</p> <p>Implement measures to advocate an ethical culture</p>
	Cyberattacks and leakage of sensitive information	<p>Implementation of ICT data leakage protection, firewalls and encryption solutions</p> <p>Embargoing of sensitive budget information prior to delivery of the budget speech</p> <p>Conduct education and awareness programmes for employees and stakeholders on measures to prevent cyberattacks, loss and leakage of sensitive information</p>
Increased public infrastructure investment	Inability to leverage public and private sector investment in targeted/identified areas which may result in continued spatial fragmentation	<p>Technical assistance grant funding is allocated to all urban municipalities including precinct planning and management support to municipalities</p> <p>Securing private investment in specific projects</p>

13. PUBLIC ENTITIES

Name of public entity	Mandate	Key outputs	Annual budget 2025/26
Accounting Standards Board (ASB)	To develop uniform standards of Generally Recognised Accounting Practice (GRAP) for all spheres of government in terms of Section 216(1) (a) of the Constitution and the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.	Maintain and enhance existing Standards of GRAP and develop new Standards where gaps are identified Promote a culture of learning with preparers and users of the financial statements	R15.624 million
Development Bank of Southern Africa (DBSA)	The DBSA is a development finance institution (DFI) that is wholly owned by the government of the Republic of South Africa. The DBSA has a mandate to promote inclusive and sustainable economic development and growth, human resources and institutional capacity development, support development projects and programmes in the region, and promote regional integration through infrastructure development that improves the quality of life for people in Africa.	Sustainable growth Increased sustainable developmental outcomes in under-resourced municipalities	R9.851 billion
Financial and Fiscal Commission (FFC)	To make recommendations to Parliament, provincial legislatures, organized local government and other organs of state on financial and fiscal matters as envisaged in the Constitution and other national legislation. Financial and Fiscal Commission Act No. 99 of 1997 as amended	Annual submissions, policy briefs, technical reports, and reports on financial and fiscal matters	R64.746 million
Financial Intelligence Centre (FIC)	To identify the proceeds of crime, combat money laundering and terror financing.	Awareness of the FIC Act Supervision of the FIC Act Enforcement of the FIC Act	R499.885 million
Financial Sector Conduct Authority (FSCA)	To enhance the efficiency and integrity of financial markets; promote fair customer treatment by financial institutions; provide financial education and promote financial literacy; and assist in maintaining financial stability	Cases completed within the required timeframes. Penalties from regulated entities collected License applications completed within 90 days Implemented Consumer Education initiatives	R1.125 billion
Government Pensions	Administering pensions on behalf of GEPF in terms of the	Reduced unclaimed benefits	R1.660 billion

Name of public entity	Mandate	Key outputs	Annual budget 2025/26
Administration Agency (GPAA)	Government Employees Pension (GEP) Law of 1996 on behalf of GEPF's Board of Trustees.	Paid GEPF death benefits Maintained NT clients' records	
Government Technical Advisory Centre (GTAC)	To assist organs of state to build their capacity for efficient, effective, and transparent financial management.	Capital appraisal report completed Knowledge products produced Institutional development support provided	R257.927 million
Independent Regulatory Board for Auditors (IRBA)	To protect the sections of the public that rely on the services of registered auditors, and to provide support to registered auditors. It is required to ensure that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver services of the highest quality and adhere to the highest ethical standards.	Issued auditing pronouncements, auditor reports and comment letters Issued additional guidance on ethical issues, comment letters and Code amendments Disciplinary strategy developed, adopted, and implemented	R225.455 million
Land and Agricultural Development Bank of South Africa (Land Bank)	Provide finance for emerging farmers in pursuit of the equitable ownership of land, agrarian reform, and land distribution. Remove the legacy of past racial and gender discrimination. Promote food security and support commercial agriculture.	Developed solutions for balance sheet challenges Profit optimisation Client value proposition and product offering	R2.059 billion
Office of the Ombud for Financial Services Providers (FAIS Ombud)	To resolve complaints in an economical, informal, and expeditious manner flows from Section 20 of the FAIS Act. A further mandate is derived from the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004).	Report on complaints closed within 9 months of date of receipts Brand awareness, financial literacy and customer awareness activities Property syndication report	R92.540 million
Ombud Council (OC)	To oversee ombud schemes and to ensure adequate coverage of complaints against financial product and service providers by appropriate ombud schemes.	Participation in and/or facilitation of ombud scheme consumer education programmes or initiatives Action plan to address jurisdiction issues and resolve overlaps Resolved complaints	R26.664 million
Office of the Pension Funds Adjudicator (OPFA)	To ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the Act by ensuring that its services are accessible to all; investigating complaints in a procedurally fair manner;	Receipt of complaints acknowledged within 2 working days Premature complaints referred to respondents for resolution directly with the	R112.729 million

