

NATIONAL PLANNING COMMISSION  
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OUR  
FUTURE

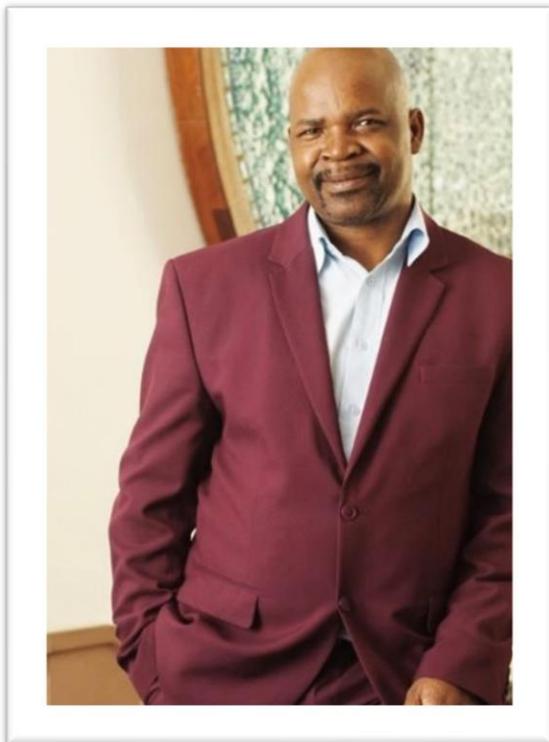


**FOCUS ON**  
**STATE OF THE NATION ADDRESS**

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## A MESSAGE FROM THE DEPUTY CHAIRPERSON, PROF TINYIKO MALULEKE



The State of the Nation Address (SONA) is a very important moment in the annual calendar of the country. It is important because it is the moment when we pause to consider where we are, in light of the National Development Plan (NDP), which has guided the country for the past twelve years.

Among other things, we assess whether we are making sufficient progress, not only in meeting targets, but in responding to the broader objectives of the National Development Plan, namely the eradication of poverty, unemployment and inequality. Today, we also have to add corruption.

These are the broad goals that we must continue to track with every SONA. For us, as the National Planning Commission (NPC), it is not merely the detail or the specific issues raised in the address that matter. We always ask ourselves about the

relationship between what has been said and the major goals of the Plan, its objectives and its targets.

We are concerned that, in the busyness of responding to crises, of which there are many around us, we may slip into a planless mode of governance, where we respond only to what is urgent without linking it to the long-term plan of the country. For this reason, every time we listen to the SONA, we ask whether it is truly tracking our progress towards our developmental goals.

The difference between countries is not simply that some are rich and others are poor. We believe that the main difference is that some have plans and others do not. Some may appear to have plans, but if they do not follow through, it is as though they have no plan at all.

The National Development Plan is our lodestar. It is our radar. If we veer too far from it, we face the danger of becoming directionless as far as planning is concerned.

I was personally encouraged by the State of the Nation Address delivered by the President a few days ago. I was encouraged that most of the major challenges facing the country were referenced. This includes the matter of the National Development Plan beyond 2030 and the role of the National Dialogue in helping to shape this new social compact.

I was also pleased to see the resonance between many of the President's themes and the work of the National Planning Commission, whether in relation to the emerging water crisis, on which the

Commission has deliberated and produced reports, or the question of energy, on which we have issued advisories, or the focus on economic issues, particularly employment and unemployment.

All of these matters have occupied our attention as a Commission. I could list many examples of alignment between the President's address and our work over the past four years. During this period, we have produced a combined total of 25 advisories and research reports on precisely the issues raised in SONA, which I will not list individually.

For me, this alignment is a positive sign. However, we remain concerned that unless there is a strong and consistent connection between the issues raised in SONA and the long-term plan of the country, we risk developing short-term responses that are not aligned with our ultimate destination.

We must mobilise society around the National Development Plan, and ensure that neither society, nor government, nor Parliament forgets that we do have a National Development Plan, even as we approach the 2030 horizon.

