



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

PUBLICATION OF FISCAL COMMITMENTS AND CONTINGENT LIABILITIES (FCCL) AND UNSOLICITED BID PROPOSAL (USP) GUIDELINES

National Treasury today publishes the Fiscal Commitments and Contingent Liabilities (FCCL) and Unsolicited Bid Proposal (USP) Guidelines as it continues to implement the recommendations from the comprehensive review of the Public Private Partnership (PPP) regulatory framework. These recommendations seek to improve the PPP policy, and legal and regulatory frameworks; strengthen institutional arrangements; and improve the reporting of fiscal risks and contingent liabilities.

The amended National Treasury Regulation 16 (NTR 16) took effect on 01 June 2025. To complement its effectiveness, the National Treasury has worked on strengthening two regulatory gaps identified in the review. One is related to the reporting and monitoring, and the other provides a framework for the private sector to initiate and submit project ideas that can be undertaken as PPPs.

The review highlighted the need for enhanced guidance to support institutions complying with FCCL requirements set out in the Public Finance Management Act (PFMA). It further noted that the assessment of FCCL is narrowly focused on financial implications related to project termination and potential defaults. Lastly, these assessments are required during the final Treasury Approval stage (TAIII).

The FCCL Guideline improves decision-making and safeguards public finances by supporting:

- A more rigorous and standardised fiscal risk assessment process.
- Consistent and transparent reporting across institutions.
- Improved governance for monitoring FCCLs throughout the project lifecycle.

It does this by introducing a revised FCCL assessment methodology that introduces a phased approach to fiscal risk evaluation across the different stages of a PPP project. During the project preparation phase, the initial FCCL assessment is based on feasibility studies and financial structuring. In the procurement phase, an updated assessment is conducted based on the received bids. After negotiations, a final FCCL update is made following discussions with the preferred bidder.

The Guideline is applicable to new and existing PPPs to ensure a uniform and comprehensive fiscal management approach.



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Pursuant to Regulation 16.11.1 of the amended PPP regulations, National Treasury has also developed a USP Guideline and templates that provide comprehensive guidance and a disclosure and reporting regime for USP proponents and practitioners across government. The Guideline provides clarity in terms of the types of PPPs that qualify under the unsolicited arrangement; the format of submission to government; and the management of the process in line with competitive market requirements. This should facilitate the development of a robust USP pipeline through faster identification and prioritisation of PPP projects and by providing skills and expertise to close the capacity challenges faced by government.

These Guidelines should support the application and compliance with the FCCL and USP provisions set out in the amended regulation.

To ensure stakeholders gain a comprehensive understanding of these Guidelines, tools, and templates, the National Treasury will roll out targeted training sessions, details of which will be communicated in due course.

For any enquiries, please contact: Media@treasury.gov.za.

Issued by National Treasury

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