

Appropriation Bill [B4—2026]

We welcome the opportunity to submit comments on the Appropriation Bill [B4—2026], which sets out the State's spending plans for the 2026/27 financial year. Our submission focuses on Vote 16 (Basic Education) and specifically on the Early Childhood Development Conditional Grant, which includes a dedicated infrastructure component.

Our central concern is not the existence of the ECD infrastructure funding window, we acknowledge it, and we welcome the increased allocation. Our concern is whether the current delivery model will allow this funding to reach the ground. History says it will not, without structural change.

What the Bill Appropriates for ECD

Allocation	2026/27 Amount
ECD Conditional Grant: Infrastructure Component	R267.587 million
ECD Conditional Grant: Subsidy Component	R4.343 billion
Learners with Profound Intellectual Disabilities Grant	R307.312 million
Education Infrastructure Grant (schools)	R16.257 billion
School Infrastructure Backlogs Grant	~R448 million

The R267.587 million ECD infrastructure appropriation represents an increase from R157 million in 2024/25, a meaningful step forward. It forms part of the R210 million additional allocation over the MTEF confirmed by National Treasury in response to Breadline Africa's earlier submissions. The Financial and Fiscal Commission (FFC), in its briefing to this Committee on 27 May 2026, confirmed that Basic Education receives a further R12.8 billion over three years for ECD strengthening broadly underscoring the scale of the national commitment and, by extension, the stakes if the delivery model continues to fail.



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We acknowledge this increase. The question this submission addresses is whether the appropriation will translate into completed facilities, or whether it will repeat the pattern of chronic underspending that has characterised this component since its introduction in 2017.

The Structural Challenge: A Delivery Gap, not a Funding Gap

The ECD Conditional Grant infrastructure component has existed for eight years. In that time, it has averaged less than 70% expenditure of its annual allocation. This is not a funding problem. It is a delivery problem.

The current model flows funds from DBE at national level to Provincial Education Departments (PEDs), which are then responsible for translating those allocations into physical infrastructure projects. In practice, PEDs have lacked the specialised ECD infrastructure capacity, project management, site assessment, compliance verification, and construction oversight, to move at pace and at scale.

The consequences are well documented:

- Funds are returned unspent at year end, despite massive demand in the field.
- ECD centres that **need infrastructure upgrades to achieve registration compliance** do not receive support in time.
- Subsidy allocations: R4.343 billion in 2026/27 alone, cannot reach children in unregistered centres, because **registration depends on infrastructure compliance**.
- Government's own 2030 ECD Strategy target of universal access requires an estimated **115,000 new or upgraded ECD** venues. The current delivery pace will not meet this.

The chain of dependency is direct and unambiguous:



Without the first link in this chain, none of the subsequent investment flows. The R4.343 billion subsidy appropriation will not be fully utilised. South Africa's 700,000 children aged three to four who currently lack access to suitable learning spaces will remain without it. The 2030 ECD Strategy commitment to universal access will not be met.

What the Evidence Tells Us

Breadline Africa's position is grounded in national data:

- Only 46% of four-year-olds are developmentally on track (Thrive by Five, 2024).
- Children in the lowest-quality ECD settings are 2.4 times less likely to be developmentally on track than those in higher-quality settings.
- Infrastructure quality is a direct determinant of developmental outcomes, not a peripheral concern.
- South Africa needs approximately 115,000 new or upgraded ECD venues to achieve universal access by 2030.
- Nearly 700,000 children aged 3–4 currently lack access to appropriate learning spaces.
- The ECD subsidy of R24 per child per day remains far below the estimated cost of quality provision at R93 per child per day in low-income communities.
- The FFC confirmed to this Committee on 27 May 2026 that 81% of Grade 4 learners cannot read for meaning, a direct downstream consequence of chronically inadequate early learning provision, and a measure of what continued delivery failure will cost the country.

The economic case for investment is equally clear. Structured early learning delivers a return on investment of 7–10%, rising to 13% when combined with parenting support. Infrastructure investment is not a welfare cost. It is a foundation for economic productivity.



Our Concern with this Appropriation

Breadline Africa's concern with the 2026/27 Appropriation Bill is specific: the R267.587 million allocated for ECD infrastructure is at risk of repeating the underspending pattern unless the delivery model changes.

The Bill appropriates the funds. It does not resolve the structural bottleneck that has prevented those funds from reaching the ground. Provincial Education Departments will receive allocations they have historically been unable to deploy at pace, through a model that has averaged below 70% expenditure for eight consecutive years.

Government has, in other parts of this Appropriation, demonstrated its capacity to move quickly when mechanisms are fit for purpose. The R16.257 billion Education Infrastructure Grant and the School Infrastructure Backlogs Grant, programmes with established, accredited delivery pipelines, achieve far higher expenditure rates. ECD infrastructure has not had equivalent implementation architecture.

We submit that the Committee should not approve these funds without requiring accountability for how the delivery model will be different in 2026/27.