For this reason, we must also begin to think seriously about the plan beyond 2030.



## OVERVIEW OF NPC POST-SONA VIRTUAL ENGAGEMENT

Ahead of the State of the Nation Address, the [National Planning Commission](#) (NPC) called upon the President to reassert the centrality of the [National Development Plan: Vision 2030](#) (NDP) as the lodestar and planning blueprint of the country. On Monday, 16 February 2026, the Commission convened an online post-SONA engagement for deeper analysis. The theme was *'Perspectives and Priorities Beyond the President's Address'*.

NPC Deputy Chairperson opened the event with the address above. The engagement took the format of a panel discussion moderated by Commissioner Nikiwe Bikitsha, followed by a question-and-answer session.

In this edition, we will share highlights from the contributions of different Commissioners.



## ECONOMY WORKSTREAM OVERVIEW BY PROF JULIAN MAY



Commissioner May emphasised that South Africa’s development challenges remain fundamentally economic in nature. He welcomed the President’s focus on investment and infrastructure, noting that sustainable social progress depends on how effectively resources are mobilised and deployed.

Drawing on the Commission’s research, he highlighted that the country does not suffer from a shortage of capital, but rather from weak coordination across financial institutions.

Looking beyond 2030, he stressed the importance of building robust, timely and responsive data systems. Improved measurement of inequality, unpaid care work and labour market exclusion, he argued, is essential for both effective social policy and economic efficiency.

Timeliness is essential. In a rapidly changing economy, planning based on outdated information is ineffective. He

noted that the country needs responsive data systems that can support long-term planning.

### Commissioner Mark Swilling on Economy and Infrastructure Finance



Commissioner Swilling noted that the NPC’s report on South Africa’s monetary architecture is the first attempt to analyse the financial ecosystem from a complex systems perspective.

If the balance sheets of public and private institutions are combined, the financial system is valued at approximately R49 trillion and continues to grow faster than the real economy.

This has created a build-up of capital that cannot easily be reinvested domestically. While regulatory reforms have allowed some capital to flow abroad, this space is limited. He stressed that it was important to create domestic investment outlets.

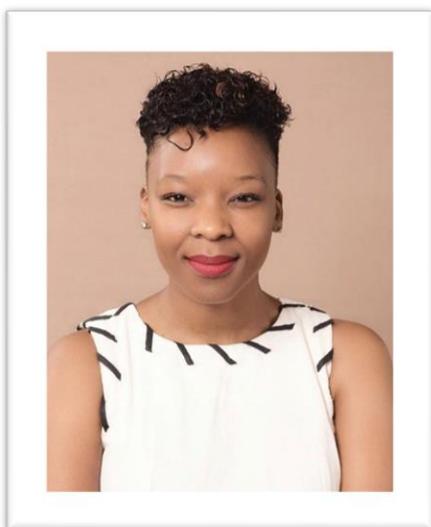
Pension funds currently hold assets of around R6 trillion, yet only a small proportion is invested in infrastructure. One of the key recommendations of the paper aim to address this imbalance.

The R1 trillion investment target referred to by the President is important, but insufficient in the long term. The energy transition alone requires significantly greater investment.

The proposed independent transmission system operator is potentially transformative. However, governance arrangements and revenue models are critical. Without sustainable cash flow and accountability, this reform will not succeed.

Green growth represents one of South Africa's greatest opportunities, but it depends on accelerating the transition to a low-carbon economy.

### **Commissioner Phumzile Chifunyise on Small and Medium Enterprises**



Commissioner Chifunyise noted that small and medium enterprises are central to employment creation, innovation and economic resilience.

Many SMEs have the potential to grow and employ more skilled workers, but are constrained by structural barriers, including red tape and administrative burdens.

