



**NATIONAL
TREASURY**

**STRATEGIC
PLAN**

2025-2030



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





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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

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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, the 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 has 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 Chief Procurement Officer 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

FOREWORD BY DEPUTY MINISTER OF FINANCE

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.

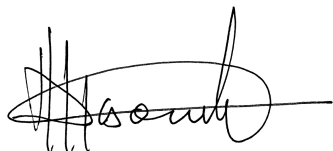
South Africa needs higher capital investment to accelerate economic growth and create jobs. This is a central priority for government over the period ahead. Together with substantial additional resources, the infrastructure delivery mechanism is being reformed to better support private-sector participation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

FOREWORD BY DEPUTY MINISTER OF FINANCE

The formation of the Government of National Unity (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's 2025-2030 strategic plan guides our delivery on the priorities set by the 7th administration and steers the department through a shifting national political landscape and increased volatility in the international arena.

This ambitious plan articulates the commitments the department is making over the medium-term in realising our mandate and to which we are to be held accountable. These have been informed by the powers and functions of the department as enshrined in the Constitution, determined by the various establishing legislation and guided by the obligations arising out of the Medium-Term Development Plan (MTDP).

National Treasury tables this strategic plan at a time that the economy remains stubbornly stagnant having not realised the growth required to sustain the fiscal needs to meet our national imperatives and developmental goals. A faster growing economy with concomitant larger fiscal resources being available will change our national trajectory to meet our goals of redistribution, redress and structural reform.

The strategy for economic growth and development is built on four key pillars of providing a stable macroeconomic framework to support growth, implementing reforms to enhance economic competitiveness, strengthen the state's capabilities to deliver essential services and delivering quality infrastructure to support economic growth. This requires difficult choices and trade-offs to be made courageously and urgently.

This strategic plan introduces new focus areas to augment the work that National Treasury has effectively performed. This is in line with the department's commitment to constantly adapt to national imperatives and contributing our efforts to forging a common purpose in the interest of growth and development. In this way, the department will deliver on the MTDP's strategic priorities to address the country's pressing challenges by driving inclusive economic growth, reducing poverty, tackling the high cost of living and building a capable, ethical and developmental state.

Four key institutional outcome pillars have been designed to deliver on the department's planned impact of sustainable public finances that contribute to inclusive economic growth. *Sustainable Public Finances* confirms our commitment to fiscal sustainability, budget process efficiency and effective public spending. *Coherent Economic Policy Advocated* drives our strategy to achieve faster growth, maintain macroeconomic stability and promote our national economic and financial interests locally and abroad. *Sound Financial Controls and Management of Public Finances* reinforces responsible stewardship of government resources, instils financial management discipline and rebuilds public trust in the capability of the state. *Increased Public Infrastructure Investment* reflects the strategic importance of infrastructure as the bedrock for economic development, critical to improving the quality-of-service delivery and the actualisation of the national developmental agenda.

Work will be done to strengthen capability for financing disaster risk, enhancing fiscal forecasting and budgeting as well as ensuring the sustainability of provincial and local government budgets. Efforts to strengthen South Africa's systems of anti-money laundering and combating the financing of terrorism will result in our removal from the Financial Action Task Force greylist. Research on financial affordability and benefits of the social security system including active labour market instruments, social insurance and social support will be conducted. Legislative

frameworks will be reviewed to enhance the effectiveness and efficiency of public financial management. The government's financial management systems will be modernised and automated to enhance functionality, strengthen transparency and fight corruption. Measures will be taken to improve financial discipline principally by establishing financial misconduct investigation committees. Performance-based incentives for reform and investment in metro trading services will be implemented as well as enhance infrastructure reporting across all spheres of government.

The National Treasury has a strong organisational foundation that will enable the department to meet our constitutional mandate, mitigate external shocks and deliver on its obligations in terms of the MTDP. The department is committed to maintaining a culture of performance excellence, cooperation and development. As custodians of the nation's financial resources, our values of integrity, professionalism, accountability, consultation and transparency position the department in good stead to safeguard the trust placed in us by the public. To support the delivery of the strategic plan, the department will continue to strengthen our organisational capabilities with emphasis on the three pillars of people, process and technology.

Key to all of these endeavours is the National Treasury team whose dedication, commitment and professionalism enables consistent service delivery excellence.



DR DUNCAN PIETERSE

DIRECTOR-GENERAL: NATIONAL TREASURY

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the National Treasury under the guidance of the Honourable Minister of Finance, Mr E Godongwana;
- Considers all the relevant policies, legislation and other mandates for which the National Treasury is responsible;
- Accurately reflects the impact and outcomes which the National Treasury will endeavour to achieve over the period 2025 – 2030.

Unathi Ngwenya
Chief Financial Officer

Signature: _____

Laura Mseme
Chief Director: Strategic Planning, Monitoring and Evaluation

Signature: _____

Stadi Mngomezulu
Deputy Director-General: Corporate Services

Signature: _____

Dr Duncan Pieterse
Accounting Officer: National Treasury

Signature: _____

Approved by:

Signature: _____

Enoch Godongwana, MP
Minister of Finance



**NATIONAL
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**STRATEGIC
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2025-2030

PART A:

CONSTITUTIONAL MANDATE



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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

1. CONSTITUTIONAL MANDATE

The National Treasury's legislative mandate is based on 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.

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, 56 of 2023, 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.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

- Reviewing tax policy and strengthening financial sector regulation
- Managing future spending growth and fiscal risk
- Managing government's assets and liabilities
- Making government procurement more efficient
- Strengthening government financial management
- Facilitating regional and international cooperation
- Supporting sustainable employment
- Supporting infrastructure development and economically integrated cities and communities

4. LEGISLATION FRAMEWORK

- 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).

5. RELEVANT COURT RULINGS

There are no new court rulings that may be affecting the Strategic Plan for the 2025-2030 planning period.



**NATIONAL
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2025-2030

PART B:
STRATEGIC FOCUS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

6. VISION

The National Treasury's vision is a South Africa with inclusive economic growth, a sustainable fiscus and accountable public financial management that will improve the standard of living for all South Africans.

7. MISSION

As custodians of the nation's financial resources, we oversee the management of public finances, maintain the stability of the macro-economic and financial sectors and ensure the effective financial regulation of the economy. We aspire to excellence in the quality of our analysis, professionalism in advice and innovation in execution.

8. VALUES

The National Treasury is guided by the following core set of values:

- Integrity - to do the right thing by holding exemplary ethical standards
- Professionalism - maintaining the highest quality, accuracy and reliable standards
- Accountability - responsible for the decisions, action and the work done
- Consultation - conveying complex financial information clearly and working collaboratively with other governments, be it internal or external organisations
- Transparency - maintaining public trust, fostering effective governance, accessible and reliable

9. SITUATIONAL ANALYSIS

9.1 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.