This concern is independently corroborated. The Financial and Fiscal Commission, a constitutional institution mandated to advise Parliament on fiscal matters, made two recommendations directly relevant to this appropriation in its own briefing to this Committee on 27 May 2026. First, it recommended that "infrastructure prioritisation during the 2026/27 MTEF period be complemented by robust project delivery across the entire project building lifecycle." Second, it recommended that the Select Committee on Appropriations exercise its oversight powers to summon departments reflecting persistent mismatches between spending performance and baseline revisions. The ECD infrastructure component, with eight consecutive years of below-70% expenditure, is precisely such a case. Breadline Africa's recommendations below align with both positions.



Recommendations to the Committee

Require a Delivery Plan

The Committee should direct DBE to present a specific plan for how the R267.587 million ECD infrastructure appropriation will be deployed in 2026/27, including:

This recommendation is consistent with the FFC's Recommendation V, which calls on this Committee to exercise its oversight powers and summon departments with persistent mismatches between spending performance and baseline revisions to account for those deviations.

The plan should cover:

- Provincial targets and implementation timelines;
- How identified underperforming provinces will be supported; and
- What mechanisms will prevent end-of-year underspending.

Enable Accredited NPO Implementation Partners

The Committee should direct DBE and National Treasury to confirm whether the current Schedule 5A grant framework permits Provincial Education Departments to appoint accredited NPOs as implementing partners for ECD infrastructure delivery, and if not, what amendments are required. Experienced organisations with proven track records and ready deployment capacity should not be kept out of the delivery chain by administrative design.

Explore Schedule 6-Type Indirect Delivery

Where provincial capacity is demonstrably inadequate, the Committee should direct DBE to consider Schedule 6-type indirect delivery mechanisms, allowing national government or accredited delivery partners to implement infrastructure projects on behalf of provinces. This model is already applied successfully in the School Infrastructure Backlogs Grant.



Treat ECD Infrastructure as Social Infrastructure

ECD facilities are social infrastructure in the same category as health facilities, schools, and sanitation. The Committee should ensure that future appropriations reflect this equivalence, with dedicated capital mechanisms, clear provincial mandates, and accreditation frameworks for delivery partners.

Link Infrastructure and Subsidy Expenditure

The Committee should request that National Treasury and DBE report jointly on the relationship between infrastructure underspending and subsidy underspending, to make visible the cost to the fiscus and to South Africa's children of failing to complete the delivery chain.

How Breadline Africa can help and other Civil Society and Delivery Partners can support implementation

Costed Models Standardised, costed ECD infrastructure designs ready for rapid deployment, meeting SANS 10400 compliance requirements.	National Footprint Active across all nine provinces, with existing relationships and a proven delivery pipeline at scale.	Rapid Deployment 2,200+ facilities delivered over 33 years. Local SMME integration into construction delivery model.
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Breadline Africa joins other organisations across the ECD sector in offering practical experience, implementation expertise, and partnership capacity to help address a documented delivery challenge. The funding exists. The demand exists. The children are waiting. Breadline Africa together with key civil society and implementation partners are South Africa's children cannot afford another year of under-delivery. What the system currently lacks is an accredited partner with the scale, compliance track record, and deployment capacity to match the ambition of the appropriation.

We stand ready to engage with DBE, National Treasury, and the Committee to ensure that the 2026/27 ECD infrastructure appropriation translates into completed, compliant facilities that unlock subsidy uptake and improve developmental outcomes for South Africa's most vulnerable children.

Conclusion

The Appropriation Bill [B4—2026] makes a meaningful commitment to ECD infrastructure through the R267.587 million allocation in Vote 16. Breadline Africa acknowledges and welcomes it.

But an appropriation is a commitment to spend, not an outcome. South Africa has appropriated ECD infrastructure funding for eight consecutive years and averaged below 70% expenditure throughout. The children who need safe, compliant, stimulating learning environments have not been served by the appropriation alone.

We urge the Committee to use its oversight role to ensure that this cycle is different, by requiring a concrete delivery plan, enabling accredited partners to participate in implementation, and holding DBE accountable for converting the appropriation into completed facilities.

The funding is there. Breadline Africa is ready. South Africa's children cannot afford another year of under delivery.



Endorsed by:



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We welcome and endorse the submission, recognising government's continued recognition of Early Childhood Development (ECD) as a national priority and acknowledging the additional allocations made towards expanding ECD access over the Medium-Term Expenditure Framework. We support the allocation of additional funding intended to expand ECD services to more children and strengthen foundational learning outcomes.

However, we remain concerned that the current allocations may not be sufficient to address the systemic challenges facing the ECD sector, particularly in underserved and rural communities.

Below are 6 main areas of concern as we interact with our ECD network and other stakeholders on the ground are around the issues below and some recommendations on how we can proceed below:

1. ECD Subsidy Remains Below the Cost of Quality Provision

While Government has increased the ECD subsidy to R24 per child per day, this amount remains significantly below the actual cost of delivering quality ECD services. Evidence indicates that the real cost of providing quality ECD programmes is substantially higher than the current subsidy level. Without annual inflation-linked increases, ECD centres will continue struggling to provide adequate nutrition, learning materials, infrastructure, and practitioner support.

