



PROVINCIAL TREASURY  
**STRATEGIC PLAN**  
2025-2030



Province of the  
**EASTERN CAPE**  
PROVINCIAL TREASURY



Province of the  
**EASTERN CAPE**  
PROVINCIAL TREASURY

# STRATEGIC PLAN

**2025-2030**

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## Executive Authority Statement

The Eastern Cape Provincial Treasury has a mandate of ensuring the prudent and sustainable management of the province's financial resources. We have strengthened our oversight of public institutions, tackled critical challenges in infrastructure delivery, and provided essential support to departments and municipalities. Moving forward, we must navigate an increasingly complex global and national economic environment.

The sluggish pace of economic growth, both domestically and internationally, continues to constrain fiscal resources, exerting pressure on service delivery and contributing to persistently high unemployment rates. Moreover, geopolitical challenges—including executive orders imposed on South Africa and some of its key trading partners—have direct implications for investment flows, trade stability, and ultimately, our fiscal position, with the Eastern Cape being particularly vulnerable due to its economic structure. The ongoing war between Russia and Ukraine, coupled with the Israel-Hamas conflict, further disrupts global supply chains and energy markets, exacerbating inflationary pressures that strain provincial finances. Nonetheless, South Africa's chairing of the G20 presents opportunities for enhanced global partnerships, potential investment inflows, and economic cooperation that could yield positive fiscal benefits, offering a much-needed boost to our provincial development efforts.

As the Eastern Cape Provincial Treasury (ECPT), we are steadfast in delivering on our constitutional mandate in spite of the above-mentioned challenges. Our goal is to minimise the effects of the tight financial climate by implementing an effective approach which “do more with less” in an effort to optimise the effectiveness of our resources.

This 2025-2030 Strategic Plan reflects a deep understanding of the economic, social and environmental challenges facing the Eastern Cape province and South Africa at large. The President's State of the Nation Address has outlined three priorities in line with the new administration of the Government of National Unity (GNU). The GNU has developed the Mid-Term Development Plan (MTDP) for the next five years. The MTDP emanates from the National Development Plan (NDP) 2030. The government priorities for the next five years are, Priority 1: Economic Growth and Job Creation, Priority 2: Reduce Poverty and Tackle the High Cost of Living and Priority 3: Capable, Ethical and Developmental State. The MTDP also seeks to address the imbalances of the past by prioritising issues of women, youth, and persons with disabilities who were previously disadvantaged. The MTDP aligns National, Provincial and Local government Mid-Term and Long-Term Plans in an integrated manner and through the realisation of the District Development Model (DDM).

The ECPT is aligned to Priority 3: Capable, Ethical and Developmental State. This priority falls under the Governance, State Capacity and Institutional Development (GSCID) Cluster. This priority is also aligned with the Provincial Mid-Term Development Plan (P-MTDP). Its primary focus is on advancing local economic development initiatives, particularly those that empower women, youth, persons with disabilities, and military veterans, to redress historical inequalities.

This Strategic Plan reaffirms our unwavering dedication to implementing the policy priorities articulated in the NDP and PDP. These priorities include fostering a vibrant provincial economy that leverages the Eastern Cape's competitive advantages, enhancing economic infrastructure to promote new economic activities across the province, boosting employment, ensuring sustainable livelihoods, and advancing long, healthy lives coupled with access to quality education.

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We are committed to strengthening our oversight role to improve service delivery and address inefficiencies in provincial governance. Over the next five years, our focus will be on the following four strategic priorities:

### **1. Fiscal Consolidation**

The Provincial Treasury will continue to promote fiscal sustainability through stringent cost containment measures, ensuring that resources are directed towards core service delivery programmes while reducing non-essential expenditures. Stabilising governance within the province remains a key objective.

### **2. Supply Chain Management Reforms**

We will further support the implementation of the Local Economic Development Procurement Framework (LEDPF) across departments, to achieve 50% local procurement. The focus will be on developing Micro, Small, and Medium Enterprises (MSMEs), with special attention to women, persons with disabilities, and youth. Additionally, we will continue to prioritise the timely payment of creditors within 30 days to enhance the financial sustainability of MSMEs.

### **3. Infrastructure Support**

Infrastructure development remains a cornerstone of provincial government priorities, particularly in terms of social and economic infrastructure. To ensure greater integration and coordination across all levels of government, the Provincial Treasury will continue to provide support to departments through the implementation of Infrastructure Programme Management Plans, guided by the District Development Model. We will collaborate closely to optimise available resources and ensure that infrastructure projects are integrated into municipal Integrated Development Plans (IDPs).

### **4. Provincial and Municipal Governance and Accountability**

The Provincial Treasury will play its oversight role by assisting departments, public entities, and municipalities in improving audit outcomes. We will continue monitoring the implementation of the Provincial Audit Intervention Plan as part of our strategy to drive accountability and improve financial governance.

This Strategic Plan outlines the outcomes, outcome indicators (OIs), and targets which will be used to measure performance over the next five years. This Plan sets out priorities for the ECPT in a manner that emphasises the outcomes-oriented monitoring and evaluation approach in supporting our ongoing transformation to realise our vision of a prosperous province supported by sound financial governance and resource management. We will continue to work with all our stakeholders in this regard.

As the Executive Authority of the Eastern Cape Provincial Treasury, I endorse this Strategic Plan and I am confident that, working with our stakeholders, we will achieve our goals to ensure that the Eastern Cape becomes a province at work for a better life for all its people.



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**HONOURABLE MLUNGISI MVOKO**  
**MEC FOR FINANCE**



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## Accounting Officer Statement

The 2025-2030 Strategic Plan outlines the Eastern Cape Provincial Treasury's approach in executing its mandate of providing strategic and technical leadership in the allocation, management, and utilisation of financial resources. This plan seeks to improve the quality of life in the province by ensuring effective governance and resource optimisation.

To promote integration across provincial institutions, a risk-based planning approach was utilised, and this has resulted in the development of the 9-Integration Areas. These in turn informed the development of the Provincial Medium-Term Development Plan, which is the basis of the development of this Strategic Plan.

For the seventh term of administration (2025–2030), the ECPT has identified four key strategic priorities: Fiscal Consolidation, Supply Chain Management (SCM) Reforms, Infrastructure Support, and Provincial and Municipal Governance and Accountability. These priorities aim to foster sustainable growth, strengthen financial governance, and ensure the efficient use of resources

Key areas of focus include:

- **Fiscal Sustainability:** The department will implement cost-containment measures which will prioritise essential service delivery while reducing non-core expenditure.
- **Service Delivery:** Support will continue for critical sectors such as Education, Health, and Transport to maintain and enhance core service delivery. Provincial Treasury will continue with the intervention projects to improve service delivery in the identified departments and municipalities.
- **Local Economic Development:** Through the Local Economic Development Procurement Framework (LEDPF), we will drive local procurement with a focus on empowering women, youth, and persons with disabilities. We will also monitor the timely payment of creditors to sustain MSMEs.
- **Infrastructure Development:** Enhanced coordination and delivery of infrastructure projects will remain a priority, with a focus on social and economic infrastructure that has a lasting impact on citizens' lives.
- **Governance and Accountability:** We will reinforce financial management in provincial departments and municipalities to ensure resources are used effectively for service delivery and to uphold good governance practices.

Despite ongoing fiscal pressures, the department is committed to promoting fiscal discipline and addressing persistent challenges such as fruitless, wasteful, and irregular expenditure. Provincial Treasury recognises the need for greater accountability in departments like Health, Education, Transport, Human Settlements, and municipalities where financial mismanagement has led to substantial losses. To counter this, the department will enhance investigative capacity, escalate unresolved cases, and ensure that those responsible face appropriate consequences.

Although progress has been made in improving own revenue collection, ECPT acknowledges that these challenges remain, particularly in areas like rental collections, Road Accident Fund collections and motor vehicle licence fees. The department is actively implementing solutions, including the use of ICT for electronic revenue collection and deploying interns to support property-related revenue efforts. The ECPT is committed to improving the liquidity of the Provincial Revenue Fund.

The Strategic Plan also emphasises continued support for departments in meeting the Local Economic Development (LED) procurement targets, ongoing supplier registration on the Centralised Supplier Database (CSD), and the refinement of the invoice tracking application to reduce payment delays for MSMEs.

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On infrastructure, the ECPT will focus on the Infrastructure Delivery Management System (IDMS) and the Framework for Infrastructure Delivery and Procurement Management (FIDPM) to ensure efficient infrastructure delivery across all spheres of government. The achievements in securing incentive funding for infrastructure in the Department of Education and the Department of Health will be built upon through regular site visits and validation of projects.

In terms of the Priority 3: Capable, Ethical and Developmental State; the Provincial Treasury will support interventions to address financial challenges in the departments and municipalities, which will contribute to sustainable economic development in the province.

The implementation of the Financial Management Accountability Framework will be the main focus in the next five years to ensure good governance and accountability across all departments. The Auditor General South Africa (AGSA) audit outcomes will assist in improving the financial and non-financial performance information for enhanced service delivery across the province. These audit outcomes will also improve strategic planning process in departments, public entities and municipalities across the province.

This Strategic Plan is a commitment to deliver on the strategic priorities as set out in the MTDP and the P-MTDP over the next five years. I am confident that we will deliver on our mandate of providing strategic and technical leadership in the allocation, management, and utilisation of financial resources in realising our vision of a prosperous province supported by sound financial governance and resource management.

As the Accounting Officer, I pledge my full support to the team in ensuring the successful implementation of this Strategic Plan for the betterment of our province.



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**DALUHLANGA MAJEKE**  
**ACCOUNTING OFFICER**

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## Official Sign-Off

It is hereby certified that this Strategic Plan:

- Considers all relevant policies, legislation, and other mandates for which the Eastern Cape Provincial Treasury is responsible.
- Accurately reflects impact and outcomes which the Eastern Cape Provincial Treasury will endeavour to achieve over the period 2025 – 2030.

**Mr Joe Mhlomi**  
**Programme 2 Manager**

Signature: 

**Mr Phillip Booi**  
**Acting Programme 3 Manager**

Signature: 

**Mr Qonda Kalimashe**  
**Programme 4 Manager**

Signature: 

**Ms Nonkwanda Tungata**  
**Programme 5 Manager**

Signature: 

**Ms Fakazile Ngcwangu**  
**Chief Financial Officer**

Signature: 

**Dr Nqwenelwa Ncede**  
**Head Official Responsible for Planning and**  
**Programme 1 Manager**

Signature: 

**Mr Daluhlanga Majeke**  
**Accounting Officer**

Signature: 

Approved by:

**Hon. Mlungisi Mvoko**  
**Executive Authority**

Signature: 