Name of public entity	Mandate	Key outputs	Annual budget 2025/26
	reaching a just and expeditious resolution of complaints in accordance with the law; being innovative and proactive in thought and in action; and supporting, encouraging and providing opportunities for individual growth.	complainant within 5 working days of receipt Closed complaints allocated for closure within 2 working days as: abandoned, withdrawn, duplicates, out of jurisdiction	
Office of the Tax Ombud (OTO)	To review and address any complaint by a taxpayer regarding a service matter, or a procedural or administrative matter arising from the application of the provisions of a Tax Act by SARS; and review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systematic and emerging issues related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.	Timely and efficient identification of possible systemic issues Timeliness and efficiency of the complaint review process	R55.941 million
Public Investment Corporation	The PIC's mandate is centred on investing funds received or held by, for or on behalf of the Government of South Africa and certain bodies, councils, funds, and accounts. The clients of the PIC are mainly pension, provident, social security and guardian funds. Therefore, the PIC's mandate is to invest funds on behalf of these clients, based on investment mandates agreed with each client, and are approved and regulated by the Financial Sector Conduct Authority (FSCA).	Meet client benchmark portfolio returns and compliance with client risk parameters	R1.614 billion
South African Revenue Service (SARS)	To collect all revenue due to the state and to support government in meeting its key growth and developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion.	Printed revenue estimates are met Customer satisfaction is improved Reduced number of disputes lodged with SARS	R13.906 billion
South African Special Risks Insurance Association (SASRIA)	Sasria operates under a dual mandate, which focuses on offering short-term insurance coverage against specific risks such as civil commotion, public disorder, strikes, riots, terrorism,	Fast-tracked claims turnaround time Value-add delivered to the customer Increase policy holder satisfaction	R7.471 billion

Name of public entity	Mandate	Key outputs	Annual budget 2025/26
	<p>and matters connected therewith. Legislatively, as a short-term insurance company, Sasria is mandated to provide coverage for special risk events in terms of the Re-insurance of Material Damages Act and is regulated by the Financial Sector Conduct Authority. In terms of the entity's strategic mandate, Sasria is required to make a positive contribution to transforming the financial services industry in line with the National Development Plan (NDP), to create a sustainable economic environment.</p>		

14. INFRASTRUCTURE PROJECTS

The department does not have any long-term infrastructure or capital projects or plans.

15. PUBLIC PRIVATE PARTNERSHIPS

The department provides advisory services to municipal, provincial and national departments in terms of public private partnerships. The department does not have any public private partnerships.

16. ENDNOTES

Applicable to all Programmes

The department has developed new indicators or revised its indicators and/or targets to ensure compliance with the revised framework for Strategic Plans and Annual Performance Plan. Please refer to these endnotes for information

- No historical information.

N/A – No target set for the period.

NATIONAL
TREASURY

**ANNUAL
PERFORMANCE
PLAN**
2025/26



PART D:
**TECHNICAL INDICATOR
DESCRIPTIONS**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PROGRAMME 1

Output Indicator no 1.1.1	
Indicator Title	Number of reports on the implementation of the CGICT
Definition	To ensure adherence to IT governance framework and unlocking the value that ICT could contribute to business enablement. To ensure that the acquisition, management and use of information technology by departments improves: <ul style="list-style-type: none"> • direct or indirect service delivery to the public, including but not limited to, equal access by the public to services delivered by the department • productivity of the department • cost-efficiency of the department
Source of data	Reports on the implementation of the CGICT
Method of Calculation / Assessment	Simple count of reports on the implementation of the CGICT
Means of verification	Reports on the implementation of the CGICT
Assumptions	The department will have an action plan on the implementation of the CGICT
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 reports on the implementation of the CGICT
Indicator responsibility	Chief Directorate: Information & Communication Technology

Output Indicator no 1.1.2	
Indicator Title	Number of progress reports on the implementation of the audit action plan
Definition	The audit action plan consists of audit findings raised in the audit report, management report and the information systems audit findings. Reports are produced on the implementation of audit action plan to address identified internal control deficiencies
Source of data	Progress reports on the implementation of the audit action plan
Method of Calculation / Assessment	Simple count of reports on the implementation of the audit action plan
Means of verification	Progress reports on the implementation of the audit action plan
Assumptions	That the department will have the audit action plan
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 progress reports on the implementation of the audit action plan
Indicator responsibility	Chief Directorate: Internal Audit (Chief Audit Executive)

Output Indicator no 1.1.3	
Indicator Title	Number of reports on the implementation of Business Continuity Management plan
Definition	This refers to the progress made on the implementation of approved interventions to improve Business Continuity Management (BCM) within the department
Source of data	Progress reports on interventions on business continuity management
Method of Calculation / Assessment	Simple count of Business Continuity Management implementation reports produced
Means of verification	Reports produced and approved by CRO and DG respectively
Assumptions	That Business Continuity Management implementation report will be approved by DG
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-annually
Desired performance	2 reports on the implementation of Business Continuity Management plan
Indicator responsibility	Chief Directorate: Risk Management (Chief Risk Officer)

Output Indicator no 1.1.4	
Indicator Title	Number of management and leadership development programmes implemented
Definition	This indicator monitors the implementation of all planned management and leadership development interventions that are rolled out within the department. These interventions are formalised classroom-based management and leadership development courses as well as management and leadership coaching interventions
Source of data	Training reports detailing management and leadership development interventions that have been rolled out
Method of Calculation / Assessment	Simple count of management and leadership development programmes implemented
Means of verification	Quarterly reports on the management and leadership development programmes implemented
Assumptions	That the department will have an approved workplace skills plan (WSP) depicting the planned leadership development interventions to be rolled out for the financial year
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 management and leadership development programmes implemented
Indicator responsibility	Chief Directorate: Human Resources Management