Recommendation:

- Progressively increase the ECD subsidy over time, taking into account inflation, the cost of quality provision, and fiscal sustainability.



- Establish a pathway towards a subsidy that reflects the actual cost of quality ECD provision.

2. Access Expansion Must Be Matched by Registration Support

We commend government's intention to expand ECD services to an additional 300,000 children through the increased ECD grant allocation. However, many ECD programmes remain unregistered and therefore unable to access state subsidies. Many community-based centres continue to face challenges in meeting registration requirements and accessing available support.

HOPE worldwide SA remains committed to working alongside government, communities, development partners, and civil society organisations to strengthen the ECD ecosystem and ensure that public investments translate into improved outcomes for children and families. We stand ready to contribute our experience in parenting support, community mobilisation, nutrition, and ECD programme strengthening in support of government's vision for universal access to quality ECD.

Recommendation:

- Increase investment in the Bana Pele registration drive.
- Provide technical assistance and infrastructure support to unregistered and partially compliant ECD programmes.
- Strengthen local government and municipal support for ECD registration processes.

3. Greater Investment in Rural and Underserved Communities

Many rural communities continue to experience limited access to quality ECD services due to inadequate infrastructure, lack of qualified practitioners, and limited government support.

Recommendation:

- Prioritise ECD infrastructure grants in rural provinces and underserved municipalities.
- Ringfence funding for community-based ECD programmes serving vulnerable children.
- Improve equitable distribution of ECD resources across provinces.

4. Strengthen ECD Nutrition Programmes

HOPE worldwide SA welcomes the implementation of the ECD Nutrition Pilot Programme and continued investment in nutrition support. Proper nutrition during the first 1,000 days and early childhood years is critical for cognitive development, school readiness, and long-term educational outcomes.

Recommendation:

- Expand nutrition support to all subsidised ECD programmes.



- Ensure transparency and accountability in the utilisation of nutrition funding.
- Integrate nutrition interventions with parenting support and health services.

5. Invest in the ECD Workforce

The success of ECD programmes depends on a skilled and adequately compensated workforce. ECD practitioners continue to face low remuneration and limited professional development opportunities.

Recommendation:

- Increase funding for practitioner training and professional development.
- Develop a clear strategy for improving practitioner remuneration and retention.
- Strengthen career pathways within the ECD sector.

6. Increase Investment in Parenting Support Programmes

HOPE worldwide SA strongly advocates for increased investment in parenting support programmes as a critical component of the Early Childhood Development ecosystem. While investments in ECD centres and early learning programmes are essential, research consistently demonstrates that parents and caregivers are a child's first and most influential teachers. The quality of caregiving, nurturing care, responsive parenting, early stimulation, and positive parent-child interactions during the first years of life significantly influence children's cognitive, social, emotional, and physical development.

Despite the growing evidence base, parenting support programmes remain underfunded, fragmented, and unevenly implemented across South Africa. Many vulnerable families, particularly those in rural communities and low-income households, have limited access to structured parenting support services that equip caregivers with the knowledge and skills needed to promote children's healthy development and school readiness.

Recommendation:

- Increase investment in evidence-based parenting support programmes as part of a comprehensive ECD strategy.
- Strengthen the implementation of the National Parenting Support Policy and Programme Framework.
- Expand community-based parenting programmes through partnerships with civil society organisations and community structures.
- Integrate parenting support into existing health, social development, and education services to ensure broader reach and sustainability.
- Support strengthened interdepartmental coordination on the development and implementation of a national ECD Parenting Strategy.
- Invest in monitoring and evaluation systems to measure the impact of parenting interventions on child outcomes.

The 2026 Budget demonstrates Government's commitment to expanding ECD access, with additional funding allocated over the next three years and ECD remaining a key priority within the education budget. ECD funding allocations are expected to support more children, improve nutrition interventions, and increase registration of ECD programmes.

However, without:

- Increasing the subsidy value,
- Accelerating ECD registration,
- Strengthening infrastructure investment,
- Supporting practitioners, and
- Expanding nutrition programmes,

South Africa risks expanding access without sufficiently improving quality and sustainability. This may undermine the country's objective of achieving universal access to quality ECD by 2030.

HOPE worldwide SA believes that investment in Early Childhood Development is not merely a social expenditure but a strategic national investment in South Africa's future. We therefore call on Parliament to strengthen the Appropriation Bill by prioritising sustainable financing for ECD, increasing subsidy allocations, supporting programme registration, investing in the ECD workforce, and ensuring that every child regardless of where they live have access to quality early learning, nutrition, parental and caregiver care, and protection. Such investments will contribute significantly to improved educational outcomes, reduced inequality, and long-term economic growth.

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