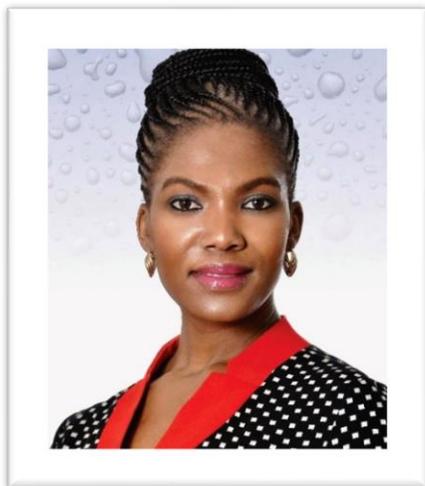
The NPC's advisory work identified cumbersome licensing systems, regulatory complexity and institutional fragmentation as major obstacles.

It recommended the introduction of a Red Tape Reduction Act, regulatory targets linked to performance management, and the establishment of a centralised digital licensing platform.

The NPC also proposed a national study to assess the cost of red tape across the economy and the creation of a reform-tracking system.

These measures are necessary to create a predictable, supportive environment in which small businesses can thrive.

## GOVERNANCE WORKSTREAM OVERVIEW BY DR PULANE MOLOKWANE



Commissioner Molokwane welcomed the renewed focus on public safety, professionalisation and institutional reform. She highlighted the urgent need to combat organised crime, illegal mining, and the infiltration of criminal elements into law enforcement agencies and called for the strengthening of law enforcement integrity. The vetting of police officers and the recruitment of additional personnel are positive steps.

The professionalisation of the public service remains central to achieving the goals of the National Development Plan. Without capable leadership and skilled officials, implementation will continue to falter. She emphasised that building a capable state requires sustained commitment to merit-based appointments and leadership development. Particular attention, she noted, must be given to local government, where weak capacity continues to undermine service delivery.

She also welcomed reforms in water governance, including amendments to

legislation and the establishment of the National Water Resource Infrastructure Agency, and stressed that professionalisation remains the foundation for long-term development beyond 2030.

### Commissioner Guy Lamb on Justice, Crime Prevention and Security



Commissioner Lamb indicated that it was significant that crime and violence featured earlier in the SONA than in previous years. This reflects the recognition of a sustained national crisis.

He noted that the Integrated Crime and Violence Prevention Strategy is central to addressing this challenge. The police alone cannot resolve crime. Root causes must be addressed through coordinated government action.

This strategy promotes a whole-of-government approach involving social development, education, housing and community safety. Firearms remain a major driver of violent crime. Progress on firearm regulation reform is therefore encouraging.

Integrated multi-agency teams are essential to combat organised crime effectively.

While SANDF deployments may stabilise high-risk areas temporarily, long-term safety depends on prevention and social intervention.

## **SOCIAL WORKSTREAM OVERVIEW BY PROF PHAKAMA NTSHONGWANA**



Commissioner Ntshongwana reflected on the persistent challenges facing vulnerable households. She emphasised the need to strengthen income support and better integrate social assistance with employment pathways.

Many South Africans remain in hardship and unemployment. For many households, a decent quality of life remains out of reach.

Income support mechanisms must be strengthened, including reforms to the Social Relief of Distress Grant.

She highlighted child nutrition, early learning quality, gender inequality and elder care as key priorities.

Child stunting and the quality of early childhood development remain serious

concerns, particularly in low-income and rural communities.

The care economy and gender inequality require sustained attention. Women continue to carry disproportionate unpaid care burdens.

Elder care and disability support remain underdeveloped. Many older persons lose access to disability-related assistance.

She reaffirmed the Commission's call for a social protection floor and stressed that digital inclusion and improved coordination across government will be essential for sustainable development. Digital systems should be used to link social grants to work integration programmes.

The Commission continues to advocate for a social protection floor below which no one should fall.

Beyond 2030, digital inclusion and stronger intergovernmental coordination will be essential.

## Commissioner Ntuthuko Bhengu on Health



Commissioner Bhengu indicated that the President’s commitments aligned well with the NPC’s advice. Similarly, investments in academic hospitals and new facilities align with the NPC’s recommendations

Ideal clinics remain the foundation of primary healthcare and must be strengthened.