Output Indicator no 1.1.5	
Indicator Title	Number of quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced
Definition	This indicator monitors implementation of the department's action plan on the mainstreaming of women, youth and persons with disabilities
Source of data	Progress reports that record actual performance against planned performance
Method of Calculation / Assessment	Simple count of quarterly reports on the implementation of the department's action plan on the mainstreaming of women, youth and persons with disabilities
Means of verification	Quarterly Reports
Assumptions	The department will have an action plan on the mainstreaming of women, youth and persons with disabilities
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 quarterly reports on the implementation of the action plan on the mainstreaming of women, youth and persons with disabilities produced
Indicator responsibility	Chief Directorate: Human Resources Management

PROGRAMME 2

Output Indicator no 2.1.1	
Indicator Title	Number of research papers completed
Definition	Number of research papers completed through NT managed research programs and projects
Source of data	Research papers as saved on Economic Policy iDrive
Method of Calculation / Assessment	Simple count of research papers completed
Means of verification	Research papers completed through NT managed research programs and projects
Assumptions	That the funding and staff capacity is available to complete the research papers specified
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	30 research papers completed
Indicator responsibility	DDG: Economic Policy

Output Indicator no 2.1.2	
Indicator Title	Financial sector legislation drafted
Definition	Draft financial sector legislation, regulation and standards aim to make the financial sector safer, treat customers more fairly, to be more inclusive and have integrity The financial sector legislation to be submitted to Cabinet is set out in the legislative programme submitted to the Leader of Government Business, as amended. The legislation must be submitted by the end of the financial year and in-year targeted dates are not considered
Source of data	Submission memo by the Minister to Cabinet
Method of Calculation / Assessment	Verify if a memo was submitted by Minister requesting Cabinet to approve the financial sector legislation
Means of verification	Submission memo by the Minister to Cabinet
Assumptions	That the public comment process is completed as planned That the Minister approves the legislation for submission to Cabinet
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Financial sector legislation submitted to Cabinet
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.3	
Indicator Title	Legislation to give effect to tax proposals from the Budget drafted
Definition	Tax legislation refers to Rates and Monetary Amounts Amendment Bill and Taxation Laws Amendment Bill, to enable proposals from the Budget Review and Budget Speech to be implemented by the Treasury
Source of data	Parliamentary papers
Method of Calculation / Assessment	Verify if the tax proposals were introduced in Parliament by the Minister
Means of verification	Parliamentary papers
Assumptions	That the public comment process is completed as planned That the Minister approves the legislation for submission to Parliament
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Bi-annually
Desired performance	Tax legislation submitted to Parliament
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.4	
Indicator Title	Number of progress reports on the implementation of FATF Action Plan produced
Definition	The Financial Action Task Force (FATF) has listed South Africa as a “jurisdiction under increased monitoring”, or more commonly referred to as FATF’s “grey” list. FATF assessed that the country needed to make further and sustained progress in addressing the eight (8) areas of strategic deficiencies related to the effective implementation of South Africa’s Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) laws. South Africa has therefore adopted an action plan to address the deficiencies identified
Source of data	National Treasury Reports
Method of Calculation / Assessment	Simple count of progress reports on the implementation of FATF Action Plan produced
Means of verification	FATF Action Plan Progress Reports
Assumptions	There are still strategic deficiencies that must be addressed Reports are required by FATF
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	3 reports on the implementation of FATF Action Plan produced
Indicator responsibility	DDG: Tax and Financial Sector Policy

Output Indicator no 2.1.5	
Indicator Title	Number of economic forecasts developed
Definition	Economic forecasts inform the budget and Medium-Term Budget Policy Statement (MTBPS) and scenario modelling.
Source of data	Developed quarterly economic forecasts
Method of Calculation / Assessment	Simple count of economic forecasts developed
Means of verification	Quarterly economic forecasts approved by DDG: Economic Policy
Assumptions	Sufficient resources skilled in using econometric tools
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4 economic forecasts developed
Indicator responsibility	DDG: Economic Policy

Output Indicator no 2.1.6	
Indicator Title	Number of macro and microeconomic policy analysis and advice reports produced
Definition	This refers to research outputs approved by the DDG, including research papers, research notes, technical analysis, reviews and assessments of external proposals, reports on key sectors and microeconomic constraints, information reports, reports on the state of the economy and macro- and microeconomic trends and variables. Reports can be in word form or presentation form
Source of data	Analysis reports
Method of Calculation/ Assessment	Simple count of research outputs of macro- and micro-economic policy analysis and advice reports
Means of verification	Macro and microeconomic policy analysis and advice reports
Assumptions	That there are sufficient resources available to conduct the research
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	8 macro and microeconomic policy analysis and advice reports produced
Indicator responsibility	DDG: Economic Policy