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## List of Abbreviations

<b>AFS</b>	Annual Financial Statement	<b>LED</b>	Local Economic Development
<b>AfCFA</b>	African Continental Free Trade Area	<b>LEDPF</b>	Local Economic Development Procurement Framework
<b>AGOA</b>	African Growth and Opportunities Act	<b>LG</b>	Local Government
<b>AGSA</b>	Auditor General South Africa	<b>LOGIS</b>	Logistical Information System
<b>AOP</b>	Annual Operational Plan	<b>M&amp;E</b>	Monitoring and Evaluation
<b>APP</b>	Annual Performance Plan	<b>MEC</b>	Member of the Executive Council
<b>AU</b>	African Union	<b>MFMA</b>	Municipal Finance Management Act
<b>ASIDI</b>	Accelerated Schools Infrastructure Delivery Initiative	<b>MSMEs</b>	Micro, Small, and Medium Enterprises
<b>BAS</b>	Basic Accounting Systems	<b>MTDP</b>	Medium Term Development Plan
<b>CFO</b>	Chief Financial Officer	<b>NDP</b>	National Development Plan
<b>CGICT</b>	Corporate Governance Information and Communication Technology	<b>NGO</b>	Non-governmental organization
<b>CGITCPF</b>	Corporate Governance of Information and Communication Technology Policy Framework	<b>NMAH</b>	Nelson Mandela Academic Hospital
<b>CoE</b>	Compensation of Employees	<b>NSG</b>	National School of Governance
<b>CoGTA</b>	Cooperative Governance and Traditional Affairs	<b>NT</b>	National Treasury
<b>COVID</b>	Coronavirus Disease	<b>OMF</b>	Operations Management Framework
<b>CSD</b>	Central Supplier Database	<b>OIs</b>	Outcomes Indicators
<b>DDM</b>	District Development Model	<b>OTP</b>	Office of The Premier
<b>DG</b>	Director General	<b>PAIP</b>	Provincial Audit Intervention Plan
<b>DRC</b>	Democratic Republic of Congo	<b>PDP</b>	Provincial Development Plan
<b>DIY</b>	Do It Yourself	<b>PESTEL</b>	Political, Economic, Social, Technological, Environmental and Legal
<b>DPSA</b>	Department of Public Service and Administration	<b>PFMA</b>	Public Finance Management Act
<b>DPWI</b>	Department of Public Works and Infrastructure	<b>PMTDP</b>	Provincial Medium-Term Development Plan
<b>EC</b>	Eastern Cape	<b>PPPs</b>	Public-Private Partnerships
<b>ECPT</b>	Eastern Cape Provincial Treasury	<b>PT</b>	Provincial Treasury
<b>EE</b>	Employment Equity	<b>PRF</b>	Provincial Revenue Fund
<b>EXCO</b>	Executive Council	<b>SA</b>	South Africa
<b>ERP</b>	Enterprise Resource Planning	<b>SADC</b>	Southern African Development Community
<b>FIDPM</b>	Framework for Infrastructure Delivery and Procurement Management	<b>SANRAL</b>	South African National Roads Agency
<b>FMCM</b>	Financial Management Capability Maturity Model	<b>SARB</b>	South African Reserve Bank
<b>GBV</b>	Gender Base Violence	<b>SCM</b>	Supply Chain Management
<b>GNU</b>	Government of National Unit	<b>SDM</b>	Service Delivery Model
<b>GDP</b>	Gross Domestic Product	<b>SITA</b>	State Information Technology Agency
<b>GRPB-MAF</b>	Gender Responsive Planning, Budgeting, Monitoring and Auditing Framework	<b>SOPA</b>	State Of the Province Address
<b>GSCID</b>	Governance, State Capacity and Institutional Development	<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>GWEA</b>	Government Wide Enterprise Architecture	<b>SOEs</b>	State-owned enterprises
<b>HR</b>	Human Resource	<b>SOPs</b>	Standard Operating Procedures
<b>ICT</b>	Information and Communications Technology	<b>TID</b>	Technical indicator description
<b>IDMS</b>	Infrastructure Development Management System	<b>UIFWE</b>	Unauthorised Irregular, Fruitless and Wasteful Expenditure
<b>IDPs</b>	Integrated Development Plans	<b>USA</b>	United State of America
<b>IT</b>	Information Technology	<b>WHO</b>	World Health Organization
<b>IYM</b>	In Year Monitoring	<b>VUCA</b>	Vulnerable, Uncertain, Complex and Ambiguous
<b>LEAP</b>	Leadership Advancement Programme		



# OUR MANDATE

## PART A

PROVINCIAL TREASURY  
**STRATEGIC PLAN**  
2025-2030







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## PART A: OUR MANDATE

### 1. Constitutional Mandate

The mandate of the Eastern Cape Provincial Treasury derives from the following Sections 213, 215, 216, 217, 218, 226 and 227 of the Constitution of the Republic of South Africa (Act 108 of 1996), as well as Sections 17 and 18 of the Public Finance Management Act (PFMA), 1999 as amended, Municipal Finance Management Act (MFMA) and National Treasury Regulations, which provide for the establishment of Provincial Treasuries that are mandated to fulfil the following functions:

Constitution of the Republic of South Africa (Act 108 of 1996)	<p>Sections 213, 215, 216, 217, 218, 226 and 227</p> <p>Preparation of the provincial budget. Exercise control over the implementation of the provincial budget.</p> <ol style="list-style-type: none"><li>1. Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments, provincial public entities and municipalities.</li><li>2. Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.</li><li>3. To ensure both transparency and expenditure control in each sphere of government by introducing, (a) generally recognised accounting practices, (b) uniform expenditure classifications, and (c) uniform treasury norms and standards.</li><li>4. Enforce compliance with the measures established in terms of sub- section 1 and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.</li><li>5. When an organ of state in the National, Provincial or Local sphere of government or any other Institution identified in National Legislation, contracts for goods or services; it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost- effective.</li><li>6. The National/Provincial Government or a Municipality may guarantee a loan only if the guarantee complies with any conditions set out in National Legislation.</li><li>7. There is a Provincial Revenue Fund for each Province into which all money received by the Provincial Government must be paid, except money reasonable excluded by an Act of Parliament.</li><li>8. Local Government and each province, (a) is entitled to an equitable share of revenue raised nationally to enable it to provide services and perform the functions allocated to it and (b) may receive other allocation from National Government Revenue, either conditionally or unconditionally. Additional revenue raised by provinces or municipalities may not be deducted from their share of revenue raised nationally, or from other allocations made to them out of National Government Revenue.</li></ol>
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## 2. Legislative and Policy Mandates

<p>Public Finance Management Act (PFMA), 1999 and National Treasury Regulations</p>	<p>Sections 17 and 18</p> <p>Establishment:</p> <ol style="list-style-type: none"> <li>1. There is a Provincial Treasury for each province, consisting of— (a) the MEC for Finance in the province, who is the Head of the Provincial Treasury; and (b) the provincial department responsible for financial matters in the province.</li> <li>2. The MEC for Finance as the Head of a Provincial Treasury takes the policy and other decisions of the Treasury, except those decisions taken as a result of a delegation or instruction in terms of section 20.</li> </ol> <p>Functions and powers:</p> <ol style="list-style-type: none"> <li>1. A Provincial Treasury must— (a) prepare the provincial budget; (b) exercise control over the implementation of the provincial budget; (c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.</li> <li>2. A Provincial Treasury— (a) must issue Provincial Treasury instructions not inconsistent with this Act; (b) must enforce this Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognised accounting practice and uniform classification systems, in provincial departments; (c) must comply with the annual Division of Revenue Act, and monitor and assess the implementation of that Act in provincial public entities; (d) must monitor and assess the implementation in provincial public entities of national and provincial norms and standards; (e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; (f) may investigate any system of financial management and internal control applied by a provincial department or a provincial public entity; (g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity; (h) must promptly provide any information required by the National Treasury in terms of this Act; and (i) may do anything further that is necessary to fulfil its responsibilities effectively.</li> </ol>
<p>Municipal Finance Management Act (MFMA), 2003</p>	<p>Section 56</p> <ol style="list-style-type: none"> <li>1. To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government.</li> <li>2. To establish treasury norms and standards for the local sphere of government; and</li> <li>3. To provide for matters connected therewith.</li> </ol>

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The department is also governed by the following relevant legislative and policy mandates:

- Local Government: Municipal Systems Act, 2000
- Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities, 2005
- Public Service Act of 1994 (as amended by the Public Service Amendment Act 30 of 2007)
- Public Service Regulations, 2016
- Service Delivery Improvement Plan Directive, 2019
- Statistics Act, 1999
- Promotion of Access to Information Act, 2000
- Promotion of Administrative Justice Act, 2009
- Spatial Planning and Land Use Management Act, 2013
- Construction Regulations, 2014
- Annual Division of Revenue Act
- Annual Provincial Appropriation Act
- Broad-Based Black Economic Empowerment Act, 2013
- Preferential Procurement Policy Framework Act, 2000
- Intergovernmental Relations Framework Act, 2005
- Government Immovable Asset Management Act, 2007
- Public Audit Act (Act No. 25 of 2004)
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2003
- Protection of Personal Information Act, 2013
- National Development Plan 2030: Our Future-Make It Work, 2012
- Medium Term Development Plan (MTDP)
- Provincial Development Plan
- Provincial Medium Term Development Plan (P-MTDP)
- Budget Prioritisation Framework
- Eastern Cape Spatial Development Framework (2018)
- Policy Framework for the Government-wide Monitoring and Evaluation System, 2005
- National Evaluation Policy Framework, 2011
- Framework for Managing Programme Performance Information, 2007
- United Nations Sustainable Development Goals
- Agenda 2063
- National Immovable Asset Maintenance Management Standard, 2017
- National Treasury Asset Management Framework v3.3, 2003
- Framework for Infrastructure procurement and Delivery Management (FIDPM)
- Infrastructure Delivery Management System

### 3. Institutional policies and strategies governing the five-year planning period.

Policy/Strategy	Description
<b>Vision – NDP 2030</b>  “By 2030, Eastern Cape will be an enterprising and connected province where all people reach their potential”	Defines the key seven priorities of the 7th democratic administration, which are: <ul style="list-style-type: none"> <li>• To unleash the human potential of all and realize a well- educated, healthy citizenry, living in safe and sustainable communities.</li> <li>• The sustainable utilization of natural resources.</li> <li>• To strengthen democracy and work as active citizens to shape our own development and futures.</li> <li>• Reduce spatial disparities, facilitate rural development, and develop our high potential coastal corridor, agricultural sector and industry.</li> <li>• Be active participants in Africa’s transition and a global development partner of choice.</li> <li>• To accelerate inclusive economic growth and work to see a significant increase in youth employment.</li> <li>• Entrench an innovation culture in both the public and private sector.</li> </ul>
<b>Provincial Development Plan (PDP 2030)</b>	Seeks to interpret the NDP against specific challenges facing the EC province, and proposes the following six strategic goals: <ul style="list-style-type: none"> <li>• An innovative, inclusive and growing economy</li> <li>• An enabling infrastructure network</li> <li>• An innovative and high-value agriculture and rural sector</li> <li>• Human development</li> <li>• Environmental sustainability</li> <li>• Capable democratic institutions</li> </ul>
<b>MTDP 2030</b>	The MTDP defines and elaborate the priorities of the Government of National Unity (GNU) which are: <ul style="list-style-type: none"> <li>• Inclusive growth and Job creation</li> <li>• Reduced Poverty and Tackle the High Cost of Living</li> <li>• A Capable, Ethical and Developmental State</li> </ul>
<b>Fiscal Consolidation</b>	Implementing cost containment measures that prioritise expenditure on core service delivery programmes and less on non-core items, whilst ensuring the stabilisation of governance in the province, both at a political and administrative levels. Prudent use of resources and fiscal consolidation that can be implemented through the following interventions: <ul style="list-style-type: none"> <li>• Controlling expenditure on non-core items, whilst protecting non- negotiable and key service delivery items.</li> <li>• Reprioritisation of budgets, enforcing budget cuts and expenditure ceilings.</li> <li>• Controlling personnel budgets and expenditure.</li> <li>• Rationalising and streamlining Public Entities.</li> <li>• Provincial Own Revenue Enhancement.</li> <li>• Strengthening financial governance and oversight both at provincial and local government level.</li> </ul>
<b>SCM reforms</b>	Entail support to MSMEs and proportion of youth, women, people with disabilities and military veterans through preferential procurements. Payment of suppliers within 30 days and continuing to support suppliers to register on the Central Supplier Database including endeavours to achieve value for money.
<b>Infrastructure Support</b>	To ensure that infrastructure planning, delivery, operation, and maintenance is improved, whilst also ensuring that infrastructure investments help to unlock economic potential through: <ul style="list-style-type: none"> <li>• infrastructure budgeting and financing.</li> <li>• procurement and contract management.</li> <li>• localisation of benefits.</li> <li>• Infrastructure investment responds to spatial aspects of future infrastructure demand.</li> </ul>
<b>Provincial and Municipal Governance and Accountability</b>	Implementation of the Financial Management Accountability Framework to promote good governance and accountability. To improve audit outcomes in the province including implementing and monitoring the Provincial Audit Intervention Plan (PAIP).
<b>Fiscal Policy</b>	To stabilise the national debt-to-GDP ratio by closing the budget deficit. Focus will be on promoting fiscal sustainability through strict implementation of cost containment measures that prioritise expenditure on core service delivery programmes and less on non-core items, whilst ensuring the stabilisation of governance in the province, both at political and administrative levels. Institutions of government should be enhanced through integrated planning, monitoring, and evaluation.

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Policy/Strategy	Description
<b>National Youth Strategy</b>	Enables all young people to realise their maximum potential, by respecting their rights and hearing their voices, while protecting and supporting them as they transition from childhood to adulthood.
<b>Guidelines for national and provincial departments for the preparation of an M&amp;E framework.</b>	The guidelines provide for the development of a monitoring and evaluation framework in all government institutions.

#### 4. Relevant Court Rulings

- None





# OUR STRATEGIC FOCUS

PART  
**B**

PROVINCIAL TREASURY  
**STRATEGIC PLAN**  
2025-2030







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## PART B: OUR STRATEGIC FOCUS

### 1. Vision

We envision a prosperous province supported by sound financial, governance and resource management.

### 2. Mission

Our mission is to provide strategic and technical leadership in the allocation, management and utilisation of financial resources in order to improve the quality of life in the province.

### 3. Values

We strive for EXCELLENCE through:

Values	Value proposition
Dedication	We are 100% committed to our work
Integrity	We steadfastly adhere to high professional standards of openness and transparency, responsiveness and innovation
Accountability	We take full responsibility for our actions and our work
Collaboration	We share responsibility, common goals, agreed plans and governance

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## 4. Situational Analysis

This Situational Analysis provides a comprehensive assessment of the external and internal environment shaping the ECPT's strategic direction. The external environment analysis examines socio-economic, fiscal, and governance factors influencing provincial financial management. The internal environment analysis evaluates ECPT's institutional capacity, operational efficiencies, and organisational challenges to enhance service delivery.