He noted that the NPC had focused on health system readiness for National Health Insurance, future pandemics and rising disease burdens.

He welcomed the introduction of long-acting HIV prevention and expanded HPV vaccination.

Non-communicable diseases, including mental health and diabetes, require sustained attention to protect life expectancy and manage fiscal pressures.

## Commissioner Mary Metcalfe on Education and Post-School Training



Commissioner Metcalfe welcomed the expansion of early childhood development, which was supported by the National Treasury.

She noted that early reading and numeracy require stronger provincial planning and differentiated targets. Provinces vary significantly in capacity and resources.

The lack of reliable data on high school dropouts remains a major concern. Improved tracking systems are urgently needed. The introduction of a General Education Certificate at Grade 9 would strengthen post-school pathways.

She expressed concern that funding remains heavily skewed towards universities, constraining TVET colleges and community education institutions.

Governance, accountability and performance in CET institutions require urgent reform.

Strengthening alternative education and training pathways is essential for inclusive growth.

## CONGRATULATIONS TO THE NEW PRESIDENTIAL CLIMATE COMMISSION

The National Planning Commission congratulates the newly appointed members of the Presidential Climate Commission (PCC) following their announcement by President Cyril Ramaphosa for the 2026–2030 term.



The NPC welcomes the reappointment of Ms Joanne Yawitch, who also serves as a Commissioner of the NPC. Her continued role on the PCC strengthens institutional coherence between long-term national

planning and climate governance, reinforcing the National Development Plan's (NDP) emphasis on policy alignment and coordination.

The NDP recognises climate change as a cross-cutting risk with implications for economic growth, employment, inequality, spatial development and long-term development outcomes.

The NPC views the work of the PCC as central to advancing a just transition to a low-carbon, climate-resilient economy, while safeguarding livelihoods and promoting inclusive development.

The NPC pledges its readiness to collaborate with the second PCC to strengthen long-term planning, support social compacting and ensure that climate policy is embedded within broader development strategies that safeguard long-term development outcomes in line with the objectives of the NDP 2030.

## HIGHLIGHTS FROM NPC Q3 ENGAGEMENTS

### Visit to Efata School for the Blind: 14-15 October 2025

From 14–15 October 2025, the NPC conducted a series of engagements in Mthatha, Eastern Cape, with key institutions supporting persons with disabilities. The visits included Efata School for the Blind, the Department of Public Works, and the Department of Human Settlements.



The primary objectives were to:

- Engage school management on successes and challenges in the education of children with disabilities, to strengthen strategic planning.
- Explore the Department of Public Works' inclusive initiatives and understand planning frameworks

that support persons with disabilities.

- Consult with the Department of Human Settlements regarding the inclusion of persons living with disabilities in mainstream communities.

Insights gathered from these engagements will contribute to the National Planning Commission's diagnostic analysis and guide the development of the National Development Plan beyond 2030, ensuring that policies and programs are inclusive and responsive to the needs of persons with disabilities.



## **Presentation of SMME Advisory to Portfolio Committee on Small Business Development: 22 October 2025**

The NPC, led by Chairperson Minister Maropene Ramokgopa, briefed the Portfolio Committee on Small Business Development on the SMME Red Tape Advisory. The advisory provides an analysis of regulatory challenges facing SMMEs and proposes solutions to reduce red tape sustainably, in alignment with the NDP.

Commissioner Chifunyise provided a presentation which highlighted key challenges, including fragmentation of interventions, over-regulation, high compliance costs, limited monitoring and accountability, and the role of the private sector. The advisory draws on insights from the NPC's Red Tape Reduction Data Workshop held in January 2025, including best practices and data limitations for tracking progress in red tape reduction. Proposed solutions focus on:

- Institutionalising red tape reduction frameworks for SMMEs.
- Tracking formal and informal sector MSME growth and employment.
- Integrating financial and digital inclusion policies for informal businesses.
- Aligning public and private investment to bridge the MSME funding gap.