PROGRAMME 3

Output Indicator no 3.1.1	
Indicator title	Primary budget surplus maintained
Definition	This indicator measures improvements in fiscal forecasting and budgeting and focuses on the inclusion of the numerical or time bound fiscal objectives that support fiscal and debt stabilization The difference between total revenue and non-interest expenditure. When revenue exceeds non-interest expenditure there is a surplus.
Source of data	Budget documentation
Method of calculation/Assessment	Verify if primary budget surplus is maintained Calculate the difference between total revenue and non-interest expenditure. When revenue exceeds non-interest expenditure there is a surplus
Means of verification	Documents published on the National Treasury website
Assumptions	Fiscal transparency evaluation recommendations implemented
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Primary budget surplus maintained
Indicator responsibility	DDG: Budget Office

Output Indicator no 3.1.2	
Indicator Title	Capability for financing disaster risk reviewed
Definition	This indicator monitors the strengthening of the legal and institutional framework as well as instruments for disaster risk financing
Source of data	Published documents on the NT website
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> National Disaster Risk Financing Strategy is published Grant frameworks is amended to integrate disaster risk management
Means of verification	Project reports
Assumptions	Disaster risk finance diagnostic recommendations implemented
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	National Disaster Risk Financing Strategy published Grant frameworks amended to integrate disaster risk management
Indicator responsibility	DDG: Intergovernmental Relations

Output Indicator no 3.1.3	
Indicator Title	Public Private Partnership Regulations amended
Definition	Amendments to the National Treasury Regulations 16 and key elements of municipal legislation in line with the recommendations of the completed review of the Public Private Partnerships (PPP) framework are expected to reduce the processes required for planning and procuring of PPPs, resulting in simpler regulations that align with project size and complexity
Source of data	Project reports
Method of Calculation / Assessment	Verify if Revised Public Private Partnership Regulations is gazetted
Means of verification	Public Private Partnership Regulations gazetted
Assumptions	Timely finalisation of the public consultations
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Revised Public Private Partnership Regulations gazetted
Indicator responsibility	DDG: Budget Office

Output Indicator no 3.1.4	
Indicator Title	Intergovernmental fiscal framework reviewed
Definition	Intergovernmental fiscal framework refers to the financing (taxes, user charges and grants) allocated to provinces and local government. Changes are made to strengthen the system and can include changes to the way equitable share allocations are calculated or changes to conditional grant allocation mechanisms or rules or the introduction of new grants or dissolution of grants. It can also include the introduction of additional own revenue instruments/sources to provinces or local government
Source of data	Explanatory Memorandum to the Division of Revenue Bill (published on the National Treasury website as Annexure W1 to the Budget Review)
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> Poverty and Education components of the provincial equitable share formula are updated Phase 1 of the review of the local government fiscal framework is completed
Means of verification	Documents published on the National Treasury website
Assumptions	The required progressive reforms to the intergovernmental fiscal framework to enhance its efficacy are approved for implementation.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Poverty and Education components of the provincial equitable share formula updated Phase 1 of the review of the local government fiscal framework completed
Indicator responsibility	Chief Directorate: Intergovernmental Policy and Planning

Output Indicator no 3.1.5	
Indicator Title	Number of progress reports on the implementation of the township economic development strategies produced
Definition	Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented
Source of data	Progress report on the implementation of the township economic development strategies in 5 metros produced
Method of Calculation / Assessment	Simple count of progress reports on the implementation of the township economic development strategies in 5 metros produced
Means of verification	Progress report on the implementation of the township economic development strategies in 5 metros produced
Assumptions	Sufficient capacity in metros to plan and implement the strategies Private sector and national departments support in line with the strategies
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: Supports economic development in marginalised townships Reflect on the spatial impact area: Marginalised townships in the pilot metros
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	1 progress report on the implementation of the township economic development strategies produced
Indicator responsibility	Chief Directorate: Neighbourhood Development Programme Chief Directorate: Provincial and Local Government Infrastructure

Output Indicator no 3.1.6	
Indicator Title	Percentage of infrastructure plans reviewed
Definition	The indicator measures the ability of provincial departments to improve their infrastructure planning and the institutionalisation of the infrastructure delivery management system (IDMS)
Source of data	Assessment documents of the user asset management plans and infrastructure programme management plans
Method of Calculation / Assessment	$\frac{\text{Number of infrastructure plans reviewed}}{\text{Number of infrastructure plans received}} \times 100$
Means of verification	Infrastructure plans review reports
Assumptions	Timeous submission by provincial departments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	100% of infrastructure plans reviewed
Indicator responsibility	Chief Directorate: Provincial and Local Government Infrastructure

Output Indicator no 3.1.7	
Indicator Title	Financial affordability of the social security system assessed
Definition	Undertake research on financial affordability of the social security system including active labour market instruments, social insurance and social support
Source of data	Project reports
Method of Calculation / Assessment	Verify if research on financial affordability of the social security system including active labour market instruments, social insurance and social support has been conducted
Means of verification	Research on financial affordability of the social security system including active labour market instruments, social insurance and social support
Assumptions	Optimised social protection and coverage
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Research on financial affordability of the social security system conducted
Indicator responsibility	DDG: Public Finance