### Demographic Trends and Service Demand

This Strategic Plan was prepared taking into consideration the demographics of the Eastern Cape Province. The province has a population of approximately 6.5 million, the Eastern Cape faces a complex socio-economic landscape. The province has a young population, with over 60% under the age of 35, which presents both opportunities and challenges. The demand for education, healthcare, and social services continues to grow, placing pressure on public resources. Migration trends also impact service demand, as many economically active individuals relocate to other provinces in search of employment, leaving behind a high dependency ratio.

### 4.1 ECPT Strategic Planning Process

The Eastern Cape Provincial Treasury (ECPT) convened a strategic planning session from 9 to 11 September 2024 to critically assess the evolving socio-economic and governance landscape of the province. The session focused on key challenges, including economic complexity, policy implementation bottlenecks, resilience versus antifragility in public finance, and future provincial scenarios. A particular emphasis was placed on the persistent issue of unemployment and the province's economic targets leading up to 2025. These discussions provided valuable insights that will inform ECPT's strategic interventions over the 2025-2030 period, ensuring a responsive and forward-looking approach to fiscal and governance priorities.

#### 4.1.1 Strategic Planning Methodologies: A Comprehensive Framework for ECPT's 2025-2030 Strategic Plan

The 2025-2030 MTDP is a five-year Strategic Plan of government, and it forms part of the five-year Implementation Phase of the National Development Plan (NDP). The MTDP and the P-MTDP are structured around three priority outcomes which the ECPT is responsible for Priority 3: Capable, Ethical and Developmental State. The ECPT is key to supporting this outcome ensuring the prudent and sustainable management of the province's financial resources as enshrined in the Constitution.

The Strategic Alignment and Planning Framework for the Eastern Cape Provincial Treasury (ECPT) for the 2025-2030 period draws upon several key methodologies to guide its development, ensuring that the Treasury's strategic direction is both relevant and responsive to the province's evolving needs. Given the background analysis, the Theory of Change in Planning was utilised to tease out the problems that the department is faced with, the effects of the problems and the possible solutions. This has assisted the ECPT in identifying the outputs, developing the outcomes and how the theory will impact the institution and the society in the long run. Furthermore, methodologies like PESTEL analysis, SWOT analysis, and a risk-based approach to planning were central to planning. These tools have been strategically utilised to align ECPT's goals with provincial priorities while addressing both local and global challenges.

**Theory of Change:** The Theory of Change is one of the key methodologies used by ECPT to guide its strategic planning. This model enabled the Treasury to define long-term goals, and the necessary preconditions, interventions, and resources required to achieve those goals. Through this approach, ECPT ensured that its strategies are outcome-focused and results-driven, with a clear pathway from inputs to measurable outcomes. The Theory of Change ensures that the Treasury's efforts will contribute directly to achieving the desired transformation in the Eastern Cape, with specific attention to mitigating risks identified through the risk-based approach.



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**PESTEL Analysis:** ECPT also used PESTEL analysis to assess the external environment. This tool helped the Treasury evaluate the political, economic, social, technological, environmental, and legal factors that could influence strategic planning. By understanding these external dynamics, ECPT was better equipped to anticipate changes, identify opportunities, and plan for challenges that could affect fiscal management and service delivery. For example, shifts in national policy, global economic conditions, or technological advancements can all create new risks or open up opportunities for innovation. PESTEL analysis provided valuable insights that allow ECPT to adapt its strategy and make well-informed decisions.

**SWOT Analysis:** SWOT analysis is also integral to ECPT's strategic framework. This tool allows the Treasury to assess both internal and external factors that could impact its strategic direction. Internally, ECPT evaluates its strengths, such as its capacity for sound financial management, as well as its weaknesses, which could include resource constraints or capacity gaps. Externally, ECPT considers opportunities, such as new trade agreements or funding sources, and threats, such as global economic downturns, political instability, or environmental shocks. By using SWOT analysis, ECPT is able to address internal challenges and capitalise on external opportunities, while developing strategies to mitigate threats and build on its strengths.

**Risk-Based Approach:** A key feature of the ECPT's strategic planning process was its use of a risk-based approach, particularly in the identification of the nine Integration Areas within the P-MTDP. This approach ensures that ECPT's strategy is not only proactive but also responsive to the risks that could hinder the achievement of provincial development goals. By identifying areas of risk—whether related to political instability, economic vulnerability, social inequality, or environmental challenges—the Treasury can allocate resources more effectively and focus on interventions that reduce the impact of these risks. This ensures that the provincial strategy is not only aligned with growth objectives but is also resilient and adaptable to potential disruptions.

Through the integration of these methodologies—Theory of Change, PESTEL analysis, SWOT analysis, and a risk-based approach—ECPT ensures that its 2025-2030 Strategic Plan is both comprehensive and flexible. The use of a risk-based approach allows for the identification of key focus areas that will enable the Treasury to effectively manage the province's fiscal resources, contribute to economic development, and address potential threats, ensuring sustainable growth and improved service delivery in the Eastern Cape.

### **Implementation of the National Development Plan 2030 and the Mid-Term Development Plan (MTDP)**

With respect to skills development, the ECPT has prioritised staff development through several training programmes including the KHAEDU for senior management. The focus is also on fostering women's leadership and representation in management roles in line with government priorities pertaining the previously disadvantaged groups. Building on the successes of past Project KHAEDU deployments, the department recently monitored implementation plans at various facilities. One such example is the Nelson Mandela Academic Hospital (NMAH), where significant progress was observed. Following the project's intervention, the municipality addressed the health hazard of a nearby dumping site, expired fire extinguishers were replaced, and washing machines were repaired. While progress is being made on filling vacant posts at the hospital, budgetary constraints continue to pose a challenge.

**Youth development programmes:** The department continues to host young people by providing them with workplace exposure. The ECPT has enrolled training programmes such as internships and learnerships for youth development and employment. Currently youth constitute 19.5% of the total staff establishment. The ECPT will expand internships, learnerships, and skills development initiatives to enhance youth employability. Additionally, mentorship, entrepreneurial support, and structured career pathways will be strengthened to foster long-term employment opportunities.

**Disability status:** The Department is at 3% representation on persons with disabilities which is in par with the required 3% target. A focus needs to be put in disability representation at SMS level.

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**Women in Senior Management positions:** Overall females are dominating in the department, and 54% representation has been met at SMS level. The department is addressing its equity targets utilising an employment equity plan that clearly outlines the Employment Equity (EE) targets. The EE committee is a platform to discuss targets and strategies to meet equity targets. By focusing on gender diversity and inclusivity in management, the ECPT is striving to create a more equitable and supportive work environment conducive to professional growth and success.

#### 4.1.2 Horizon Scanning and Scenario Development Reflections

In developing its five-year (2025 – 2030) strategic plan, the department embarked on a scenario planning exercise, using Indlulamithi South Africa Scenarios 2030, to enhance strategic thinking and build long term vision. The identified scenarios that could help explore what the future might look like in the coming five to ten years and the likely changes of living in it. Key certainties and uncertainties or drivers that could have a significant impact either positively or negatively on the strategy were defined. The advent of COVID-19 brought to reality the fact that we are living in a vulnerable, uncertain, complex, and ambiguous (VUCA) world. Apart from the pandemic, other factors that were identified during the strategic planning process are still relevant and have impact on the strategy, these include geo-political tensions (Russia-Ukraine war as well as the Israel-Palestine conflict) political change, land issue, Fourth Industrial Revolution, sustainability of energy supply – ESKOM, Green Energy, national policy uncertainty, National Health Insurance, shrinking budget allocation, size of the provincial fiscus and size of the wage bill.

The Department further took into consideration 2040 Scenario Report 2021/22 that developed scenarios to explore the socio-economic recovery of the Eastern Cape Province. The Report identified eighteen (18) key socio-economic driving forces. Each of the driving forces was assessed for its level of uncertainty and the extent to which any shifts in these driving forces could influence the 2040 scenario scope. Two pivot uncertainties were then identified through the research process viz. (i) level of agency and (ii) investment and maintenance of infrastructure. These generated four 2040 scenarios namely:

**The Destitute** – Poorly developed agency and fragmented, dis-embedded, environmentally unsustainable investment in and maintenance of economic infrastructure.

**Just a Number** – Poorly developed, concentrated pockets of agency and responsive, interoperable, and embedded investment in and maintenance of economic infrastructure.

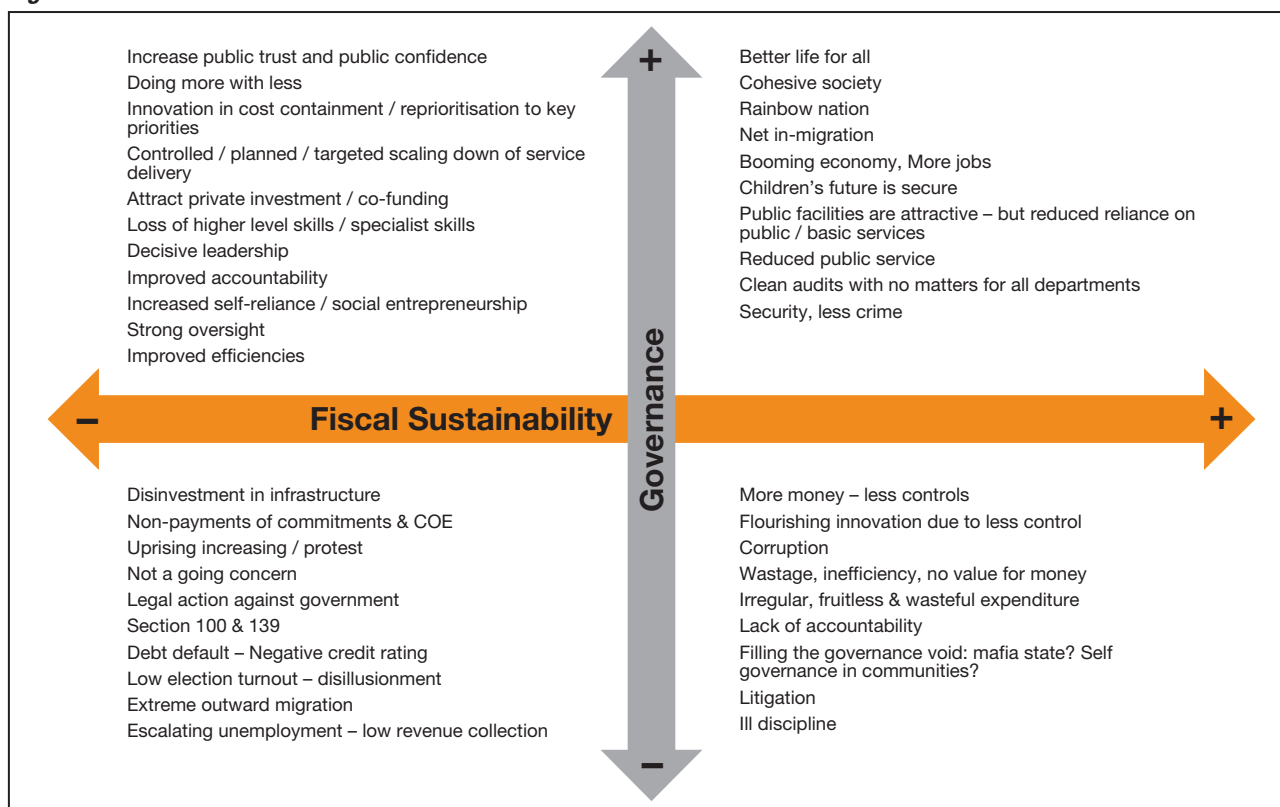
**The Flourishers** – Diverse (widely prevalent) agency and responsive, interoperable, and embedded investment in and maintenance of economic infrastructure

**DIY – Do It Yourself** – Well developed, diverse (widely prevalent) agency and fragmented, dis-embedded, environmentally unsustainable investment in and maintenance of economic infrastructure.

The two drivers of change that the department identified during the strategic planning exercise, namely, fiscal sustainability and governance, are still relevant and they form the basis of the departmental impact statement. The three outcome statements that lead to the achievement of the impact statement focus on strengthening the internal operations of the department whilst also ensuring that the external or transversal functions (support to departments, entities, and municipalities) are enhanced to achieve socio-economic development in the province.

The use of the two drivers to create contrasting scenarios is still relevant. The two drivers were used to create four possible scenarios (create narratives) using quadrants between the two axes. Scenarios illustrate future possibilities but are not necessarily the same as future aspirations. These scenarios were revisited during the planning process to determine their relevance and how they will affect departmental plans. Figure 1 below describes the view that the department probably has some elements of Quadrant 1 but moving towards Quadrant 2 (fiscal decline and more effective and efficient governance). Ideally, the department would want to see itself moving towards Quadrant 3 (fiscal increase and more effective and efficient governance).