## **Wakati Wetu: 22-23 October 2025**

On 22–23 October 2025, Commissioner Pheko attended Wakati Wetu – It's Our Time for Reparations Festival, held in Nairobi as part of the African Union's



The Chairperson emphasised that the Department of Small Business Development requires additional resources to implement the advisory's recommendations, and that government must institutionalise an implementation plan across all spheres, monitored via the DPME dashboard.

The next steps include presentation to the Cabinet for endorsement of the recommendations, development of the Red Tape Reduction Tracker, and formulation of the NDP Beyond 2030 MSME Framework to institutionalise reforms, map sector growth, integrate informal businesses, and align public and private investment. An SMME Red Tape Immersion event is being planned for February 2026 to raise awareness of regulatory challenges. These measures aim to streamline regulations, support SMME growth, and promote sustainable economic development.

official Year of Justice and Reparations for Africans and People of African Descent.

She moderated the breakout session, Roundtable on Reparations & Gender.

The session explored the intersections of colonialism, patriarchy, and racism, and how these systems continue to shape

violence, exclusion, and erasure. It also spotlighted historical and contemporary forms of gendered racial violence, including sexual violence, reproductive control, and economic marginalisation.

## SDGs Localisation: 21-14 October 2025



The NPC in partnership with the Division for Sustainable Development Goals of the United Nations Department of Economic and Social Affairs (DSDG/UNDESA) and the Economic Commission for Africa, the South Africa Local Government Association, and the Office of the United Nations Resident Coordinator and the United Nations Development Programme in South Africa, hosted a national “Training and Peer Learning workshop on SDG Localisation, Voluntary Local Reviews and Infrastructure Asset Management for local and central government officials in South Africa”, from 21-24 October 2025 in Johannesburg.

The capacity building workshop supported the participants with

- Deepen their understanding of inclusive and data-driven approaches to advance SDG localisation, including through planning, review and reporting, in alignment with existing national, subnational, and municipal systems.
- Gain a strengthened understanding of how infrastructure asset management and SDG localisation efforts can be integrated with one another.
- Have acquired enhanced capability and a better understanding of the requirements for successfully undertaking a voluntary local review and an infrastructure asset management plan, and how to link and align these to and coordinate them with national and local planning priorities and processes.
- Be prepared to participate in a community of similar practitioners and experts to support one another in localising the SDGs.

## Energy Paper Launch: 5 November 2025

The NPC, in partnership with the Development Bank of Southern Africa (DBSA), the Presidential Climate Commission (PCC) and the Southern Africa Toward Inclusive Economic Development (SA-TIED) programme, launched a report titled *“South Africa’s Energy Sector Investment Requirements to Achieve Energy Security and Net Zero by 2050”* on 5 November 2025 in Johannesburg.

### Key findings include:

- **Massive Investment Needs:** South Africa will require R1.6 trillion for electricity generation, R383 billion for transmission infrastructure and R1.5 trillion for operational costs through to 2050.
- **Shift to Renewables:** By 2050, 70–85% of national electricity generation capacity could come from renewable energy (supported by battery storage), complemented by flexible gas capacity.
- **Economic Opportunity:** The most climate-aligned pathway is also the most cost-effective, demonstrating that the energy transition can drive sustainable economic growth.
- **Need for Policy Reform:** Regulatory fragmentation remains a key barrier. The report calls for urgent reforms, market

development and innovative financing models to close the funding gap.

- **Socio-Economic Impact:** An accompanying study shows how a Green Industrialisation pathway can support a truly Just Energy Transition.

The report urges policymakers, investors, civil society and industry partners to act swiftly. Its evidence base is intended to shape national dialogue and drive coordinated, practical policy actions to unlock the capital needed for South Africa’s energy transition.