Output Indicator no 3.1.8	
Indicator Title	Percentage of requests to prepare mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment
Definition	<p>Mandatory financial recovery plans are prepared for municipalities, whom as a result of a crisis in their financial affairs, are in serious or persistent material breach of their obligations to provide basic services or to meet their financial commitments or admit that they are unable to meet their obligations or financial commitments.</p> <p>The 90 days required for the preparation of the mandatory Financial Recovery Plans (FRP) commences after the finalisation and submission, as determined by National Treasury of the following legislated processes:</p> <ul style="list-style-type: none"> (i) the determination of the reasons for the crisis in the municipality's financial affairs; and (ii) the assessment of the municipality's financial state. <p>The determination of finalisation of (i) and (ii), is defined in an approval memo signed by the Deputy Director-General: Intergovernmental Relations (DDG: IGR) or a person delegated by the DDG: IGR: or submission of status quo assessment to the MEC for Finance by the Head: Municipal Financial Recovery Service.</p> <p>A Financial Recovery Plan is considered complete when it is submitted to the MEC for Finance in a provincial mandatory intervention and Minister of Finance in a national intervention for consultation or comment.</p> <p>Requests to amend existing mandatory FRPs are excluded from this indicator.</p>
Source of data	Tracking register of new municipalities approved for mandatory FRP assistance. Approval memo signed by the DDG: IGR or a person delegated by the DDG: IGR. Submission memo of the FRP to the Minister of Finance or email submission of status quo assessment and/or FRP by the Head: Municipal Financial Recovery Service to the MEC for Finance.
Method of Calculation / Assessment	$\frac{\text{Number of mandatory financial recovery plans prepared within 90 days}}{\text{Total number of municipalities approved for mandatory FRP assistance}} \times 100$
Means of verification	Mandatory financial recovery plans prepared and submitted within the 90 days from date of submission of the status quo assessment
Assumptions	Timely submission of relevant information by municipalities to commence with the preparation of the financial recovery plans Timeous availability of MEC for Finance and CoGTA for statutory required consultative meetings before finalisation of the FRP
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of requests to prepare mandatory financial recovery plans responded to within 90 days from date of submission of the status quo assessment
Indicator responsibility	Chief Directorate: Municipal Financial Recovery Service

Output Indicator no 3.1.9	
Indicator Title	Number of functional budget group reports produced
Definition	Budget process technical engagements take place within functional groupings. There are seven (7) function groups which deliberate on policy priorities and outcomes of their respective function groups and facilitate the reprioritisation of existing budget allocations towards these priorities. Functional budget group reports in the format of presentations are prepared for consideration by the Technical Committee on Budget (TCB).
Source of data	Departments and entities workbooks
Method of Calculation / Assessment	Simple count of functional budget group reports produced
Means of verification	Functional budget group presentations
Assumptions	Functional budget group meetings are convened.
Disaggregation of Beneficiaries (where applicable)	Target for Women N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	7 functional budget group reports produced
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

Output Indicator no 3.1.10	
Indicator title	Number of quarterly expenditure reports submitted to the Standing Committee on Appropriations
Definition	Provide the Standing Committee on Appropriation with summary of quarterly expenditure for departments
Source of data	Quarterly expenditure reports with financial data extracted from Vulindlela
Method of calculation	Simple count of reports submitted to the Standing Committee on Appropriations
Means of verification	Reports submitted to the Standing Committee on Appropriations
Assumptions	Information on Vulindlela is updated in line with departments' expenditure reports
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly
Desired performance	4 quarterly expenditure reports submitted to the Standing Committee on Appropriations
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