**Figure 1**



The current geo-political tensions have created an entirely new operating and economic environment, from the global and national macro environment to the micro and institutional environment that are impacting all aspects of society, locally and globally. The department had to review departmental strategy in relation to the institutional and external environment factors. We had to take stock and focus on the internal and external challenges. In the past financial year, negative economic effects of geo-political tensions were felt in this interconnected world and at a time of advanced science. The key question we had to ask ourselves was “How do we use this current shock to our systems as a moment to rethink assumptions and redesign the policies, paradigms, methods and behaviours of government and governance in the department and the province?”

The change in environment posed by external factors have shifted the focus to technology. Modernising the entire operations of Provincial Treasury has become necessary. The use of technology has shown us that working remotely is possible and virtual engagements are efficient. Post COVID-19 we have kept some of the remote working aspects and virtual meetings as they reduce costs and time. We are continuing to invest in technology so that our oversight and monitoring role can improve. The development and use of the Datawarehouse application is a case in point. The Datawarehouse has helped improve data analysis leading to better decision making.

The department also took into consideration during the planning process a Provincial Mandate Paper 2024/25 that includes the Integration Programmes that is premised on the Risk-based Integrated Planning approach. The Mandate Paper considers the socio-economic and fiscal situation of the province as well as the effectiveness and efficiency of existing government programmes amongst others. Key long-term drivers that impact on reprioritisation process were factored in the planning process.

During the planning process, the department used PESTEL (political, economic, social, technological, environmental and legal) as a planning tool and to identify key external factors that must be taken into consideration during a situational analysis. PESTEL analysis as indicated in Table 1 below, was used to identify external factors that could, if not identified and addressed, affect the chances of success and influence decision making.



**Table 1: PESTEL Analysis**

Factors	Issues
Political	<ul style="list-style-type: none"> <li>• Political instability across all spheres of government.</li> <li>• Government changes and change in priorities following elections.</li> <li>• Conflicts in political arena</li> <li>• Maturity of coalitions at National, Provincial and Local levels</li> <li>• Disagreements in political policies/agenda</li> <li>• Trading policies.</li> <li>• Foreign pressures</li> <li>• Corruption issues,</li> <li>• Ideological contestation, opposition and electoral politics, geo-political changes popularism and authoritarianism, etc</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Constrained fiscal resources.</li> <li>• Economic depression</li> <li>• GDP decline</li> <li>• Slow and long economic recovery</li> <li>• Increased social economic burden on government due to high unemployment.</li> <li>• Local economic situation and trends</li> <li>• Foreign economic trends</li> <li>• Inflation rate</li> <li>• Taxation</li> <li>• Foreign exchange rates</li> <li>• Disposable income</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Social unrest and lack of access to basic services</li> <li>• Increasing inequalities, deepening poverty</li> <li>• Various social ills in communities</li> <li>• High crime rates/ safety issues – GBV, etc.</li> <li>• High net out-migration and increasing urbanisation and its effects.</li> <li>• Unemployment leading to social unrest.</li> <li>• Society damaging and not valuing existing social and economic infrastructure.</li> <li>• Poor education outcomes and shortage of critical skills</li> <li>• Increase in informal settlements</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• Digital transformation: Increased usage of online services and digital platforms by government, businesses and residents, creation of opportunities, winners, and losers</li> <li>• Digital divide issues, 4IR plan and implementation issues</li> <li>• Unaffordable data access issues - which is essential for digital transformation as well as for young people to access new and traditional work opportunities.</li> <li>• Network quality issues in EC (and the speed with which government acts, will be determining for South Africa's ability to remain competitive)</li> <li>• Changing skills requirements, and the future world of work</li> <li>• IT Capabilities and lack of skilled ICT practitioners</li> <li>• ICT connectivity and infrastructure</li> <li>• An acceleration of remote working</li> <li>• Broadband and integrated systems</li> <li>• Infrastructure readiness for online platforms</li> <li>• Cybersecurity risks</li> <li>• IT technology support challenges</li> <li>• Costs of IT investments</li> <li>• Absence of integrated financial and non-financial systems</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Climate change resulting in natural disasters like floods, global warming and scarcity of water resources.</li> <li>• Continued drought affecting the country and parts of the Eastern Cape</li> <li>• Influence the need for changes in land use to accommodate and provide shelter to communities.</li> <li>• Sustainable natural resource management (e.g., biodiversity, ecology, water management).</li> <li>• Spatial de-fragmentation towards social inclusion in human settlements</li> <li>• Diminishing quantity and quality of fresh water.</li> <li>• Untapped natural resources</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• Litigations to the Department of Health because of medical negligence, thus posing a threat to the provincial fiscus.</li> <li>• Persistent non-compliance/transgression of legislation.</li> <li>• Poor contract management and high litigation against the state in the province</li> <li>• Legislative red tape on doing business at Provincial and Sub-national level.</li> <li>• Cumbersome and conflicting pieces of legislation</li> </ul>

Most of the issues identified under PESTEL above have been taken into consideration when developing a departmental risk assessment and the relevant risk mitigation measures.

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The scenarios constructed at the start of the planning cycle, including the other planning tools (PESTEL and SWOT analysis), will further be used to:

- Look for new actions or combinations of projects or programmes that will be useful despite the current situation and future change;
- Check if existing actions (e.g., projects or programmes) are likely to be suitable given the future possibilities of change; and identify how to adapt or specify existing actions to make them more resilient to the future change.

Detailed plans will be included in the Annual Performance Plan and Operational Plan.

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## 5. External Environment

### 5.1 Global and Continental Outlook

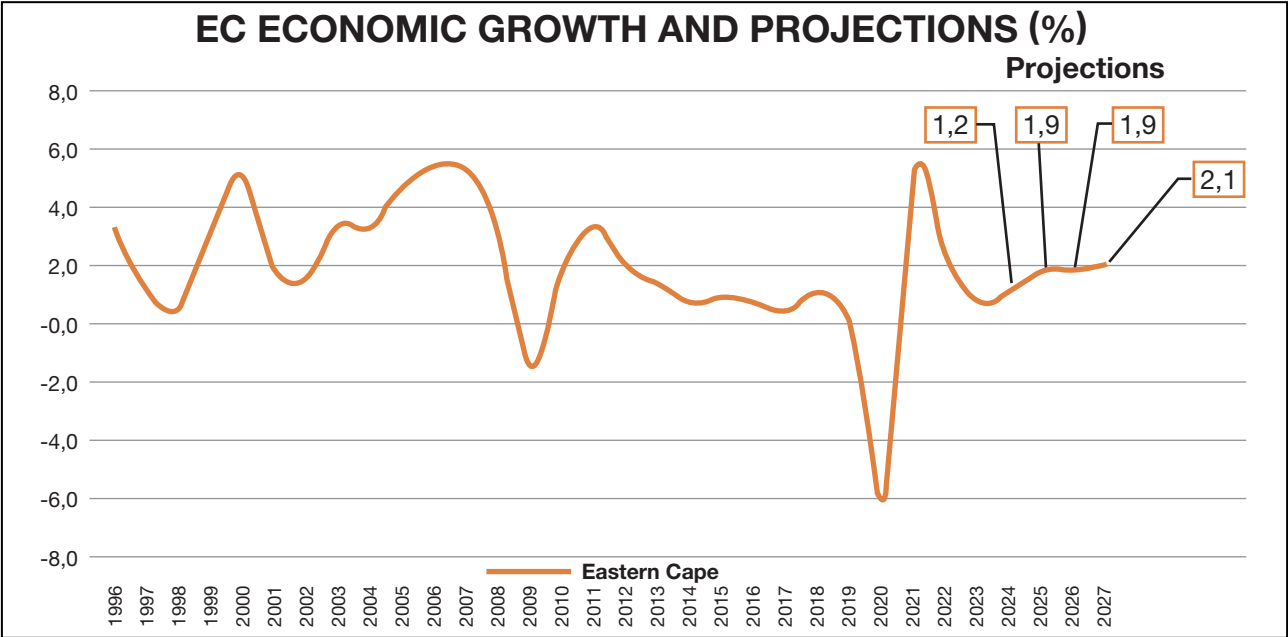
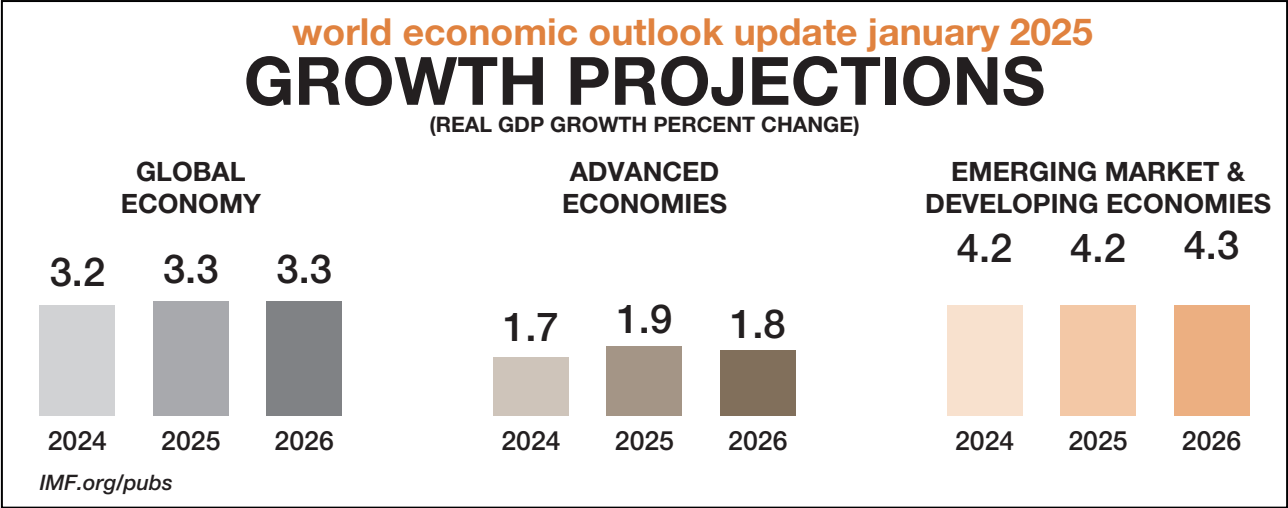
The global and continental outlook has significant implications for the Eastern Cape Provincial Treasury, especially in light of the prevailing geopolitical dynamics. Since the onset of the Russia-Ukraine War and escalating tensions in the Middle East, global food and oil prices have surged dramatically. This has a negative impact on the global, continental, SADC region and national economy. Bilateral relations between countries have become increasingly strained, with concerns about diminished USA donor support to South Africa and the broader developing world, contributing to regional instability and potential domestic political fallout. This underscores the need for a nuanced and comprehensive approach to foreign policy decision-making, especially in navigating complex and interconnected global challenges.

Additionally, the outcome of the recent American elections, which saw the return of the Trump administration, has introduced additional risks and instability for South Africa, perpetuated by misinformation at the centre of decision making by the USA. An executive order freezing USA funding, particularly in response to South Africa's Land Expropriation Act, and the South African government stance on the Israel-Palestine conflict exacerbated the souring of relations with the USA leading to fiscal pressures faced by the South African economy. The USA withdrawal from the World Health Organization (WHO) and the suspension of funding for critical NGOs working on health issues, such as those combating HIV/AIDS and tuberculosis, could further strain the already dwindling fiscal resources. The African Growth and Opportunities Act (AGOA) which is due for renewal in September 2025 is at stake due to these challenges. Having said this, the ongoing American trade wars may, however, present new opportunities for trade among emerging economies, particularly through platforms like the African Continental Free Trade Area (AfCFTA) and BRICS.

The South Africa's G20 Presidency offers a strategic opportunity to position Africa and the African Union (AU) more prominently in the global arena. With regards to the G20 Presidency, the Eastern Cape Province will play a pivotal role in hosting three key meetings which will focus on inclusive economic growth, industrialisation, inequality reduction, employment, the role of artificial intelligence and data governance for sustainable economic growth and development. These discussions will help shape the continent's future within the global economic landscape.

On the continental front, the ongoing conflicts in the Eastern Democratic Republic of Congo (DRC) between government forces and rebel groups present a persistent threat to the regional stability. The resulting influx of migrants into neighbouring countries, including South Africa, could further strain the Southern African Development Community (SADC) economies. Additionally, the deteriorating relations between Kigali and Pretoria add to the complexities of managing this situation. Similarly, political unrest in Mozambique poses a risk to the flow of goods between South Africa and the Mozambican coastal ports, further impacting regional trade and economic performance. These interconnected geopolitical factors require careful monitoring and strategic planning to mitigate their potential negative impact on the province's financial stability and growth prospects.

5.2 National and Provincial Economic and Fiscal Outlook



The Eastern Cape’s economic and fiscal environment is shaped by both global and domestic factors, influencing government revenue, expenditure priorities, and economic growth prospects. The province remains one of the most structurally constrained economies in South Africa, with high unemployment, persistent poverty, and an overreliance on government spending. However, there are emerging opportunities in sectors such as automotive manufacturing, renewable energy, agriculture, and the Oceans Economy, which hold the potential to drive significant economic revitalisation.

On a national scale, the sluggish GDP growth, inflationary pressures, and constrained fiscal space continue to impact provincial budget allocations. The Eastern Cape’s equitable share is under pressure due to slow revenue growth and increasing demands for social services. The fiscal framework is further challenged by rising debt-service costs at the national level, necessitating strict expenditure control and efficiency measures at the provincial level.

Looking ahead, the fiscal outlook for the province remains constrained, with limited scope for real expenditure growth. While national government continues to prioritise fiscal consolidation, there is an increasing emphasis on improving the efficiency of public spending, enhancing revenue mobilisation, and fostering economic growth through targeted interventions. The province must balance these fiscal realities with the need to support economic recovery, infrastructure investment, and service delivery improvements.

In response to these challenges, the Eastern Cape Provincial Treasury will focus on strengthening fiscal discipline, improving expenditure efficiency, and enhancing revenue-generation initiatives. Key strategies include better financial management practices, prioritisation of high-impact projects, and support for economic sectors with the potential to drive inclusive growth and job creation.

### 5.2.1 Labour Market, Demographics, and Economic Transformation

The Eastern Cape's demographic profile, employment trends, and economic transformation efforts are interlinked, shaping the province's development trajectory. While progress has been made in addressing unemployment and fostering economic growth, structural challenges persist, influencing service demand and economic inclusion.

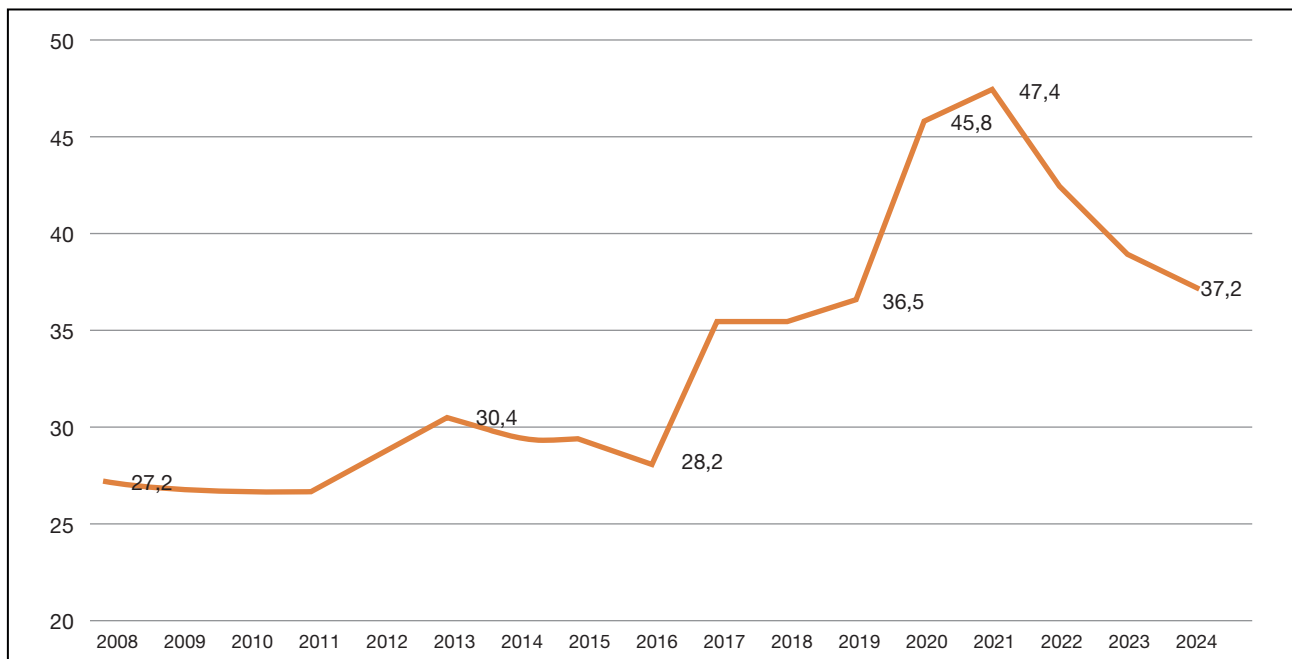
### 5.2.2 Demographic Trends and Service Demand

With a population of approximately 6.5 million, the Eastern Cape faces a complex socio-economic landscape. The province has a young population, with over 60% under the age of 35, which presents both opportunities and challenges. The demand for education, healthcare, and social services continues to grow, placing pressure on public resources. Migration trends also impact service demand, as many economically active individuals relocate to other provinces in search of employment, leaving behind a high dependency ratio.

### 5.2.3 Employment Trends and Labour Market Dynamics

The province's labour market has seen some improvement, with the unemployment rate declining from 42.6% in Q4 2022 to 37.2% in Q3 2024. Youth unemployment remains disproportionately high, and this requires targeted interventions to increase labour force absorption.

#### *Eastern Cape Unemployment rate: 2008 – 2024*



Stats SA: QLFS 2008 -2024

Long-term trends remain a concern, with unemployment rising from 27.2% in 2008 to a peak of 47.4% in 2021. This reflects deep-rooted structural and economic challenges.

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#### 5.2.4 Economic Transformation and Job Creation

To address unemployment and economic disparities, the Eastern Cape government has implemented key initiatives:

- **Economic Development Stimulus Fund:** This is a R1.1 billion fund established in 2019 to drive economic growth, leading to the creation of the Provincial Economic Development Fund, which has allocated R100 million to support businesses. As of December 2024, 848 businesses had benefited, contributing to the creation of 1,426 jobs.
- **Investment Growth:** The province has surpassed its R9 billion investment target, securing over R200 billion in investments over the past five years, demonstrating growing investor confidence.
- **Renewable Energy Expansion:** The province now hosts 18 renewable energy projects, 17 of which are wind farms generating a combined 1,503 MW of electricity. Four additional wind farms—Impofu, Wolf Wind Farm, Jeffrey's Bay, and Koruson—are under construction, further supporting South Africa's energy security.
- **Agriculture and Exports:** The Eastern Cape is the largest citrus producer in the country, covering 26% of total planted hectares (23,020 hectares), with smallholder farmers contributing 2,049 hectares. The total value of citrus exports increased by 11%, rising from R4.1 billion in 2021 to R4.7 billion in 2022. Meat exports have also expanded, exceeding 4.5 million tons annually, generating R317 million in revenue.

#### 5.2.5 Path Forward: Strengthening Economic Inclusion

Despite progress, economic transformation remains a priority. Key focus areas include:

- **Enhancing skills development** to align with industry needs.
- **Strengthening MSMEs and black-owned enterprises** through funding and market access.
- **Boosting infrastructure investments** to improve economic competitiveness.
- **Expanding youth employment initiatives** through targeted job placement and entrepreneurship programmes.
- **Employment of women in senior management positions and people with disabilities** to be at the forefront of economic inclusion.

The Eastern Cape's economic trajectory reflects resilience and progress, yet sustained efforts are required to ensure inclusive growth and long-term employment stability.

#### 5.2.6 Overview of 30 Years of Democracy and Freedom

Over the past three decades, the Eastern Cape has made significant strides in infrastructure development and economic transformation, laying the foundation for sustained growth and improved livelihoods. Various infrastructure and catalytic projects have been completed or are currently underway, unlocking new opportunities for economic and social advancement. Since 2020, the South African National Roads Agency (SANRAL) has successfully delivered over 44 projects in the province, including periodical maintenance, strengthening, upgrades, and other critical improvements to the road network. Additionally, major catalytic infrastructure projects such as the Mzimvubu Water Project, Transnet's initiatives, cannabis value chain development, and the establishment of government office parks are progressing at different stages of implementation. Landmark projects such as the Msikaba and Mtentu bridges are also underway, promising to improve connectivity and stimulate regional economic activity.

Investment in social infrastructure has been instrumental in enhancing service delivery. The completion of 232 schools under the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) has significantly improved access to quality education. However, the increasing frequency and severity of climate change-induced natural disasters have posed challenges to government service delivery. In response to various disasters over



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the past five years, 327 roads have been repaired across the province, ensuring continued access to critical services. Furthermore, 15 water infrastructure projects worth R3.6 billion have been completed, with 11 more currently in progress and scheduled for completion between 2025 and 2030.

The province has also made strides in revitalizing small towns, with targeted economic rejuvenation initiatives rolled out in 22 municipalities. These efforts have successfully attracted new investments, stimulating local economic activity. Connectivity has significantly improved, with 1,975 sites—including schools, healthcare facilities, libraries, and government offices—connected to the internet over the past five years by the provincial government. An additional 177 sites were connected in OR Tambo District through the SA Connect programme. Moreover, the expansion of 5G network coverage by major service providers—Vodacom, MTN, and Telkom—is set to enhance connectivity, particularly in rural areas. The results of Census 2022 indicate that 65% of households in the Eastern Cape now have access to the internet, a remarkable improvement from the 25% recorded in 1996.

### 5.2.7 Institutional and Governance Landscape

The Eastern Cape Provincial Treasury plays a critical role in institutional support, infrastructure delivery, stakeholder engagement, and governance oversight. Strengthening governance mechanisms is essential to ensuring fiscal sustainability, service delivery efficiency, and economic resilience.

#### 5.2.7.1 Institutional Support and Public Sector Governance

The province has implemented structural and policy reforms to enhance institutional capacity and governance. Key initiatives include:

- **Public Finance Management Support:** Strengthening compliance with the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) to improve financial accountability.
- **Performance Monitoring and Evaluation (M&E):** Strengthening M&E frameworks to enhance service delivery impact and accountability.
- **Capacity Building:** Providing technical support to departments and municipalities to improve financial management and governance practices.

#### 5.2.7.2 Infrastructure Delivery and Development

Infrastructure remains a catalyst for economic growth and social development. The province has prioritized improving infrastructure planning, delivery, and maintenance, focusing on:

- **Provincial Infrastructure Coordination:** Strengthening collaboration with the Infrastructure South Africa (ISA) initiative and aligning projects with the District Development Model (DDM).
- **Infrastructure Fund and Alternative Financing:** Exploring Public-Private Partnerships (PPPs) to accelerate infrastructure development while ensuring cost efficiency.
- **Project Management and Oversight:** Strengthening Infrastructure Reporting Models to improve transparency and mitigate delays.

#### 5.2.7.3 Stakeholder Engagement and Intergovernmental Relations

Effective governance requires a cohesive approach involving government, private sector, and civil society. Key areas include:

- **Intergovernmental Fiscal Relations:** Strengthening coordination between national, provincial, and local governments to improve budget planning and service delivery.
- **Public-Private Partnerships (PPPs):** Enhancing collaboration with the private sector to leverage investment and expertise in economic development.
- **Community Engagement:** Strengthening participatory governance through public consultations, budget transparency, and oversight mechanisms.

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#### 5.2.7.4 Governance Mechanisms: Fiscal Consolidation and SCM Reforms

The province remains committed to fiscal consolidation and supply chain management (SCM) reforms to improve efficiency, transparency, and accountability.

- **Expenditure Rationalisation:** Implementing cost-containment measures while protecting funding for key service delivery priorities.
- **Revenue Enhancement Strategies:** Expanding own revenue streams and improving revenue collection efficiency.
- **SCM Modernisation:** Strengthening procurement processes through e-Government systems, supplier development programmes, and combating procurement fraud.

The institutional and governance landscape in the Eastern Cape is evolving to ensure greater efficiency, accountability, and responsiveness. Continued reforms will strengthen service delivery, improve financial sustainability, and promote inclusive economic growth.

#### 5.2.8 Priorities and Interventions to Accelerate Provincial Economic Growth

It has been widely acknowledged that for the South African economy to grow, high levels of fixed investment, both private and public, are needed. To resuscitate provincial economic growth, the provincial government will continue to prioritise and strengthen its interventions in the following areas:

- Private sector investment promotion and facilitating investments by SOEs in economic infrastructure in support of local industrial and sector development.
- Strengthening provincial government capacity in infrastructure planning, financing and delivery.
- Leveraging provincial economic assets within the Special Economic Zones for investment attraction and industrial development.
- Industry/sector value chains development and transformation focusing on support for agriculture and agro-processing, access roads linking agricultural nodes and tourism sites to markets, industrial parks revitalisation, auto sector, tourism development, film and other creative industries, sustainable green energy.
- Financial and non-financial support to MSMEs, and the continued implementation of the Local Economic Development Procurement Framework.
- Investing in ICT, digital economy and broadband connectivity.
- Youth development initiatives and youth skills programmes.

More broadly the nine integration programmes that have since been adopted by the provincial government will help guide policy and programme prioritisation and coordinate the work of provincial government departments over the coming medium-term. The ultimate objective will be to realise the PDP 2030 development goals of ensuring inclusive economic growth, reducing poverty, inequality and unemployment, improving service delivery, and ensure thriving citizens.

**Table 2: APEX Indicators**

IMPACT	PDP APEX INDICATOR	NINE INTEGRATION PROGRAMMES
<b>Thriving Citizens</b>	Human Development: <ul style="list-style-type: none"> <li>• Life Expectancy</li> <li>• Education Attainment</li> <li>• Per Capita Income</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusive Early Childhood Development and Learner Attainment</li> <li>• Social cohesion, moral regeneration, community safety &amp; GBVF</li> <li>• Non-Communicable Diseases, mental health &amp; social determinants of health</li> <li>• Youth development, skills development &amp; training for the Economy</li> </ul>
<b>Economic Growth</b>	<ul style="list-style-type: none"> <li>• Gross Domestic Product (Real GDP-R growth rate - %)</li> <li>• Investment as % of GDP</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure, human settlements &amp; broadband</li> <li>• Food security, land reform &amp; agriculture commercialization</li> <li>• Inclusive Economic Growth</li> </ul>
<b>Reduced Unemployment</b>	Total unemployment rate (official definition %)	
<b>Reduces Inequality</b>	Gini Coefficient (inequality)	
<b>Reduced Poverty</b>	Poverty (% People below the food poverty line)	<ul style="list-style-type: none"> <li>• Anti-Poverty &amp; Sustainable Livelihoods</li> </ul>
<b>Improved Service Delivery</b>	Service Delivery Index (Composite index: water, sanitation, electricity and waste management)	<ul style="list-style-type: none"> <li>• Transformation, Governance and Municipal Support</li> </ul>

The Eastern Cape Provincial Treasury has committed to the following key priority economic responses in the 2024/25 financial year to create an enabling environment for shared economic recovery:

#### **Infrastructure Support**

- Continue with the implementation of the Infrastructure Delivery Management System (IDMS) to promote and institutionalize the implementation of a well-defined infrastructure process to achieve effective infrastructure delivery in all spheres of government.
- Provide ongoing support to departments to implement the Framework for Infrastructure Delivery and Procurement Management (FIDPM) and align infrastructure projects to the District Development Model to strengthen integrated infrastructure planning, procurement, and delivery across the infrastructure value chain.

#### **Fiscal Consolidation**

- Implement cost containment measures that prioritise funds on key service delivery areas rather than on non-core items, whilst also improving governance and oversight in the province.
- Increase provincial own revenue collections
- Continue to implement the recommendations of the Revenue Research Study commissioned by Fort Hare Solutions to identify new sources of revenue as well as efficiencies of the existing revenue sources.
- Implement zero based budgeting to further align spending with strategic outcomes and service delivery priorities and eliminate inefficiencies on expenditure whilst strengthening allocative efficacy.
- Continue to focus on curbing the unsustainable rise in personnel costs in the province.
- Carefully manage the Provincial Revenue Fund (PRF) to mitigate liquidity risks.

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### **Supply Chain Management Reforms**

- Continue to implement the LED Procurement Framework to support provincial departments to promote local content and procurement opportunities for local suppliers.
- Consider the most vulnerable members of society i.e., women, persons with disabilities and youth on departmental procurement spend.
- Continue with the invoice tracking application for the province to assist suppliers to enquire about the outstanding invoices online.

### **Provincial and Municipal Governance and Accountability**

- Remain fully involved in its oversight role to assist departments to ensure improvement in the audit outcomes and monitor the implementation of the Provincial Audit Intervention Plan (PAIP) as a strategy to improve audit outcomes.
- Provide hand-on support to all departments during the audit process through continuous engagement with the AGSA technical unit to resolve interpretation issues on accounting standards as well as the PFMA, Treasury Regulations.
- Continue to offer an efficient and effective hands-on support to all municipalities.
- Provide hands on support on financial management and governance challenges in the municipalities.



## 6. Internal Environment

During the planning process, the department used SWOT (strengths, weaknesses, opportunities, and threats) as a planning tool and to identify key internal factors that must be taken into consideration during a situational analysis. SWOT analysis information is summarised as shown in the following table:

**Table 3: SWOT ANALYSIS**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Strong financial oversight; skilled workforce.</li> <li>• Clearly defined vision and mission</li> <li>• Organisational and Leadership stability</li> <li>• Revised organisational structure and service delivery model</li> <li>• Dedicated and committed employees.</li> <li>• Strong compliance culture and accountability</li> <li>• Transparent budget</li> <li>• Good management of provincial revenue</li> <li>• Clean administration</li> <li>• Good reputation and Image</li> <li>• Institutional knowledge of employees</li> <li>• There are systems in place which enables the Dept to operate remotely.</li> </ul>	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Digital technologies for financial management; LED Procurement Framework.</li> <li>• Influencing strategic priorities of the province.</li> <li>• Influencing and promoting greater efficiency and value for money spent across the province.</li> <li>• Strengthening the centre of government (OTP, PT and COGTA)</li> <li>• Promoting and supporting improvement in the new and existing revenue streams in the province</li> <li>• Ensuring integrity of information in transversal financial systems</li> <li>• Financial and supply chain management support (CFO/CPO)</li> <li>• Actively support job creation, economic development initiatives in the province (halt outward migration and retain critical skills, increase the equitable share and revenue collection)</li> <li>• Become an effective partner in service delivery improvements (the concept of partnering with Sector Departments/ Development/Service Delivery Banker)</li> <li>• Technology Strengthening in the centre of government (OTP, PT and COGTA)</li> </ul>
<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Capacity gaps in ICT and data analytics; limited youth leadership representation</li> <li>• Overall performance challenges within the department</li> <li>• Inadequate understanding of sector departments' business demands, capacity and organisational challenges</li> <li>• Challenges in implementing the Interventions Framework in Provincial Institutions including municipalities.</li> <li>• Failure to respond timely on crisis situation slow decision-making processes in general.</li> <li>• Poor co-ordination and integration– between programmes and with departments (SDM)</li> <li>• Lack of customer focused approach to delivery of services</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Economic volatility; rising personnel costs.</li> <li>• Deteriorating Infrastructure which can lead to the department failure to operate and achieve its goals (Phalo House building)</li> <li>• Shrinking provincial revenue due to slow economic growth and outward/skills migration</li> <li>• Medico-Legal claims or litigations depleting the fiscus.</li> <li>• Poverty and unemployment</li> <li>• Weaknesses in provincial education system</li> <li>• Service delivery protests</li> <li>• Impact of natural disasters on business operations and economy (short &amp; long-term)</li> <li>• Vandalism and theft (cables, loss of network connection)</li> <li>• Poor governance and economic state of SOEs (fraud &amp; corruption, maladministration)</li> <li>• Inadequate logistical infrastructure which may negatively impact investment in the province.</li> <li>• Scarce skills</li> <li>• Shrinking fiscal envelop leading to Limited resources.</li> <li>• Service delivery by departments is slow and uncoordinated.</li> <li>• Aging infrastructure in the province (roads, water infrastructure and government building.</li> <li>• Extortions and hijacking public infrastructure (buildings)</li> <li>• Inward migration to bigger cities, e.g., EL and PE increasing demand for housing due to informal settlements.</li> <li>• High inequality and unemployment especially among the youth</li> <li>• Inability to catch-up with times (SCM Reforms and HR resources)</li> <li>• Political and administrative instability within municipalities.</li> <li>• Lack of internal controls in municipalities and some provincial departments.</li> </ul>

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As previously stated above, the department took advantage of opportunities outlined in the SWOT analysis using strengths to ward off threats. To develop strategic alternatives from SWOT, strengths plus opportunities were paired to develop actionable items/activities that were included in the Annual Operational Plan.

In the planning and prioritisation process, the department followed a risk-based planning approach that integrates the integrated programmes and taking into consideration risk mitigation actions and strategies. The following key considerations were also made, namely, alignment to the policy imperatives (national frameworks; Provincial Medium-Term Development Plan; promoting integration amongst government institutions; prioritisation, alignment between plans and budgets as well as increased integration and co-ordination; SOPA commitments; alignment to the Gender Responsive Planning, Budgeting, Monitoring and Auditing Framework (GRPBMAF); Preferential Procurement targets (Women; Youth; People with Disabilities; and Military Veterans); Disaster Risk Reduction; Risk mitigation (Integrated Risk assessment for the Province); and Alignment to District Development Model (DDM).

The Department has incorporated the priority areas outlined in the Medium-Term Development Plan into its strategic documents.

**A further analysis on the internal environment is detailed below:**

In the wake of the COVID-19 pandemic resolution, the operational landscape for the Eastern Cape Provincial Treasury has shifted, with new challenges emerging to affect its functions. Issues such as inadequate network connectivity, load shedding, infrastructure facility challenges and water shortages have come to the forefront and negatively impacted the department's operations. Efforts have been initiated to engage the Department of Public Works and Infrastructure (DPWI) in resolving building repairs and maintenance challenges.

**ICT Strategy**

**Leveraging ICT to Enable Strategic and Operational Efficiency**

The Eastern Cape Provincial Treasury (ECPT) recognises Information and Communication Technology (ICT) as a key enabler in achieving its strategic objectives and enhancing service delivery. In alignment with Section 10.3.1 of the Corporate Governance of ICT Policy Framework (CGICTPF) and Regulation 25(e) of the Public Service Regulations, 2016, the department complies with Corporate Governance of ICT (CGICT) and is committed in strengthening the ICT environment and planning to support institutional performance, governance, and efficiency.

**ICT Enablement of Departmental Priorities**

To ensure that ICT supports the achievement of ECPT's targets and objectives, the department has adopted an integrated approach to ICT planning across the short, medium, and long term. The following initiatives have been prioritised:

- **Integration of ICT into Strategic Planning**
  - The ICT Strategy is aligned with the department's overarching strategic objectives to enhance financial governance, accountability, and operational efficiency.
  - ICT initiatives are directly linked to key departmental outcomes, including data integrity, automation of business processes, and improved financial management systems.

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- **Development of a Departmental ICT Plan**

- The department is finalising its ICT Implementation Plan, which will provide a roadmap for ICT investment, system modernisation, and digital transformation.
- The plan includes specific projects such as the Enterprise Resource Planning (ERP) system, Business Intelligence Infrastructure, and Enterprise Content Management System, all of which support data-driven decision-making and operational efficiency.

- **Strengthening ICT Governance and Compliance**

- The department has established an ICT Governance Committee to ensure oversight of ICT planning and implementation.
- ICT policies and frameworks are being reviewed to ensure alignment with the Corporate Governance of ICT Framework (CGICTPF) and DPSA directives.

- **Implementation of Key ICT Solutions**

- **Automation of Reporting and Performance Management:** Development of an Integrated Performance Management System to streamline reporting and track the achievement of strategic objectives.
- **Enhanced Financial Systems:** Strengthening the integration of transversal financial management systems to improve compliance, financial oversight, and audit readiness.
- **Digital Transformation for Service Delivery:** Adoption of cloud-based solutions, document management systems, and cybersecurity enhancements to improve efficiency and security.

## **Monitoring and Reporting**

ECPT will track and report on the implementation of its ICT plan through the Annual Performance Plan (APP), with progress reported in the Quarterly and Annual Performance Reports. The ICT Steering Committee will oversee implementation to ensure compliance with DPSA ICT planning requirements and the CGICTPF.

## **Business Continuity**

Provincial Treasury has increased its business continuity efforts to safeguard the work environment. This is to prevent the interruptions to the department's operations to maintain a healthy environment for the provision of services. The department has continued to monitor the implementation of the Business Continuity Plan. Business continuity remains paramount, albeit with a shift towards addressing the new challenges. Safety measures have been adapted and in line with the current circumstances to ensure compliance with the government guidelines. While there are occasional disruptions caused by network outages, the department continues to leverage technology to enhance efficiency and service delivery in line with the Government Wide Enterprise Architecture (GWEA) framework-based ICT strategy.

The challenges of unstable network, electricity, water outages and infrastructure facility can have a negative impact on business continuity which may hinder service delivery. To mitigate these risks, ECPT is prioritising communication with its stakeholders such as municipalities as suppliers and also exploring alternative energy sources to ensure a more reliable supply and to reduce dependence on the external grid. This will improve business continuity and our environmental footprint.