## Water-Energy Food Nexus: 6 November 2025

The NPC took part in the High-Level Roundtable on Transformation at the Water–Energy–Food (WEF) Nexus, held under the theme “Policy Experimentation and Investment Governance.” Hosted by

the DSI/NRF/Trilateral Research Chair in Transformative Innovation, 4IR and Sustainable Development at the University of Johannesburg—together with Stellenbosch University’s Centre for

Sustainability Transitions—the event convened on 6 November 2025 in Rosebank, Johannesburg.

This roundtable concluded a series of sector-specific engagements held throughout 2025 and focused on strengthening integrated approaches to South Africa’s WEF Nexus. Key discussions explored policy experimentation, governance reforms and investment strategies to tackle the country’s interconnected sustainability challenges.

Key objectives included:

- Refining solutions developed during earlier WEF sector dialogues.

- Co-creating systemic pathways to improve resilience, governance and investment.
- Developing practical strategies and policy recommendations to improve WEF Nexus integration.

The NPC’s participation helped advance cross-sector collaboration among policymakers, civil society, industry leaders, researchers and community stakeholders. The engagement provided a valuable platform for strengthening partnerships and supporting scalable, sustainable approaches to WEF governance in South Africa.

## **National Pregnancy Indaba: 28 November 2025**

The NPC participated in the Adolescent Pregnancy Indaba, a national multi-stakeholder dialogue convened by the Department of Women, Youth and Persons with Disabilities to strengthen South Africa’s response to rising adolescent pregnancy rates and related social, health, developmental and economic challenges. Commissioner Mkwanzani represented the NPC and delivered a presentation on the structural drivers of adolescent pregnancy.

Held on 28–29 November 2025 at the Birchwood Conference Centre in Johannesburg, the two-day Indaba brought together policymakers, government leaders, civil society organisations, traditional leaders, researchers, health and education practitioners, youth organisations, caregivers and development partners.

Key focus areas included:

- Reaffirming national commitment to ending adolescent pregnancy and strengthening collaboration across government, development partners, NGOs, CSOs, the private sector and communities.
- Enhancing awareness and shared understanding of the latest statistics, data gaps and the drivers and consequences of adolescent pregnancy in South Africa.
- Reviewing evidence on effective prevention, intervention and support strategies, and comparing global best practice with current South African initiatives to identify opportunities for alignment and improvement.

## The Transformation of South Africa’s Monetary Architecture, 1983–2024

### Report Launch: 02 December 2025

On 2 December 2025, the NPC launched a report titled “*Transformation of South Africa’s Monetary Architecture, 1983–2024.*” The report provides a comprehensive assessment of the country’s monetary architecture—defined as the network of public, private and hybrid balance sheets that channel credit, allocate capital and shape investment.

The study offers an empirical mapping of South Africa’s monetary architecture at four key historical inflection points: 1983, 1996, 2014 and 2024. Each period is examined through shifts in balance sheets, institutional reforms and macro-financial trends. The analysis shows that, despite the end of formal apartheid, the monetary system remains racially structured both spatially and institutionally.

Drawing on this historical perspective, the report highlights two concerning trends: deepening wealth inequality and declining gross fixed capital formation (GFCF). The wealth of the richest 35 000 households now equals twice the combined wealth of the bottom 90% of South Africans. Meanwhile, GFCF has fallen to below 15% of GDP, half the National Development Plan target, following sharp declines during the state capture years.

To address these challenges, the report proposes a series of balance sheet reconfigurations aimed at unlocking new capital flows. It concludes with fourteen recommendations, each identifying an “elasticity space” where targeted adjustments can redirect existing capital or generate new investment streams to boost growth and reduce inequality.

### UPCOMING ENGAGEMENTS

Social Cohesion Roundtable: 3-4 March 2026

### GET IN TOUCH WITH US

Email [info@NationalPlanningCommission.org.za](mailto:info@NationalPlanningCommission.org.za)

Media and Stakeholder Enquiries: Dr Sandisiwe Mapine [Sandisiwe.Mapine@dpme.gov.za](mailto:Sandisiwe.Mapine@dpme.gov.za)