PROGRAMME 4

Output Indicator no 4.1.1	
Indicator Title	Percentage of complete corporate plans received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' corporate plans within four months of 1st of June each year, following receipt of complete submissions by 31st May each year as stipulated in the legislation</p> <p>Review the corporate plans within four months of 1st March each year, following receipt of complete submissions by 28 February each year as stipulated in the legislation, for all other operational and non-exempt Schedule 2 and 3 B public entities excluding Water Boards. Corporate plans are regarded as complete when they follow the format prescribed in the Treasury Instruction Note, have been approved by the Accounting Authority and there is no information requested from the entity that is outstanding.</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission. Any Corporate plans (schedule 2 and 3B) submitted past the 30 days will not be considered for a review i.e. 30 March for schedule 2 entities and 30 June for Schedule 3B entities</p> <p>Reports are compiled on the reviewed corporate plans</p>
Source of data	Signed-off corporate plans of Schedule 2 and 3B from Board
Method of Calculation / Assessment	<p><u>Number of complete corporate plans of schedule 2 and 3B SOC's received and reviewed by the division within 4 months of receipt and the cut-off date</u> x100</p> <p>Total number of complete corporate plans received from schedule 2 and 3B SOC's within the cut-off date</p> <p>The four months for schedule 2 and 3B SOC's (excluding water boards) begins on 01 March of each year; and</p> <p>The four months for water boards begins on 01 June of each year</p> <p>Late submission for Water Boards past 30 June in any year will not be considered for review</p> <p>Late submissions past 31 March in any year will not be considered for review (excluding water boards)</p>
Means of verification	Signed-off reports (Director-level) on review of corporate plans of Schedule 2 and 3B SOC's, DFIs and water boards received
Assumptions	<p>No late submission of Corporate Plans from SOC's</p> <p>No delays due to Accounting Authorities requests to amend Corporate Plans</p> <p>Incomplete submissions are not considered until all required information is received</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete corporate plans received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.2	
Indicator Title	Percentage of annual reports received from Schedule 2 and 3B public entities reviewed
Definition	<p>Review the Water Boards' annual reports within four months of 1st of December each year, following complete submissions by the 30th of November each year as stipulated in the legislation</p> <p>Review the annual reports for all other operational and non-exempt Schedule 2 and 3B public entities excluding Water Boards within four months of 1st September each year, following complete submissions by 31st August each year as stipulated in the legislation. Annual reports are regarded as complete when they have been signed off by the auditor general/external auditors, executive authority and Board, and there is no information requested from the entity that is outstanding</p> <p>Late submissions will be reviewed within four months from the date of submission, however, documents received later than 31 March each year for Water Boards and later than 31 December for all other Schedule 2 and 3B entities except Water Boards (as defined above) will not be reviewed after this cut-off date</p> <p>Reports are compiled on the reviewed annual reports</p>
Source of data	Signed-off annual report of Schedule 2 and 3B of SOEs
Method of Calculation / Assessment	<p><u>Number of complete annual reports of schedule 2 and 3 B SOCs, DFIs and water boards received and reviewed by the division within 4 months of receipt and cut-off date</u> x100</p> <p>Total number of complete annual reports received from Schedule 2 and 3B SOCs within the cut-off date</p> <p>The four months for schedule 2 and 3B entities (excluding water boards) begins on 01 September of each year; while the four months for water boards begins on 01 December of each year</p> <p>Late submissions/revised submissions will be reviewed within four months from the date of submission; however, there will be a cut-off date on submissions valid for review of 31 March each year for water boards and 31 December for all other Schedule 2 and 3B entities (defined above)</p> <p>Any submissions made post this date will not be reviewed</p>
Means of verification	Signed-off reports (Director-level) on review of annual reports of Schedule 2 and 3B SOCs, DFIs and water boards received
Assumptions	<p>No late submission of annual reports from SOCs, DFI & WBs</p> <p>No requests from Executive Authorities for extensions or to make amendments to annual reports which may result in delays</p> <p>Incomplete submissions are not considered until all required information is received</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of annual reports received from Schedule 2 and 3B public entities reviewed within the stipulated timeframe
Indicator responsibility	Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.3	
Indicator Title	Percentage of complete guarantee applications received from Schedule 2 and 3B public entities reviewed
Definition	Review the completed guarantee applications The applications must be reviewed within 30 calendar days of receipt from the Ministry of Finance and signed off by the Director
Source of data	Signed-off reports at Director-level
Method of Calculation / Assessment	<u>Number of complete applications for guarantees reviewed within 30 calendar days of receipt by ALM division</u> x100 Number of complete applications for guarantees received
Means of verification	Signed-off reports at Director-level
Assumptions	That complete applications will be received from Schedule 2 and 3B public entities That additional information requested from public entities will be responded to
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of complete guarantee applications received from Schedule 2 and 3B public entities reviewed within the stipulated timeframes
Indicator responsibility	Chief Directorate: Sector Oversight Chief Directorate: Governance and Financial Analysis

Output Indicator no 4.1.4	
Indicator Title	Percentage of annual gross borrowing requirement met in compliance to the risk benchmarks
Definition	Finance government's annual gross borrowing requirements through various debt instruments and the change in cash and other balances
Source of data	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance Annual gross borrowing requirement met is sourced from the Statement of the National Revenue, Expenditure and Borrowing document
Method of Calculation / Assessment	Gross borrowing requirement is the sum of revenue, expenditure, debt due for repayment, and the Eskom debt-relief arrangement $\frac{\text{Annual gross borrowing requirement met} \times 100}{\text{Annual gross borrowing requirement}}$
Means of verification	Annual gross borrowing requirement is sourced from the Budget tabled annually by the Minister of Finance" and from "the Statement of the National Revenue, Expenditure and Borrowing" document
Assumptions	Accurate revenue and expenditure forecasts Favourable market conditions.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of annual gross borrowing requirement met in compliance to the risk benchmarks
Indicator responsibility	Chief Directorate: Liability Management

PROGRAMME 5

Output Indicator no 5.1.1	
Indicator Title	Number of norms and standards developed
Definition	Develop and/or maintain (update) the provisions of the PFMA and MFMA, Treasury Regulations, circulars, guidelines, frameworks and Treasury Instructions for PFMA and MFMA compliant institutions
Source of data	Existing legislative framework, transversal matters raised by PFMA and MFMA compliant institutions, matters arising from Provincial Accountant-General forums and any other information related to financial management received from internal divisions within National Treasury
Method of Calculation / Assessment	Simple count of the norms and standards developed
Means of verification	Norms and standards developed and/or maintained(updated)
Assumptions	New norms and standards identified for development
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annually
Desired performance	6 norms and standards developed and/or maintained (updated)
Indicator responsibility	Chief Directorate: Internal Audit and Risk Management Support Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation Chief Directorate: Technical Support Services Chief Directorate: Accounting Support and Reporting