The Business Resilience Plan has been adopted as a proactive strategy to fortify the department against operational challenges and external disruptions. The plan includes conducting risk assessments, contingency planning, and the cultivation of organisational agility to speedily adapt to the changing environment. Stakeholder engagement is key in fostering a resilient organisational culture for continuity on critical functions and the safeguarding of stakeholders' interests.

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## **Change Management**

The ECPT has a change management programme that is entrenched in all business process of the department. This is an ongoing initiative aimed at facilitating a smooth transition and organisational improvement. Regular reviews are conducted to assess the effectiveness of the current strategies and make necessary adjustments in response to evolving circumstances. By maintaining a dynamic approach to change management, the department ensures its ability to adapt to new challenges and opportunities, fostering continuous growth and development.

## **Electronic Submission System**

The department has taken steps to update the e-Submission system. This is an electronic platform utilised for memorandum submissions and to fast-track approvals thereof. This system is intended to streamline business processes, however a comprehensive project to implement a document management system is underway.

## **Business Intelligence**

Provincial Treasury has initiated a Business Intelligence project aimed at enhancing its management information capabilities. This project involves integrating financial, human resource, and other relevant data sets into regular reports, which are crucial for aiding decision-making processes and meeting the requirements of various oversight bodies. Despite existing limitations in financial systems, efforts have been made to develop a Datawarehouse and utilise tools like MS Power BI and MS Excel for analysis and visualization. However, there is a pressing need to further expand and mature the business intelligence and reporting aspects of the Treasury, to incorporate all key data sets into an Integrated Business Intelligence Solution. This initiative requires dedicated financial and human resources, as well as close collaboration with the Office of the Premier and other strategic partners to align with broader provincial data and BI projects. Ultimately, the goal is to provide an agile set of information dashboards that enhance monitoring and evaluation capabilities within the Eastern Cape Provincial Government.

## **Human Resource Capacity**

With respect to the human resource capacity, the department has undergone a process of reviewing its organisational structure and the service delivery model to align its systems, process and capacity. This structured approach ensures that resources, efforts, and initiatives are strategically aligned to maximise efficiency and effectiveness in service delivery. By promoting synchronised implementation, the SDM enhances collaboration, communication, and overall performance, driving the Treasury towards its goals with greater cohesion and impact. Also, the department is currently busy with matching and placing of employees to operate effectively. By strategically aligning its organisational structure, the Treasury positions itself to better address evolving challenges and opportunities, fostering a more agile and responsive operational framework.

## **Operations Management Framework (OMF)**

The department is implementing the Operations Management Framework (OMF) and remains committed to further enhancing its implementation holistically. The OMF encompasses a set of tools and guidelines that empowers the department to continually improve its processes for effective and efficient service delivery. Key components of the OMF such as, Knowledge Management, Service Delivery Model, Managed and Mapped Business Processes, Standard Operating Procedures (SOPs), Service Standards and a Published Service Charter are utilised and refined for continuous improvement. The Department of Public Service and Administration (DPSA) supports this initiative to ensure a structured approach to continually enhancing service delivery capabilities and meeting the needs of the public.



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## **Implementation of Project Management Framework**

The implementation of the Project Management Framework (PMF) for the Eastern Cape Provincial Treasury (ECPT) was adopted at Executive Management (EXMA) in December 2024 to strengthen project governance, execution, and accountability across the institution.

This is a standardized approach and a structured guide to managing projects throughout their lifecycle. Rooted in best practices outlined in the Project Management Body of Knowledge (PMBOK), it provides a clear, step-by-step process for managing both internal and external projects ensuring clarity and consistency in execution.

Benefits of the Project Management Framework:

- Effective project delivery aligned with organizational objectives.
- Structured, outcome-driven execution of strategic initiatives across the department.
- Strengthened governance and compliance, ensuring standardized project reporting, and monitoring to ensure compliance with regulatory frameworks.

# MEASURING OUR PERFORMANCE

## PART C

PROVINCIAL TREASURY  
**STRATEGIC PLAN**  
2025-2030







## PART C: MEASURING OUR PERFORMANCE

### 1. Institutional Performance Information

In addition to scenario planning, the Theory of Change was used as another planning tool that outlines the kind of change or impact the department would want to achieve using a Results Based methodology. The focus is more on why and how a particular intervention will lead to change. All factors contributing towards achievement of intended results (output, outcomes and impact) were taken into consideration.

### 2. Impact Statements

Impact Statement	Effective governance and sustainable management of financial resources for socio-economic development in the province.
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### 3. Measuring our Outcomes

The following outcomes are linked to the four strategic priorities that are adopted by the department.

MTDP priority 1			
Outcome	Outcome Indicator	Baseline	Five-year target
Highly effective department	1.1.1 Unqualified audit opinion achieved	Unqualified audit opinion with no matters of emphasis	Unqualified audit opinion with no findings
Improved governance and sustainable management of the financial resources in provincial departments and public entities	2.1.1 Number of public institutions (provincial departments and public entities) that utilise resources optimally for service delivery in the province	<ul style="list-style-type: none"> <li>99.7% of public spending to ensure value for money</li> </ul>	<ul style="list-style-type: none"> <li>100% of public spending to ensure value for money</li> </ul>
	2.1.2 CoE Ratio	<ul style="list-style-type: none"> <li>CoE Ratio 64.9:35.1</li> </ul>	<ul style="list-style-type: none"> <li>CoE Ratio 61:39</li> </ul>
	3.1.1 Number of departments and entities with improved supply chain and asset management governance practices	<ul style="list-style-type: none"> <li>8 departments attained Financial Management Capability Maturity Model (FMCMM) level 3 on SCM</li> <li>Eleven (11) departments attained FMCMM level 3 on Asset Management</li> <li>No baseline on the level of achievement of entities on SCM and Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>13 departments attain FMCMM level 5 on SCM and Asset Management</li> <li>10 entities attain FMCMM level 5 on SCM and Asset Management</li> </ul>
	4.1.1 Number of provincial departments that obtained an unqualified audit opinion.	<ul style="list-style-type: none"> <li>11 provincial departments achieved unqualified audit opinion</li> </ul>	<ul style="list-style-type: none"> <li>13 provincial departments with unqualified audit opinion</li> </ul>
Improved governance and sustainable management of the financial resources in municipalities.	5.1.1 Number of municipalities that obtained an unqualified audit opinion.	<ul style="list-style-type: none"> <li>21 Municipalities with unqualified audit opinion</li> </ul>	<ul style="list-style-type: none"> <li>36 Municipalities with unqualified audit opinion</li> </ul>

#### 3.1 Explanation of Planned Performance over the Five-Year Planning Period

Having identified scenarios that could help explore what the future might look like in the coming five to ten years and the likely changes of living in it, including the key certainties and uncertainties that could have a significant impact either positively or negatively on the strategy, the department developed the impact and outcome statements stated above. From the identification of 'key certainties' and 'key uncertainties' the two drivers of change were identified, namely, fiscal sustainability and governance, which form the basis of the impact statement. The three outcome statements that lead to the achievement of the impact statement focus on strengthening the internal operations of the department whilst also ensuring that the external or transversal functions (support to departments, entities and municipalities) are enhanced to achieve socio- economic



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development in the province. The outcome statements are linked to the provincial development plan and the NDP vision of eliminating poverty and reducing inequality by 2030.

The outcome indicators are linked to the implementation of the four strategic priorities over the next five years in order to achieve the envisaged impact.

- Fiscal Consolidation
- SCM reforms
- Infrastructure Support
- Provincial and Municipal Governance and Accountability

## 4. Key Risks and Mitigations

OUTCOME	KEY RISKS	MITIGATION
<b>Highly effective department</b>	<b>Lack of building maintenance</b>	<ul style="list-style-type: none"> <li>• Committee formed that deals with the building issue.</li> <li>• Re-allocation of space to affected employees</li> <li>• Quarterly reports on building maintenance.</li> <li>• Hybrid working arrangements</li> <li>• Escalation and intervention to executive authority</li> <li>• Regular inspections of the buildings</li> </ul>
	<b>Non-compliance with legislation and performance reporting requirements.</b>	<ul style="list-style-type: none"> <li>• Business processes at an indicator level</li> <li>• Standard Reporting templates and checklists</li> <li>• Strategic documents in place</li> <li>• Strategic planning officials</li> <li>• Compliance calendar</li> <li>• Improvement plans</li> <li>• Appoint M&amp;E specialists</li> <li>• Review of all policies, business processes, SOPs, AOPs; etc.</li> <li>• Review strategic documents for alignment</li> <li>• Consequence management and escalation processes</li> <li>• Awareness sessions (conduct roadshows on strategic planning, monitoring and evaluation processes)</li> <li>• Testing of indicators</li> </ul>
	<b>Cyber incidents</b>	<ul style="list-style-type: none"> <li>• Cyber security awareness training sessions</li> <li>• Enforced strong password policies</li> <li>• Email filtering</li> <li>• Patch management processes</li> <li>• Anti-virus management processes</li> <li>• Encryption</li> <li>• SITA firewall is in place</li> <li>• Vulnerability assessments</li> <li>• User authentication mechanism (strong passwords and multi-factor authentication)</li> <li>• Roll-based access controls is enforced</li> <li>• User account management and auditing logs</li> </ul>
	<b>Human Capital Failure</b>	<ul style="list-style-type: none"> <li>• Approved organisational structure and fill in the posts.</li> <li>• Monitoring of new developmental skills acquired and application of the skills (transfer of skills)</li> <li>• Facilitate E-learning offered by NSG, National Treasury and other Public Sector Institutions.</li> <li>• Monitor the implementation of the Leadership Advancement Programme (LEAP) for Directors</li> <li>• Develop an Incentives programme/guidelines linked to PMDS to recognise good performance</li> <li>• Develop Talent Management Policy encompassing Attraction and Retention</li> <li>• Compile a list of gaps as identified in the Personal Development Plan to inform the Workplace Skills Plan for 2024/25 financial year</li> <li>• Evaluation of performance system and culture (conduct a study/survey)</li> <li>• Implementation of service delivery model and intervention framework</li> <li>• Conduct Employee Survey (after 12 months of joining the department)</li> <li>• Strong performance and professional and ethical culture of the PT team</li> <li>• Capacitate management on consequence management</li> </ul>

OUTCOME	KEY RISKS	MITIGATION
<b>Improved governance and sustainable management of the financial resources in provincial departments, and public entities</b>	<b>Failure to sustain financial position</b>	<ul style="list-style-type: none"> <li>• Improve collaboration between Units in PT, Depts &amp; Municipalities (SDM)</li> <li>• Progress report on the Integrated Provincial Risk submitted to Office of the DG (OTP)</li> <li>• Conduct leadership programmes</li> <li>• Engaging on Medico legal.</li> <li>• Formalisation of Health intervention structure.</li> <li>• Create a register of unfunded mandates.</li> <li>• Establish web-based budget system.</li> <li>• Improve the functionality of activity base budget tool- Implement zero based budgeting. (Making the system more user friendly: Review the layout and access to the system)</li> <li>• Rollout of LOGIS Asset Module at selective Departmental Sites Development and implementation of the Revenue Strategy and recommendations for Revenue Strategy.</li> </ul>
	<b>Liquidity uncertainty in the province</b>	<ul style="list-style-type: none"> <li>• Ongoing implementation of interventions</li> <li>• Continue implementing recommendations of the revenue study</li> <li>• Strengthen participation in the Equitable Share Forums</li> <li>• Create an activity base budget tool - implement zero-based budgeting.</li> <li>• Participation on Financial Work Streams</li> </ul>
	<b>Inability of departments to achieve set targets for procurement spend on EC based suppliers</b>	<ul style="list-style-type: none"> <li>• Monthly monitoring the implementation of Local Economic Development Procurement Framework (LEDPF)</li> <li>• Monitoring implementation of the PPPFA and regulations</li> <li>• Quarterly reports to EXCO</li> <li>• Support departments in conducting supplier workshops</li> <li>• Registration of suppliers on CSD and LOGIS</li> <li>• Monitor implementation of the EC model for the procurement of agricultural food products by provincial departments.</li> </ul>
<b>Improved governance and sustainable management of the financial resources in municipalities</b>	<b>Ineffective financial management and governance in municipalities.</b>	<ul style="list-style-type: none"> <li>• Political and Administrative leadership engagement with municipalities.</li> <li>• Support the implementation of budget reforms and specific focus on the adoption of a funded, credible and sustainable budget and in year monitoring.</li> <li>• Roll out the Debt Management Programmes within municipalities including Government and Eskom Debt</li> <li>• Support Municipalities in the implementation of the GRAP Reporting Framework.</li> <li>• Financial health assessments to improve liquidity and financial position of municipalities.</li> <li>• Monitor the implementation of mSCOA reform.</li> <li>• Monitor implementation of the recommendations on the Financial Management Capacity Maturity Model (FMCMM) by municipalities.</li> <li>• Monitor Capacity building programmes for financial management such as municipal minimum competencies and internships programme.</li> <li>• Support municipalities to achieve a transparent and effective management of state procurement in LG with the strengthening of governance structures to reduce UIFWE and promote municipal accountability and consequence management</li> <li>• Assist municipalities to improvement key elements of revenue management value chain through support and guidance.</li> <li>• Monitor implementation of Cost Containment Regulations and consequence management framework.</li> <li>• Provide guidance to municipalities to develop Financial Recovery Plans.</li> <li>• Implementation of a differentiated approach to support the development of audit action plans.</li> <li>• Deployment of Municipal Advisors through the Municipal Financial Improvement Programme by NT.</li> </ul>

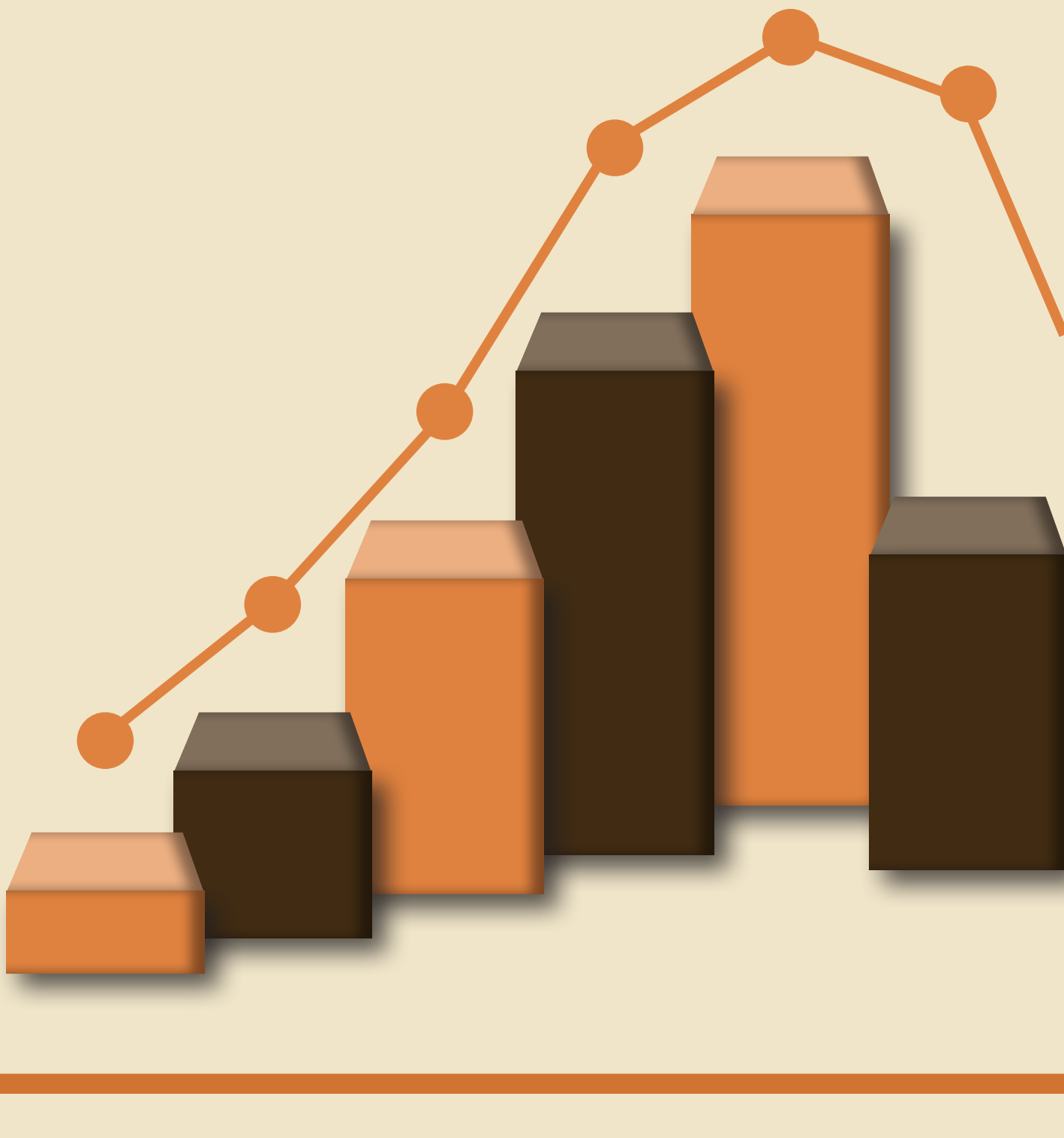
## 5. Public Entities

Name of Public Entity	Mandate	Outcome	Current Annual Budget
Not applicable			

# TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

PART  
**D**

PROVINCIAL TREASURY  
**STRATEGIC PLAN**  
2025-2030







## PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

Indicator title	1.1.1 Unqualified audit opinion
Definition	<ul style="list-style-type: none"> <li>This refers to the Auditor general South Africa Audit Report</li> <li>Unqualified audit opinion</li> </ul>
Source/collection of data	AGSA Audit Report
Means of Verification	Audit report
Method of calculation	Simple count
Assumptions	Audit scope and reliable data available
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	No audit findings on financial and non-financial performance information
Indicator responsibility	Head of Department

Indicator title	2.1.1 Number of public institutions (provincial departments and public entities) that utilise resources optimally for service delivery in the province
Definition	This refers to utilisation of resources efficiently and effectively to meet service delivery imperatives thus leading to the achievement of government priorities
Source of data	Main and Adjusted Budgets, IYM reports, BAS and PERSAL reports
Means of Verification	Report on public spending.
Method of calculation	Simple count
Assumptions	Availability of Main and Adjusted Budgets, IYM reports, BAS and PERSAL reports
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Departmental strategic interventions aligned to the District Development Model
Desired performance	Effective and efficient use of resources for service delivery in the province
Indicator responsibility	Programme 2 Manager

<b>Indicator title</b>	<b>2.1.2 CoE Ratio</b>
<b>Definition</b>	This refers to ratio of provincial cost of current compensation of employees and consultancy services to total provincial expenditure
<b>Source of data</b>	IYM reports and PERSAL reports
<b>Means of Verification</b>	Analysis report indicating reduction of CoE ratio to 61:39.
<b>Method of calculation</b>	COE spending divided by total provincial spending multiplied by 100
<b>Assumptions</b>	Availability of IYM reports and PERSAL reports
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Desired performance</b>	Reduced personnel expenditure and increased expenditure on goods and services towards funding service delivery priorities
<b>Indicator responsibility</b>	Programme 2 Manager

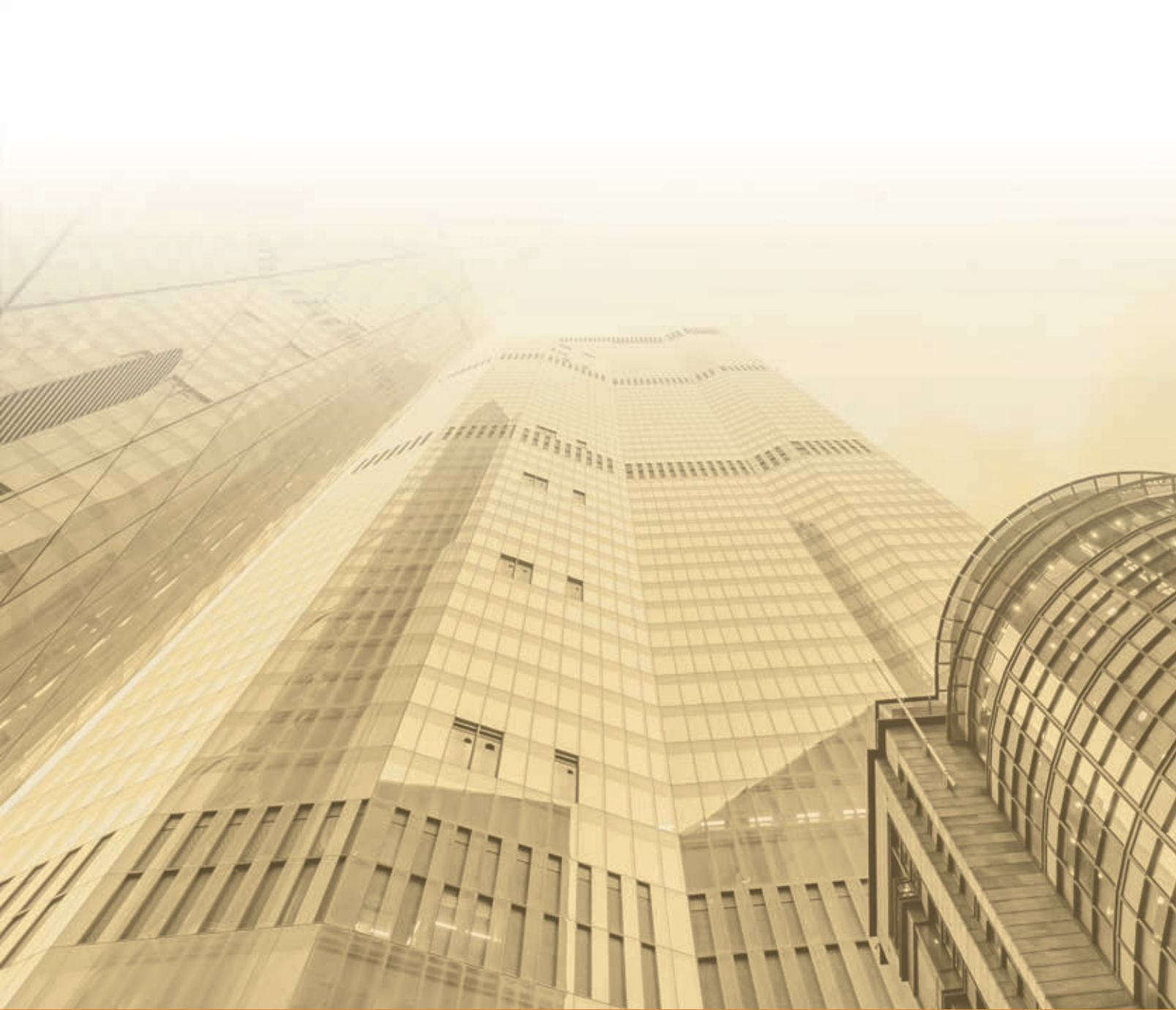
<b>Indicator title</b>	<b>3.1.1 Number of departments and entities with improved supply chain and asset management governance practices</b>
<b>Definition</b>	This refers to the implementation of controls relating to supply chain management and asset management (movable and immovable assets and inventories) in all departments and entities in order to enhance the implementation of sound SCM and asset management governance practices
<b>Source of data</b>	SCM and Asset Management assessment tool
<b>Means of Verification</b>	FMCM report on SCM and Asset Management
<b>Method of calculation</b>	Simple count
<b>Assumptions</b>	Completed SCM and Asset Management assessment tool
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Desired performance</b>	No audit findings on Asset Management and Supply Chain Management
<b>Indicator responsibility</b>	Programme 3 Manager

<b>Indicator title</b>	<b>4.1.1 Number of provincial departments that obtained unqualified audit opinion</b>
<b>Definition</b>	To support provincial departments to achieve financial management maturity and ensure that they have no audit qualifications, thus promoting good governance practices and accountability.
<b>Source of data</b>	AFS, Performance Information reports, Internal audit reports and external audit reports
<b>Means of Verification</b>	AG Audit reports for the 5-year term
<b>Method of calculation</b>	Simple count
<b>Assumptions</b>	Availability of AFS, Performance Information reports, BAS, PERSAL and LOGIS
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Departmental strategic interventions aligned to the District Development Model
<b>Desired performance</b>	Unqualified audit opinion with no findings for all public institutions
<b>Indicator responsibility</b>	Programme 4 Manager

<b>Indicator title</b>	<b>5.1.1 Number of municipalities that obtained unqualified audit opinion</b>
<b>Definition</b>	This refers to the support provided to municipalities in order to achieve financial management maturity and ensure that they have no audit qualifications, thus promoting good governance practices and accountability.
<b>Source of data</b>	AFS, Performance Information reports, Internal audit reports and external audit reports
<b>Means of Verification</b>	AG Audit reports for the 5-year term
<b>Method of calculation</b>	Simple count
<b>Assumptions</b>	Availability of AFS, Performance Information reports, BAS, PERSAL and LOGIS
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Departmental strategic interventions aligned to the District Development Model
<b>Desired performance</b>	Unqualified audit opinion with no findings for all municipalities in the province
<b>Indicator responsibility</b>	Programme 5 Manager

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HOME OF  
**LEGENDS**

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