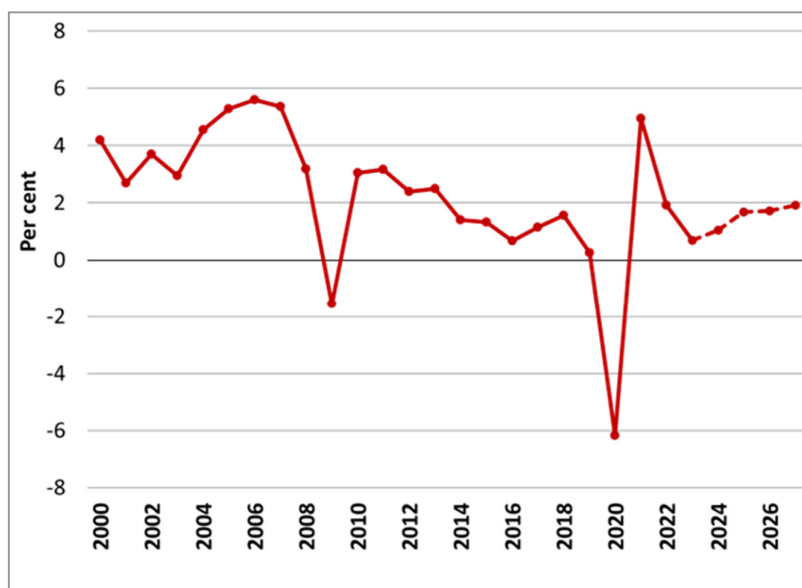
Over the medium term, the MTBPS forecasts GDP to grow by an average of 1.8%, driven by improvements in energy supply, structural reforms, and investment in infrastructure. However, this is well below the growth rates needed to significantly reduce unemployment or address pervasive poverty and inequality.

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% 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

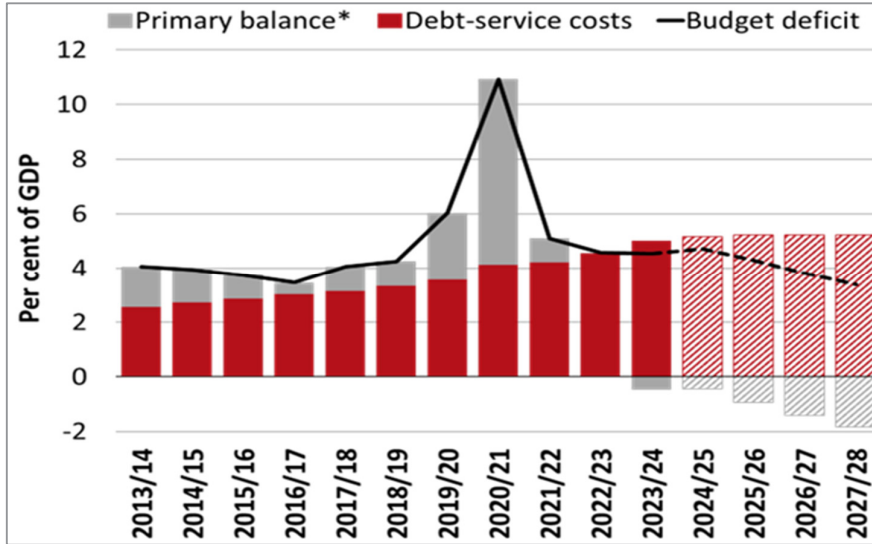
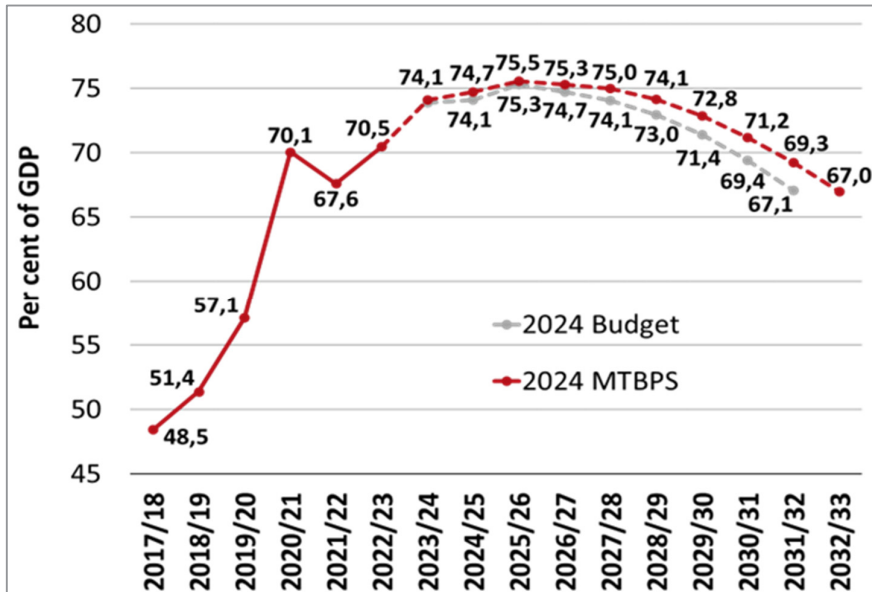


Figure 3: Gross debt-to-GDP outlook⁴



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.

9.2 Internal Environment 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.

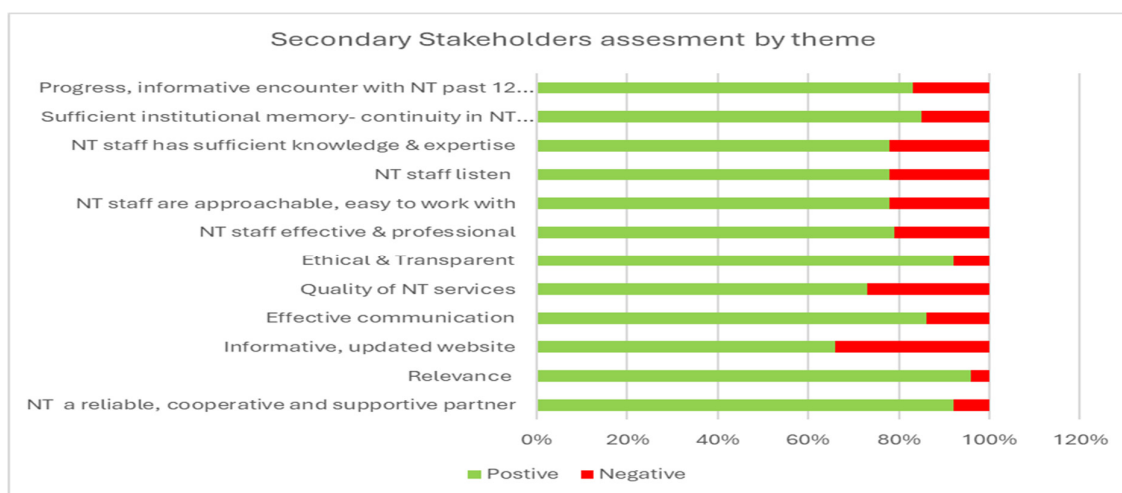
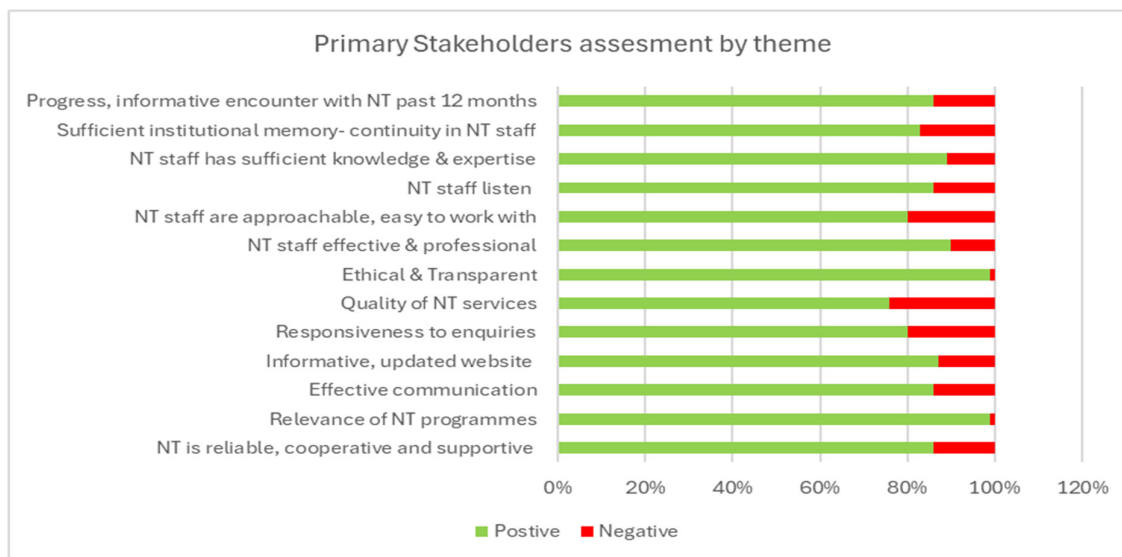
Analysis of the outcomes of the engagement process

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.

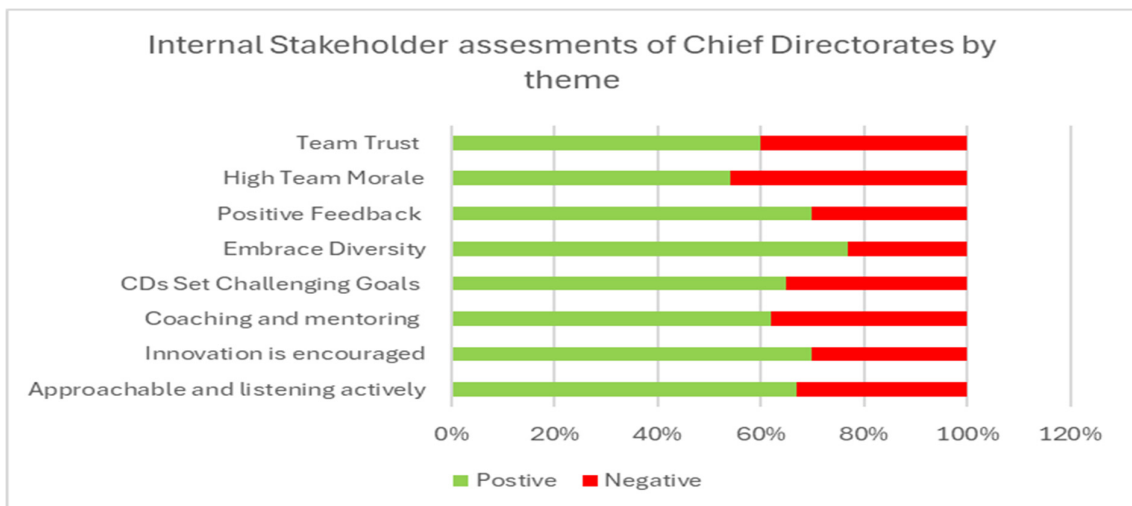
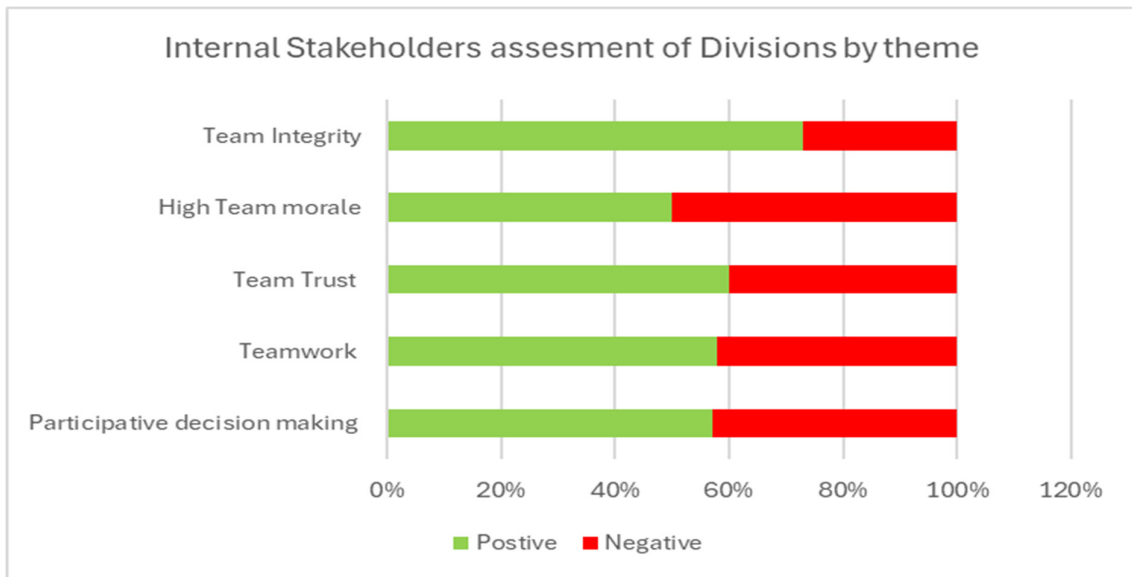
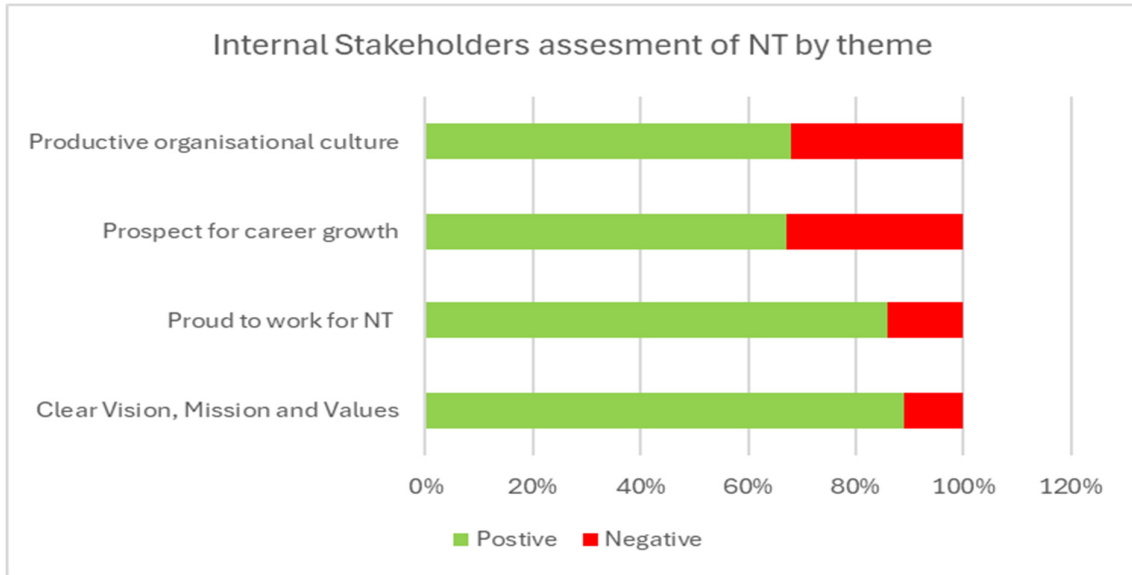
Areas identified for improvement include:

- 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		
STRENGTHS OPPORTUNITIES WEAKNESSES THREATS	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

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 (GRB) Task Team. This team collaborates with the Department of Women, Youth and Persons with Disabilities (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 Medium-Term Expenditure Framework (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

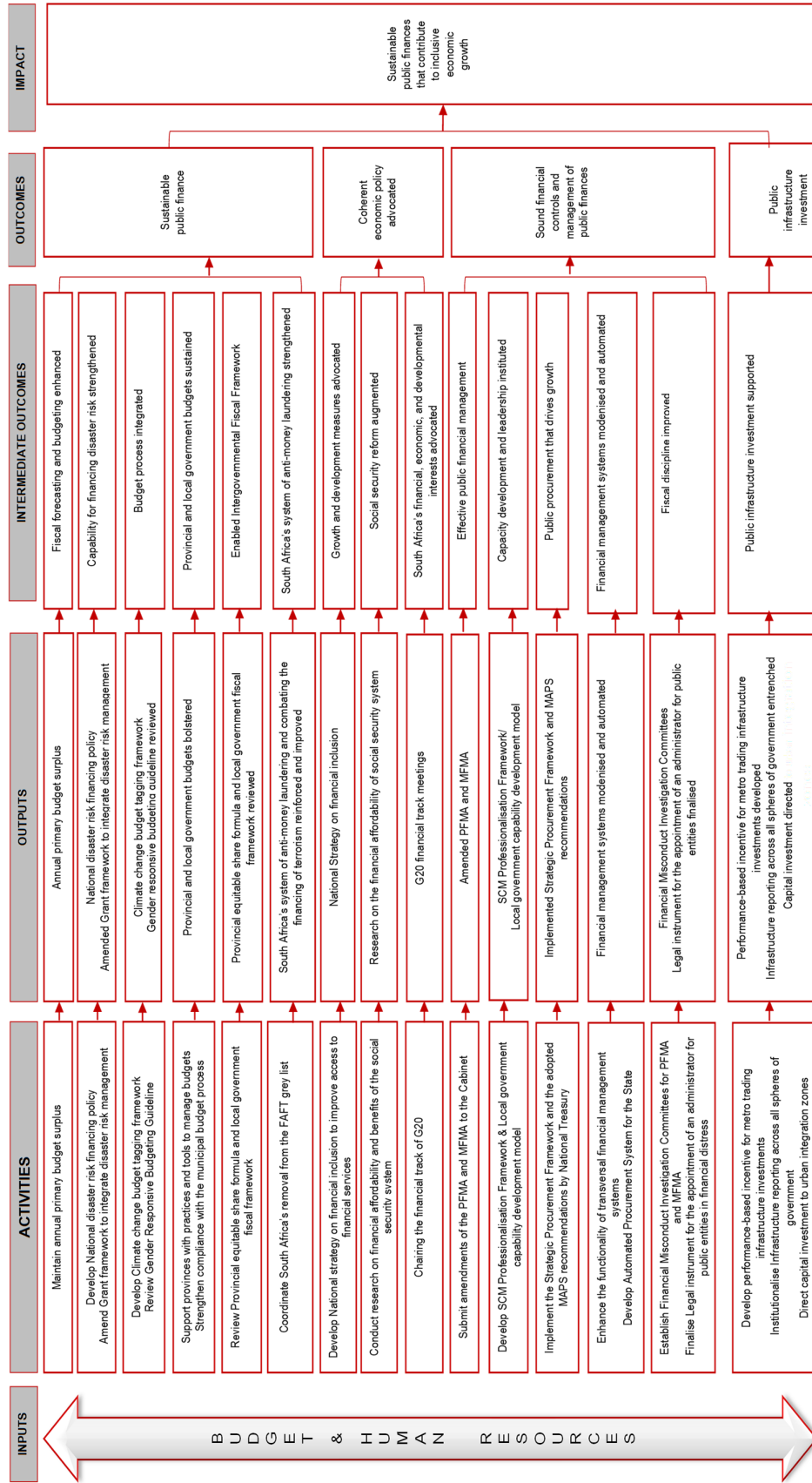
National Treasury received an unqualified with no material findings audit opinion during the 2023/24 financial year. This conveys a key indicator of good governance and prudent financial management, and it is the highest level of assurance that the AGSA can provide signifying excellent financial management,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

**STRATEGIC
PLAN**

2025-2030

**PART C:
MEASURING
OUR PERFORMANCE**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

10. INSTITUTIONAL PERFORMANCE INFORMATION

10.1 Measuring the impact

IMPACT STATEMENT	Sustainable public finances that contribute to inclusive economic growth
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10.2 Measuring Outcomes

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

Outcomes	Outcome Indicators	Baseline	Five-year target
Sustainable public finances	1.1 Enhance fiscal forecasting and budgeting	<ul style="list-style-type: none"> • Primary budget surplus • Compensation at 32% of consolidated expenditure 	<ul style="list-style-type: none"> • Maintain annual primary budget surplus • Compensation at 30% or less of consolidated expenditure
	1.2 Strengthened capability for financing disaster risk	New indicator	<ul style="list-style-type: none"> • National disaster risk financing policy developed by 2030 • Grant frameworks amended to integrate disaster risk management by 2030
	1.3 Strengthening the budget process	New indicator	<ul style="list-style-type: none"> • Climate change Budget tagging framework developed by 2027 • Gender Responsive Budgeting Guideline reviewed by 2028
	1.4 Sustainability of provincial and local government budgets	New indicator	<ul style="list-style-type: none"> • Support provinces with financial management practices and tools to manage budgets • Support local government with financial

Outcomes	Outcome Indicators	Baseline	Five-year target
			management practices and tools as legislated to strengthen compliance with the municipal budget process
	1.5 Enabling Intergovernmental Fiscal Framework that promotes financial sustainability	The local government fiscal framework is as per the constitutional assignment of powers and functions of municipalities	<ul style="list-style-type: none"> • Provincial equitable share formula reviewed by 2028 • Local government fiscal framework reviewed by 2028
	1.6 Strengthening South Africa's system of anti-money laundering and combating the financing of terrorism	South Africa listed on the grey-list	<ul style="list-style-type: none"> • Coordinate South Africa's removal from the FAFT grey list by 2026
Coherent economic policy advocated	2.1 Growth and development measures	New indicator	<ul style="list-style-type: none"> • National strategy on financial inclusion developed by 2028 to improve access to financial services • Assessment of the introduction of additional VAT exempted food items to support low-income households by 2030
	2.2 Social security reform	New indicator	<ul style="list-style-type: none"> • Research on financial affordability and benefits of the social security system including active labour market instruments, social insurance and social support conducted by 2027
	2.3 Advocate for South Africa's financial, economic, and developmental interests in forums and globally	New indicator	<ul style="list-style-type: none"> • Chairing the financial track of G20 in 2025

Outcomes	Outcome Indicators	Baseline	Five-year target
Sound financial controls and management of public finances	3.1 Review legislative frameworks to enhance the effectiveness and efficiency of public financial management	New indicator	<ul style="list-style-type: none"> Amendments to the PFMA submitted to Cabinet by 2027 Amendments to the MFMA submitted to Cabinet by 2027
	3.2 Capacity development and leadership	New indicator	<ul style="list-style-type: none"> SCM Professionalisation Framework developed by 2028 Local government capability development model developed by 2028
	3.3 Public procurement that drives growth	New indicator	<ul style="list-style-type: none"> Implementation of the Strategic Procurement Framework by 2028 100% implementation of adopted MAPS recommendations by National Treasury by 2029
	3.4 Modernising and automating financial management systems	<ul style="list-style-type: none"> 2021/22 Instruction Note 3 No data exchange in place No end-to-end G2P system in place 	<ul style="list-style-type: none"> Enhance the functionality of transversal financial management systems Automated Procurement System for the State developed by 2030 Data exchange platform implemented across government End-to-end G2P system expanded to at least two government entities
	3.5 Improve fiscal discipline	New indicator	<ul style="list-style-type: none"> Financial Misconduct Investigation Committees established for PFMA and MFMA institutions by 2028 Legal instrument for the appointment of an administrator for public entities in financial distress finalised by 2028

Outcomes	Outcome Indicators	Baseline	Five-year target
<p>Increased public infrastructure investment</p>	<p>4.1 Supporting public infrastructure investment</p>	<ul style="list-style-type: none"> • 75% of Metros • total Capital Expenditure is less than 10% of their total expenditure – 2021/22 • 38% of Municipalities whose Total Capital Expenditure is less than 10% of their total expenditure - 2021/22 	<ul style="list-style-type: none"> • Performance-based incentive for reform and investment in Metro Trading Services implemented by eight Metros by 2027/28 • Infrastructure reporting strengthened across all spheres of government by 2030 • 80% of capital investment directed to urban integration zones by 2029

10.3 Explanation of planned performance over the five-year planning period

Following the 2024 national elections, where no single party secured a majority electoral mandate, a Government of National Unity (GNU) was formed to establish a coalition government for South Africa. The Statement of Intent for the 2024 South African Government of National Unity outlines the foundational principles and key priorities for the coalition government. It emphasizes the commitment to upholding the Constitution, promoting non-racialism and non-sexism, ensuring social justice and equity. Furthermore, the GNU commits to tackling the triple challenges of poverty, unemployment and inequality whilst fostering nation-building, social cohesion, and unity in diversity.

A minimum Programme of Priorities was approved by Cabinet Lekgotla on the 13-14 July 2024 and was translated into the Medium-Term Development Plan (MTDP) for the 2024-2029, serving as the Five-year medium-term plan for the 7th Administration of Government. The MTDP 2024-2029 serves as the implementation framework for the National Development Plan: Vision 2030, the current long-term plan for South Africa.

The MTDP 2024-2029 outlined three key strategic priorities to address the country's pressing challenges, which are:

1. **Drive Inclusive Growth and Job Creation:** stimulate economic growth and create jobs by fostering an environment conducive to business development and investment.
2. **Poverty Reductions and Tackling the High Cost of Living:** concerted efforts will be made to reduce poverty levels and address the cost of living through targeted social programs and economic reforms.
3. **Build a Capable, Ethical and Developmental State:** enhancing the efficiency and integrity of government institutions, ensuring delivery of essential services effectively and ethically.

These interrelated and interlinked strategic priorities reflect the GNU's commitment to fostering cooperation among diverse political forces to drive sustainable development and improve the quality of life for all South Africans. Informed by the three strategic priorities of the GNU, National Treasury reviewed its impact statement, outcomes and the five-year targets for the 2025-2030 Strategic Plan. The new impact statement is to achieve sustainable public finances that contribute to inclusive economic growth. These will be achieved through four institutional Outcomes, inter alia:

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

Institutional Outcome 1: Sustainable public finances

Sustainable public finances refer to the management of a government's budget in a way that ensures long-term economic stability and growth, prioritising fiscal sustainability through a combination of prudent financial management and strategic policy making. This includes maintaining a balance between government revenues and expenditures, avoiding excessive debt accumulation, and ensuring that public spending is efficient and effective. Ensuring that investments in essential services like healthcare, education, and infrastructure do not compromise future generations' ability to meet their needs. National Treasury seeks to cultivate trust with investors and the public by promoting sustainable public finances.

Outcome indicators include:

- Enhancing fiscal forecasting and budgeting
- Strengthened capability for financing disaster risk
- Strengthening the budget process
- Sustainability of provincial and local government budgets
- Enabling Intergovernmental Fiscal Framework that promotes financial sustainability, and
- Strengthening South Africa's system of anti-money laundering and combating the financing of terrorism

Institutional Outcome 2: Coherent economic policy advocated

Coherent economic policy is advocated through sound policy advice on the economic environment in relation to the objectives of growth and job creation and helps to improve South Africa's macroeconomic and microeconomic framework as policy advice is mainly focused on creating decent employment through inclusive economic growth. This institutional outcome is aligned to the mandate of the department in promoting the national government's fiscal policy and the coordination of macroeconomic policy and directly contributes to the Priority 1: Drive Inclusive Growth and Job creation.

Outcome indicators include:

- Growth and development measures
- Social security reform, and
- Advocate for South Africa's financial, economic, and developmental interests in forums and globally

Institutional Outcome 3: Sound financial controls and management of public finances

Effective financial controls and management of public finances is crucial for minimising unauthorised, irregular, and wasteful spending, while also promoting efficient and cost-effective procurement within government. National Treasury aims to ensure the efficient, economical, effective, and transparent use of financial and other resources, including state assets, to enhance service delivery. This effort supports transparent and effective management of state procurement and responsible stewardship of government assets and resources. To achieve this, the National Treasury will strengthen legislative frameworks, enhance capacity and capabilities, and improve systems and processes for financial governance and management. Additionally, it will continue to conduct forensic audits, special performance audits, and review internal controls. This institutional outcome aligns with the department's mandate to enforce transparency and effective management of revenue, expenditure, assets, liabilities, public entities, and constitutional institutions and directly contributes to Priority 3: Build a Capable, Ethical and Developmental State.

Outcome Indicators include:

- Review legislative frameworks to enhance the effectiveness and efficiency of public financial management
- Capacity development and leadership
- Public procurement that drives growth,
- Modernising and automating financial management systems, and
- Improve fiscal discipline

Institutional Outcome 4: Increased public infrastructure investment

Increased public infrastructure investment is a critical strategy for driving economic growth and improving the quality of life for citizens. By allocating more resources to the development and maintenance of infrastructure such as roads, bridges, public transportation, water supply, and energy systems, governments can achieve the objectives set for the developmental agenda of the country.

Outcome indicators include:

- Supporting public infrastructure investment.

Empowering women, youth, and persons with disabilities

National Treasury is dedicated to fostering inclusivity and creating opportunities for women, youth and persons with disabilities. By ensuring sustainable public finances that contribute to inclusive economic growth, we aim to create a virtuous cycle of empowerment, opportunity, and stability for women and youth, as well as persons with disabilities. Inclusive economic growth is not just a goal, but a pathway to a brighter future for all.

- **Economic Empowerment for Women:** By ensuring that public finances are managed sustainably, resources can be allocated to initiatives that promote gender equality. This includes investing in education, healthcare, and social services that directly benefit women. When women have access to education and healthcare, they are better equipped to participate in the workforce, start businesses, and contribute to the economy. Additionally, sustainable public finances can support policies that promote equal pay, parental leave, and childcare, further empowering women economically.
- **Job Creation for Youth:** Sustainable public finances enable governments to invest in infrastructure, education, and skills training programs that prepare young people for the job market. By creating an environment that supports entrepreneurship and innovation, young people are more likely to find employment opportunities and become active contributors to the economy. Moreover, investments in sectors such as technology and renewable energy can create new jobs that are particularly appealing to the youth.
- **Social Inclusion and Reduced Inequality:** Inclusive economic growth ensures that the benefits of economic development are shared by all members of society. Sustainable public finances can fund social safety nets, affordable housing, and community development programs that help reduce inequality. This is especially important for marginalized groups, including women and youth, persons with disabilities who may face barriers to accessing resources and opportunities. By addressing these disparities, inclusive economic growth fosters a more equitable society where everyone can thrive.
- **Long-Term Stability and Prosperity:** Sustainable public finances contribute to the overall stability and resilience of the economy. This stability is crucial for women and youth, persons with disabilities as economic uncertainty disproportionately affects these groups. When public finances are managed responsibly, governments can respond more effectively to economic shocks and crises, ensuring that social and economic programs remain funded and accessible.

Supporting the implementation of the National Spatial Development Framework and its National Spatial Action Areas

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.

11. KEY RISKS

Outcome	Key risks	Risk mitigation
Sustainable public finances	Compromised policy decisions on the national budget	<ul style="list-style-type: none"> • In-depth comprehensive analysis to allow an opportunity to question data from stakeholders • Highly integrated and consultative budget process involving stakeholders at various levels • Regular monitoring of data submissions for information credibility and data integrity • ICT strategies and platforms (Excel) to improve data integrity across government • Formal technical training and on the job training for employees in place to ensure improved data quality • All budget processes conducted on the SQL server environment, thereby improving data security • Daily data update meetings with relevant stakeholders held to ensure uniformity in data utilised • Rigorous number checking process is conducted before the publication of budget documentation • MinCommBud, BCC, budget Coordinating committee, MTEC and number consolidation processes • Strict quality control (verification of information) by CDs and DDG of information distributed to the DG and Ministry • Peer reviews of research by academic experts outside NT • Ensure transparency and credibility of assumptions and forecast process
Coherent economic policy advocated	South Africa's interests potentially compromised at international institutions and fora	<ul style="list-style-type: none"> • 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 • Collaboration of staff across NT Divisions to provide input on different areas of expertise in the preparation of international meetings • Provision of submissions to DIRCO and Embassies on NT's positions

Outcome	Key risks	Risk mitigation
Sound financial controls and management of public finances	NT Organisation not optimised for effective, efficient and economical service delivery	<ul style="list-style-type: none"> • Strengthen the adequacy and effectiveness of governance, risk management and control processes • Improve ICT support by implementing innovative solutions • Provide governance and legal support to ensure that the NT's mandate is carried out within the legal framework • Implement Business Continuity Management solutions to minimize and eliminate business disruptions • Provide a safe and secure environment for all employees • Conduct an Organisational review to ensure that human resource allocation and utilisation supports the NT Strategy
	Fraud, corruption and unethical behaviour	<ul style="list-style-type: none"> • Implementation of fraud prevention strategies • Implement and advocate for whistleblowing measures • Implement measures to advocate an ethical culture
	Cyberattacks and leakage of sensitive information	<ul style="list-style-type: none"> • Implementation of ICT data leakage protection, firewalls and encryption solutions • Embargoing of sensitive budget information prior to delivery of the budget speech • Conduct education and awareness programmes for employees and stakeholders on measures to prevent cyberattacks, loss and leakage of sensitive information
Increased public infrastructure investment	Inability to leverage public and private sector investment in targeted/identified areas which may result in continued spatial fragmentation	<ul style="list-style-type: none"> • Technical assistance grant funding is allocated to all urban municipalities including precinct planning and management support to municipalities • Securing private investment in specific projects

12. PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	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.	<ul style="list-style-type: none"> Improved financial reporting in all entities, and all spheres of government 	R15.624 million
Development Bank of Southern Africa (DBSA)	The DBSA is a development finance institution 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.	<ul style="list-style-type: none"> Sustainable growth Increased sustainable developmental outcomes in under-resourced municipalities Promoting an Inclusive Economic Recovery in South Africa 	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	<ul style="list-style-type: none"> Evidence-based informed policymaking through recommendations on financial and fiscal matters to the legislative 	R64.746 million
Financial Intelligence Centre (FIC)	To identify the proceeds of crime, combat money laundering and terror financing.	<ul style="list-style-type: none"> Effective monitoring of compliance with the FIC Act Consistent production and utilisation of financial intelligence reports and services to assist in the 	R499.885 million

Name of Public Entity	Mandate	Outcomes	Annual Budget 2025/26
		identification and combating of crime	
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	<ul style="list-style-type: none"> Improved trust in financial sector Financial inclusion in low-income households and small businesses deepened 	R1.125 billion
Government Pensions Administration Agency (GPAA)	Administering pensions on behalf of GEPP in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of GEPP's Board of Trustees.	<ul style="list-style-type: none"> Efficient member and contribution management Improved benefits payment turnaround time within set timeframes 	R1.660 billion
Government Technical Advisory Centre (GTAC)	To assist organs of state to build their capacity for efficient, effective, and transparent financial management.	<ul style="list-style-type: none"> Enhanced capacity development, and programme management support within government 	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.	<ul style="list-style-type: none"> Transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation Conducive environment for the development of audit competence 	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.	<ul style="list-style-type: none"> Increased participation of emerging established farmers Expand production of established medium and large-scale commercial farmers 	R2.059 billion

Name of Public Entity	Mandate	Outcomes	Annual Budget 2025/26
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).	<ul style="list-style-type: none"> Improved brand awareness, financial literacy and customer awareness 	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.	<ul style="list-style-type: none"> Increased consumer awareness of ombud schemes and their services 	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; 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.	<ul style="list-style-type: none"> A trusted, independent, and impartial alternative dispute resolution avenue. 	R112.729 million
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.	<ul style="list-style-type: none"> Streamlined, efficient complaint resolution processes Increase in reviewed and resolved complaints by taxpayers against SARS 	R55.941 million
Public Investment Corporation (PIC)	The PIC's mandate is centred on investing funds received or held by, for or on behalf of the	<ul style="list-style-type: none"> Catalyst for transformation and diversity to facilitate 	R1.614 billion

Name of Public Entity	Mandate	Outcomes	Annual Budget 2025/26
	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).	transformation investments activities in listed investment	
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.	<ul style="list-style-type: none"> • Increased voluntary compliance • Enhanced taxpayer experience • 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, 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.	<ul style="list-style-type: none"> • Customer-centric, responsive solutions for special-risk insurance coverage 	R7.471 billion



**NATIONAL
TREASURY**

**STRATEGIC
PLAN**

2025-2030

**PART D:
TECHNICAL
INDICATOR DESCRIPTIONS (TID)**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Outcome 1: Sustainable public finances

Outcome Indicator no. 1.1	
Indicator Title	Enhance fiscal forecasting and budgeting
Definition	<p>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 stabilisation</p> <p>A primary budget surplus or deficit is the difference between total revenue and non-interest expenditure</p> <p>When revenue exceeds non-interest expenditure there is a surplus</p> <p>Consolidated government expenditure refers to total expenditure by national and provincial government, social security funds and selected public entities, including transfers to municipalities or other entities</p>
Source of Data	Budget documentation
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Verify if the annual primary budget surplus has been maintained <p>Calculate the difference between total revenue and non-interest expenditure. When revenue exceeds non-interest expenditure there is a surplus</p> <p><u>Compensation of employees X100</u></p> <p>Consolidated government expenditure</p>
Assumptions	<p>Fiscal transparency evaluation recommendations implemented</p> <p>Cabinet approval</p>
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<p>Annual primary budget surplus maintained</p> <p>Compensation at 30% or less of consolidated expenditure</p>
Indicator Responsibility	Deputy Director-General: Budget Office

Outcome Indicator no. 1.2	
Indicator Title	Strengthened capability for financing disaster risk
Definition	This indicator monitors the strengthening of the legal and institutional framework as well as instruments for disaster risk financing.
Source of Data	Budget documentation
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> • National disaster risk financing policy is developed by 2030 • Grant frameworks are amended to integrate disaster risk management by 2030
Assumptions	Disaster risk finance diagnostic recommendations implemented
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • National disaster risk financing policy developed by 2030 • Grant frameworks are amended to integrate disaster risk management by 2030
Indicator Responsibility	Deputy Director-General: Budget Office Deputy Director-General: Intergovernmental Relations

Outcome Indicator no. 1.3	
Indicator Title	Strengthening the budget process
Definition	<p>The climate budget tagging system tracks climate-related spending for effective fund use, promotes accountability, and improves transparency in budget allocations.</p> <p>A gender responsive Budget is critical in harnessing the gender dividend and ensuring a paradigm shift towards gender mainstreaming across the state machinery and taking forward the country's efforts to ensure women's empowerment and gender equality are at the centre of public policy priorities, results-based planning and budgeting and accountability</p>
Source of Data	Project reports, budget documentation
Method of Calculation / Assessment	<p>Verify if:</p> <ul style="list-style-type: none"> • Budget tagging framework is developed by 2027 • Gender Responsive Budgeting Guideline is reviewed by 2028
Assumptions	Timely finalisation of stakeholder consultations
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Desired Performance	<ul style="list-style-type: none"> • Climate change Budget tagging framework developed by 2027 • Gender Responsive Budgeting Guideline reviewed by 2028
Indicator Responsibility	<p>Deputy Director-General: Public Finance</p> <p>Deputy Director-General: Budget Office</p>

Outcome Indicator no. 1.4	
Indicator Title	Sustainability of provincial and local government budgets
Definition	<p>Provincial and local governments are supported through the following interventions:</p> <p>Provincial benchmark engagements – each provincial treasury is engaged to evaluate and make recommendations regarding the draft budgets for the coming financial year.</p> <p>Conducting provincial visits to all provinces and in collaboration with provincial treasuries engage provincial departments on the first quarter expenditure and potential risks to service delivery.</p> <p>Undertaking budget assessment engagements to determine whether municipalities budgets are funded or not.</p> <p>Publication of quarterly financial reports that serve as an early warning system on the National Treasury website to comply with section 2 of the PFMA and Section 71 of the MFMA</p>
Source of Data	Budget assessment reports
Method of Calculation / Assessment	<p>Verify if:</p> <ul style="list-style-type: none"> • Provinces are supported with PFM practices and tools to manage budgets • Local government financial management practices and tools are supported as legislated to strengthen compliance with the municipal budget process
Assumptions	Timely submission of relevant information by municipalities
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Support provinces with practices and tools to manage budgets • Support local government with financial management practices and tools as legislated to strengthen compliance with the municipal budget process
Indicator Responsibility	Deputy Director-General: Intergovernmental Relations

Outcome Indicator no. 1.5	
Indicator Title	Enabling Intergovernmental Fiscal Framework that promotes financial sustainability
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
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> • Provincial equitable share formula is reviewed by 2028 • Local government fiscal framework is reviewed by 2028
Assumptions	The required progressive reforms to the intergovernmental fiscal framework to enhance its efficacy are approved for implementation
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Provincial equitable share formula reviewed by 2028 • Local government fiscal framework reviewed by 2028
Indicator Responsibility	Deputy Director-General: Intergovernmental Relations

Outcome Indicator no. 1.6	
Indicator Title	Strengthening South Africa's system of anti-money laundering and combating the financing of terrorism
Definition	Strengthen anti-money laundering and terrorism financing efforts and secure South Africa's removal from the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring
Source of Data	FATF Action Plan Progress Reports
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> • South Africa is removed from the FATF grey list by 2026
Assumptions	Stakeholder consultations are completed as planned.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • South Africa removed from the FATF grey list by 2026
Indicator Responsibility	Deputy Director-General: Tax and Financial Sector Policy

Outcome 2: Coherent economic policy advocated

Output Indicator no. 2.1	
Indicator Title	Growth and development measures
Definition	<p>The National Strategy on Financial Inclusion will establish the overarching policy for financial inclusion in South Africa and will focus on improving access to, usage and quality of financial services in support of financial inclusion in South Africa.</p> <p>Conduct an assessment of the introduction of additional VAT exempt food items to support low-income households by 2030</p>
Source of data	Programme and project reports
Method of Calculation / Assessment	<p>Verify if:</p> <ul style="list-style-type: none"> • National strategy on financial inclusion is developed by 2028 to improve access to financial services • An assessment was conducted to ascertain if additional VAT exempt food items should be introduced to support low-income households by 2030
Assumptions	<ul style="list-style-type: none"> • Timely finalisation of stakeholder engagements • Income and Expenditure data is available
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired performance	<ul style="list-style-type: none"> • National strategy on financial inclusion developed by 2028 to improve access to financial services • Assessment of the introduction of additional VAT exempted food items to support low-income households conducted by 2030
Indicator responsibility	Deputy Director-General: Tax and Financial Sector Policy

Outcome Indicator no. 2.2	
Indicator Title	Social security reform
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 and benefits of the social security system including active labour market instruments, social insurance and social support has been conducted by 2026
Assumptions	Timely finalisation of stakeholder consultations
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	Research on financial affordability and benefits of the social security system including active labour market instruments, social insurance and social support conducted by 2026
Indicator Responsibility	Deputy Director-General: Tax and Financial Sector Policy Deputy Director-General: Public Finance

Outcome Indicator no. 2.3	
Indicator Title	Advocate for South Africa's financial, economic, and developmental interests in forums and globally
Definition	Use South Africa's Presidency of the G20 and the chairing of the financial track to advocate for South Africa's financial, economic, and developmental interests
Source of Data	Project reports
Method of Calculation / Assessment	Verify if the financial track of G20 in 2025 has been chaired
Assumptions	South Africa hosts the G20
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	Chairing the financial track of G20 in 2025
Indicator Responsibility	Deputy Director-General: International Financial Relations

Outcome 3: Sound financial controls and management of public finances

Outcome Indicator no. 3.1	
Indicator Title	Review legislative frameworks to enhance the effectiveness and efficiency of public financial management
Definition	This is a comprehensive review of the PFMA and MFMA
Source of Data	Stakeholder inputs
Method of Calculation / Assessment	Verify if: Amendments to the PFMA were submitted to Cabinet by 2027 Amendments to the MFMA were submitted to Cabinet by 2027
Assumptions	Public comment process is completed as planned Minister approves amendments or submission to Cabinet
Disaggregation of Beneficiaries	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Desired Performance	Amendments to the PFMA submitted to Cabinet by 2027 Amendments to the MFMA submitted to Cabinet by 2027
Indicator Responsibility	Office of the Accountant General

Outcome Indicator no. 3.2	
Indicator Title	Capacity development and leadership
Definition	The National Treasury conducted a diagnostic study on the capacity-building system for local government and found that the focus needs to shift from building capacity to a broader measure of developing capability. The indicator also monitors the development of the SCM Professionalisation Framework.
Source of Data	Project reports
Method of Calculation / Assessment	Verify <ul style="list-style-type: none"> • SCM Professionalisation Framework is developed by 2028 • Local government capability development model is developed by 2028
Assumptions	Recommendations for the diagnostic study on capacity building system implemented.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • SCM Professionalisation Framework developed by 2028 • Local government capability development model developed by 2028
Indicator Responsibility	Office of the Chief Procurement Officer Deputy Director-General: Intergovernmental Relations

Outcome Indicator no. 3.3	
Indicator Title	Public procurement that drives growth
Definition	<p>The Strategic Procurement Framework (SPF) is a guided process with methods and tools to focus procurement efforts on projects that would meet the organisation's top strategic priorities for service delivery. Increasingly applying strategic sourcing across the South African public sector will bring several benefits including leveraging the state's buying power and reducing duplication of effort.</p> <p>The indicator also monitors the implementation of the methodology for assessing procurement systems (MAPS) recommendations. MAPS is an international standard and the universal tool to evaluate a public procurement system.</p>
Source of Data	Programme reports
Method of Calculation / Assessment	<p>Verify if:</p> <ul style="list-style-type: none"> • the Strategic Procurement Framework is implemented by 2028 • 100% implementation of adopted MAPS recommendations by National Treasury is achieved by 2029
Assumptions	Compliance with public procurement legislation
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Implementation of the Strategic Procurement Framework by 2028 • 100% implementation of adopted MAPS recommendations by National Treasury by 2029
Indicator Responsibility	Office of the Chief Procurement Officer

Outcome Indicator no. 3.4	
Indicator Title	Modernising and automating financial management systems
Definition	<p>Enhancing the functionality of transversal financial management systems and automating the procurement system for the State</p> <p>Data exchange platform refers to a structured system that facilitates the transfer of data between different government entities</p> <p>End-to-end system refers to the system which will enable payments of Child Support and SRD Grants without a third party</p>
Source of Data	<p>Programme reports</p> <p>Data exchange platform</p> <p>End-to-end system</p>
Method of Calculation / Assessment	<p>Verify if:</p> <ul style="list-style-type: none"> • the functionality of transversal financial management systems is enhanced • Automated Procurement System for the State is developed by 2030 • Data exchange platforms have been implemented across government • End-to-end G2P system is expanded to at least two government entities
Assumptions	<p>Timely onboarding of all stakeholders</p> <p>Cooperation by key stakeholders including Statistics South Africa and South Africa Social Security Agency (SASSA)</p> <p>Cooperation by key stakeholders including SARB and SASSA</p>
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Enhance the functionality of transversal financial management systems • Automated Procurement System for the State developed by 2030 • Data exchange platform implemented across government • End-to-end G2P system expanded to at least two government entities

Outcome Indicator no. 3.4	
Indicator Responsibility	Office of the Accountant General Office of the Director General Accountant General Tax and Financial Sector Policy

Outcome Indicator no. 3.5	
Indicator Title	Improve fiscal discipline
Definition	To ensure that institutions maintain effective, efficient and transparent systems of financial and risk management and internal control
Source of Data	Project reports
Method of Calculation / Assessment	Verify if: <ul style="list-style-type: none"> • Financial Misconduct Investigation Committees have been established for PFMA and MFMA institutions by 2028 • Legal instrument for the appointment of an administrator for public entities in financial distress is finalised by 2028.
Assumptions	<ul style="list-style-type: none"> • PFMA and MFMA amended
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Financial Misconduct Investigation Committees established for PFMA and MFMA institutions by 2028. • Legal instrument for the appointment of an administrator for public entities in financial distress finalised by 2028.
Indicator Responsibility	Office of the Accountant General

Outcome 4: Increased public infrastructure investment

Outcome Indicator no. 4.1	
Indicator Title	Supporting public infrastructure investment
Definition	<p>This indicator monitors measures to strengthen infrastructure reporting across all spheres of government and the development of a performance-based incentive for metro trading services infrastructure investments.</p> <p>Strengthening of infrastructure reporting entails the institutionalisation of infrastructure reporting model in all spheres of government.</p> <p>The indicator also monitors capital investments directed to integration zones wherein cities need to identify, plan and implement catalytic projects.</p>
Source of Data	Project reports
Method of Calculation / Assessment	<p>Verify if</p> <ul style="list-style-type: none"> • Performance-based incentive for metro trading services infrastructure investments is developed by 2026 • Infrastructure reporting is strengthened across all spheres of government by 2030 <p>For percentage of capital investment directed to urban integration zones, calculate:</p> $\frac{\text{Capital investment directed to urban integration zones} \times 100}{\text{Total capital investment}}$
Assumptions	Approval of amendments to the National Treasury Regulation 16 and the Municipal Regulation 309, which govern Public-Private Partnerships
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Desired Performance	<ul style="list-style-type: none"> • Performance-based incentive for metro trading services infrastructure investments developed by 2026 • Infrastructure reporting strengthened across all spheres of government by 2030 • 80% of capital investment directed to urban integration zones by 2029
Indicator Responsibility	Deputy Director-General: Intergovernmental Relations Head of Policy Coordination

**NATIONAL
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**STRATEGIC
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2025-2030**

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



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National Treasury
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