Output Indicator no 5.1.2	
Indicator Title	Amendments to the PFMA and MFMA drafted
Definition	This refers to drafting of amendments to the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) aimed at enhancing the effectiveness and efficiency of financial management legislation by aligning and streamlining processes, strengthening accountability and enforcement measures, within institutions that must comply with the PFMA and MFMA.
Source of data	Amendments to the PFMA and MFMA submitted to FOSAD
Method of Calculation / Assessment	Verify if the amendments to the PFMA and MFMA were submitted to FOSAD
Means of verification	Amendments to the PFMA and MFMA submitted to FOSAD
Assumptions	That the stakeholder consultations are completed as planned
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Amendments to the PFMA and MFMA submitted to FOSAD
Indicator responsibility	Chief Directorate: Governance Monitoring & Compliance Chief Directorate: MFMA Implementation

Output Indicator no 5.1.3	
Indicator Title	Number of reports on Public Finance Management support initiatives produced
Definition	This refers to the production of an annual report detailing the initiatives and support provided to enhance public finance management capacity across various government institutions
Source of data	The monitoring reports of the delivery of the various public finance management capacity development training programmes being conducted
Method of Calculation / Assessment	Simple count of reports on Public Finance Management support initiatives produced
Means of verification	Reports on Public Finance Management support initiatives produced
Assumptions	Timely collection and compilation of data from all relevant sources
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	1 report on Public Finance Management support initiatives produced
Indicator responsibility	Chief Directorate: Capacity Building

Output Indicator no 5.1.4	
Indicator Title	SCM Professionalisation Framework developed
Definition	Professionalisation means establishing SCM as a discipline within the South African educational system, defining SCM norms and standards, and developing a framework for career pathing that allows for progression, articulation, portability, transferability and recognition
Source of data	The monitoring reports of the delivery of the various public finance management capacity development training programmes being conducted
Method of Calculation/ Assessment	Verify if Draft SCM Professionalisation Framework is developed
Means of verification	Reports on the review of Professionalisation Framework
Assumptions	Recommendations of the diagnostic study on capacity building system implemented
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Draft SCM Professionalisation Framework developed
Indicator responsibility	Chief Directorate: SCM Governance Monitoring and Compliance

Output Indicator no 5.1.5	
Indicator Title	Financial management systems automated
Definition	This refers to the maintenance and improvements of the transversal financial management systems. Enhancements will be the development of a functionality to track invoices and payments within 30 days and the loading of data in the Management Information System to produce templates for Annual Financial Statements automated
Source of data	Project reports
Method of Calculation / Assessment	Verify if functionality to track invoices and payments within 30 days is developed
Means of verification	Reports on the functionality to track invoices and payments within 30 days
Assumptions	That the data is available for analysis and reporting
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Functionality to track invoices and payments within 30 days developed
Indicator responsibility	Chief Directorate: Governance, Monitoring and Compliance

Output Indicator no 5.1.6	
Indicator Title	Government procurement automated
Definition	This refers to the introduction of comprehensive reforms designed to ensure that procurement processes are fair, equitable, transparent, competitive, and cost-effective. The intention is to rectify the systemic issues that facilitated corruption and inefficiency in the public sector. Implementation refers to the signing-off of the automated process for handling requests for quotations
Source of data	Project reports on automated process for handling requests for quotations
Method of Calculation / Assessment	Verify if automated process for handling requests for quotations is implemented
Means of verification	Project reports on automated process for handling requests for quotations
Assumptions	Timely finalisation of the consultation processes
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Automated process for handling requests for quotations implemented
Indicator responsibility	Chief Directorate: SCM Information and Communication Technology

Output Indicator no 5.1.7	
Indicator Title	Number of transversal term contracts implemented
Definition	A transversal term contract refers to a contract for common goods or services or ad hoc goods or services in which more than one government institution participates Implemented refers to transversal term contracts that are renewed, effected for the first time or supplementary contract(s) to existing transversal contract(s)
Source of data	List of transversal term contracts implemented A Transversal term contract register is maintained by the Chief Directorate: Transversal Contracting
Method of Calculation / Assessment	Simple count of the number of transversal term contracts implemented
Means of verification	Bid Adjudication Committee reports
Assumptions	There are goods and services that can be procured as a transversal contract
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	14 transversal term contracts implemented
Indicator responsibility	Chief Directorate: Transversal Contracts

PROGRAMME 6

Output indicator no. 6.1.1	
Indicator Title	Percentage of economic surveillance reports responded to
Definition	To measure the economic surveillance reports that is responded to by National Treasury (NT) as a percentage of the economic surveillance reports received from IMF. The International Monetary Fund (IMF) sends a team to South Africa twice a year, as part of their surveillance function to member countries, to meet with economic stakeholders. At the conclusion of their visit, they produce a report on South Africa's economy, which is important for investor sentiment. Before the reports are published, South Africa has the opportunity to respond to these reports.
Source of data	Economic report by the IMF, Report that records response to IMF
Method of Calculation / Assessment	$\frac{\text{Number of reports responded to by NT}}{\text{Number of reports received from IMF}} \times 100$
Means of verification	Report that records response to IMF by NT against reports received from IMF
Assumptions	Reports will be received from the relevant international organisation based on agreement between the Minister of Finance and the IMF.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% response to economic surveillance reports
Indicator responsibility	Chief Directorate: Global and Emerging Markets

Output indicator no. 6.1.2	
Indicator Title	Percentage of the required G20 Finance Track ministerial meetings convened
Definition	The Group of Twenty (G20) is an international forum comprising many of the world's largest developing and developed economies, established to tackle pressing global economic and financial issues. National Treasury is responsible for the Finance Track which deals with strategic macroeconomic issues. The indicator monitors the number of required finance and central bank ministerial meetings that are convened in the 2025/26 financial year.
Source of data	Calendar of meetings 2025, programme reports
Method of Calculation / Assessment	$\frac{\text{Number of finance and central bank ministerial meetings convened}}{\text{Number of required finance and central bank ministerial meetings to be convened}} \times 100$
Means of verification	Communique issued publicly on matters discussed
Assumptions	G20 Finance Track ministerial meetings will be required
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% of the required G20 Finance Track ministerial meetings convened
Indicator responsibility	Chief Directorate: Global and Emerging Markets

Output indicator no. 6.1.3	
Indicator Title	Number of analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Definition	To measure the total number of analysis reports which assess South Africa's engagement in global forums which includes the G20, BRICS, G24 and IMF, but is not limited to these
Source of data	National Development Plan, Budget report, MTBPS, National Treasury reports
Method of Calculation / Assessment	Simple Count of the number of analysis reports
Means of verification	Analysis reports on the outcomes of South Africa's engagements in regional and global forums produced
Assumptions	This assumes regional and global forums are held This assumes South Africa participates in the regional and global forums held
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	3 analysis reports indicating whether South Africa has accomplished what it set out in its engagement strategies
Indicator responsibility	Chief Directorate: Global and Emerging Markets

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

The National Treasury supports the implementation of the District Development Model (DDM) in South Africa. Led by the Department of Cooperative Governance and Traditional Affairs (CoGTA), National Treasury is involved in key aspects of the process, inter alia:

- i. **Joint Planning and Budgeting:** National Treasury collaborates with other government departments to ensure that planning and budgeting processes are integrated across all three spheres of government (national, provincial, and local). This joint approach is essential for the development of the “One Plan” for each district and metropolitan area.
- ii. **Resource Allocation:** National Treasury is responsible for aligning resource allocation and budgeting to support the implementation of the DDM. This ensures that financial resources are directed towards the priorities identified in the One Plans.
- iii. **Monitoring and Reporting:** National Treasury, along with the Presidency, Department of Planning, Monitoring and Evaluation (DPME) and the Department of Cooperative Governance and Traditional Affairs (CoGTA), oversees the monitoring and reporting of the DDM’s progress. This includes evaluating the effectiveness of the model and making necessary adjustments.
- iv. **Capacity Building:** National Treasury supports capacity-building initiatives to enhance the ability of local governments to implement the DDM effectively. This includes training and support for financial management and planning.
- v. **Supporting local government budget process:** National Treasury works closely with CoGTA and other stakeholders to ensure that there is a coordinated approach to the implementation of the DDM which includes enforcing local government financial management practices and tools in the One Plan, in compliance with the due municipal budgeting process.

By playing these crucial roles, National Treasury helps to ensure that the DDM achieves its goal of improving service delivery and promoting socio-economic development across South Africa’s districts and metropolitan areas.

ANNEXURE B: CONDITIONAL GRANT ALLOCATIONS

Name of grant	Purpose	Outputs	Current annual budget	Period of grant
Urban Development Financing Grant (NDPG, PEP, PPPSG, BFI, MTSR)	<p>To promote spatially transformed cities with financially sustainable trading services that are able to meet their service delivery mandates</p> <p>To support metropolitan municipalities with resilient infrastructure investment, including programme and project preparation to enable them to leverage additional concessionary and commercial loan finance to enhance sustainable infrastructure investment</p>	<p>A credible pipeline of bankable programmes and projects.</p> <p>Improved partnerships between metropolitan municipalities and private sector.</p> <p>Long-term programmes/projects that will attract private investment and assist metropolitan municipality revenue collection.</p>	R1,024 billion	Continue over the medium
Neighbourhood Development Partnership Grant (NDPG< PPPSG Non-metros))	To provide spatially targeted capital funding of intergovernmental project pipelines, supporting and facilitating economic development opportunities in previously disadvantaged areas	<p>30 targeted infrastructure projects</p> <p>Number of credible pipeline of projects developed by non-metro municipalities</p>	R542 million	To be phased out over the medium term
Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment	<p>Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils</p> <p>Number of graduates recognised as registered professionals by the relevant statutory councils</p> <p>Number of graduates employed as registered professionals within the built environment in local government</p>	R165 million	Continues over the medium term

Name of grant	Purpose	Outputs	Current annual budget	Period of grant
Local Government Financial Management Grants	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)	<p>Number of financial management interns appointed</p> <p>Number of municipalities that developed audit action plans</p> <p>Number of municipalities that implemented the FMCM</p>	R582 million	Continues over the medium term
Smart Meters Grant	To enable municipalities to implement bi-directional smart metering systems	<p>Number of smart bi-directional meters installed on behalf of the municipality</p> <p>Reduction of technical distribution losses pertaining to the municipal electricity/water function</p> <p>Percentage and Rand value improvement in revenue collection vs the baseline (collection prior to implementation)</p>	R500 million	Continues over the medium term

**NATIONAL
TREASURY**

**ANNUAL
PERFORMANCE
PLAN**

2025/26

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5944 | Fax: +27 12 406 9055 | www.treasury.gov.za



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA