



BUDGET TAGGINGS ON THE SYSTEM (BAS)

1. BACKGROUND

1.1 Budget tagging is a tool used by government to identify, track, and report how much of its budget is allocated to specific policy priorities. This process adds “tags” (which are labels or codes) to expenditures or budget items that relate to specific policy objectives, such as Climate change or Gender equality, etc

1.2 These tags help governments answer important questions such as:

- How much are we spending on climate change, for example?
- Are funds reaching gender responsive equality programmes?
- Are our budget decisions aligned with national development plans?

1.3 The popularity of budget tagging has increased due to the growing demand for transparency and global commitments.

2. GENDER-RESPONSIVE BUDGETING

2.1 Gender expenditure tagging refers to a process of categorizing and labelling government expenditures according to their impact on gender equality. It can also contribute significantly to promoting gender equality by ensuring that financial resources are allocated in a way that addresses the specific needs and priorities of different genders.

2.2 For this tagging, the following definition of WEE will be used:

Women’s Economic Empowerment is the capacity of women to participate in, contribute to, and benefit from the economy in ways that recognize the value of their contributions, respect their dignity, and make it possible to negotiate a fairer distribution of the benefits of growth.

2.3 It includes:

i) Closing gender gaps in economic opportunities: Lifting constraints to increase the quantity and quality of jobs for women and closing gender earnings gaps.

ii) Improving women’s access, ownership, and control over financial and non-financial assets: Improving conditions under which women can access and secure ownership over productive assets (e.g., businesses, land, and technology) and access the finance and insurance needed to purchase those assets, put them to work, and protect their capital value (e.g., access to capital and formal financial services).

3. TAGGING METHODOLOGY FOR GENDER RESPONSIVE BUDGETING

3.1 The GRB tagging methodology is designed for South Africa to identify programmes and sub-programmes that principally or significantly target gender equality as a policy objective. Therefore, gender-responsive flags have been implemented on BAS to allow for the tagging of expenditure by creating the lowest posting levels at the sub-sub programme level (Objective segment) and cost centers (Responsibility segment). The tagging flags principal or significant target gender equality as a policy objective (main purpose of the sub-sub programme or the cost center) are defined as follows:

3.1.1 **PRINCIPAL** - means that gender responsive is the main purpose/function of the programme, or the cost center is fundamental in its design and expected outcomes. This means that the programme, or the cost center, would not have been undertaken without this objective. 100% of the gender responsive intervention/activity is the only intervention financed by the budget line. Posting levels created must be flagged as "Principal".

3.1.2 **SIGNIFICANT** - means that gender responsive is an important and deliberate objective, but not the principal purpose/function of the programme and or cost center. If the gender response intervention/activity is not the principal purpose/function of the existence of the programme. Posting levels created must be flagged as "Significant".

3.1.3 **NOT TAGGED** - means that the programme has been screened against gender responsive indicators, but has not been found to target gender equality

4. CLIMATE BUDGET TAGGING (CBT)

4.1 CBT involves classifying and tagging public expenditure in the budget system according to its expected contribution to climate change (CC) mitigation (reduced greenhouse gas emissions) or adaptation (increased resilience and reduced loss and damage from CC).

4.2 This definition should be used in conjunction with the Climate Change Bill, 2022, and the Climate Change Act, 2024

4.3 CBT in South Africa is aimed at:

- 4.3.1 Raising awareness of climate change;
- 4.3.2 Influencing budget and policy decisions at all levels to be more climate relevant;
- 4.3.3 Tracking public expenditure on climate policies, strategies and plans, to support national monitoring and accountability, as well as South Africa's international reporting obligations under the United Nations Framework Convention on Climate Change (UNFCCC); and
- 4.3.4 Contributing to better climate policies and improved effectiveness of climate-relevant expenditures by providing data for expenditure review and evaluation.

5. TAGGING METHODOLOGY FOR CLIMATE BUDGETING

5.1 The CBT tagging methodology is designed for South Africa to identify programmes and sub-programmes that principally or significantly target climate change as a policy objective. Therefore, climate change flags have been implemented on BAS to allow for tagging of expenditure by creating the lowest posting levels at sub-sub programme level (Objective segment) and

cost centers (Responsibility segment). The tagging flags principal or significant target climate change as a policy objective (main purpose of the sub-sub programme or the cost center) are defined as follows:

- 5.1.1 **PRINCIPAL** - means that climate change is the main purpose/function of the programme, or the cost center is fundamental in its design and expected outcomes. This means that the programme, or the cost center, would not have been undertaken without this objective. 100% of the climate change intervention/activity is the only intervention financed by the budget line. Posting levels created must be flagged as "Principal".
- 5.1.2 **SIGNIFICANT** - means that climate change response is an important and deliberate objective, but not the principal purpose/function of the programme and or cost center. If the climate change intervention/activity is not the principal purpose/function of the existence of the programme. Posting levels created must be flagged as "Significant".
- 5.1.3 **NOT TAGGED** - means that the programme has been screened against climate change indicators, but has not been found to target climate change.

6. DISASTER RESPONSE:

6.1 "**Disaster**" means a progressive or sudden, widespread or localised, natural or human-caused occurrence which—

(a) causes or threatens to cause—

- i. death, injury, or disease;
- ii. damage to property, infrastructure, or the environment; or
- iii. significant disruption of the life of a community; and

(b) is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources;

6.2 "**Disaster management**" means a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at —

- a) preventing or reducing the risk of disasters;
- b) mitigating the severity or consequences of disasters;
- c) emergency preparedness;
- d) a rapid and effective response to disasters; and
- e) post-disaster recovery and rehabilitation;

6.3 "**Disaster risk reduction**" means either a policy goal or objective, and the strategic and instrumental measures employed for—

- a) anticipating future disaster risk;
- b) reducing existing exposure, hazard or vulnerability; and
- c) improving resilience;

6.4 The above definition should be used in conjunction with the Disaster Management Act, No. 57 of 2002; Disaster Management Amendment Bills 2015 and 2021.

7. TAGGING METHODOLOGY FOR DISASTER RESPONSE

- 7.1 The disaster response tagging methodology is designed for South Africa to identify programmes and sub-programmes that principally or significantly target disaster as a policy objective. Therefore, disaster response flags have been implemented on BAS to allow for tagging of expenditure by creating the lowest posting levels at the sub-sub programme level (Objective segment) and cost centers (Responsibility segment). The tagging flags YES or NO or PARTIAL target disaster response as a policy objective (main purpose of the sub-sub programme or the cost center) are defined as follows:
- 7.2 **DISASTER RESPONSE: YES**, means that disaster response is the main purpose/function of the programme, or the cost center is fundamental in its design and expected outcomes. This means that the programme and or the cost center would not have been undertaken without this objective. 100% of disaster response intervention/activity is the only intervention financed by the budget line. Posting levels created must be flagged as "PRINCIPAL."
- 7.3 **DISASTER RESPONSE: PARTIAL**, means that disaster response is an important and deliberate objective, but not the principal purpose/function of the programme and or cost center. If the disaster response intervention/activity is not the principal purpose/function of the existence of the programme. Posting levels created must be flagged as "PARTIAL SIGNIFICANT".
- 7.4 **DISASTER RESPONSE: NO** means that the programme has been screened against disaster response indicators, but has not been found to target disaster response.

8. SCIENCE, TECHNOLOGY, AND INNOVATION (STI) TAGGING

- 8.1 Research and Development (R&D)- Comprises creative work undertaken on a systematic basis to increase the stock of knowledge including knowledge of humankind, culture, and society and to devise new applications of available knowledge. Research is creative work and original investigations undertaken on a systematic basis to gain new knowledge of humanity, culture, and society. Development is the application of research findings of their scientific knowledge for the creation of a new or significantly improved product or process
- 8.2 The Government Budget Appropriation on Research and Development (GBARD) category includes all appropriations allocated to R&D undertaken within departments, transfers made towards government-financed R&D carried out by government entities and entities outside government, and direct government financial support for R&D carried out by the business, higher education, and private non-profit sectors.

9. TAGGING METHODOLOGY FOR SCIENCE, TECHNOLOGY, AND INNOVATION (STI) TAGGING

- 9.1 The tagging flags Research and Development (R&D) are NO or YES targeting Research and Development (R&D) as a policy objective (main purpose of the sub-sub programme or the cost center), are defined as follows:
- 9.2 **RESEARCH AND DEVELOPMENT: NO** means that the programme has been screened against research and development indicators, but has not been found to target research and development.

- 9.3 **RESEARCH AND DEVELOPMENT: YES** means that the programme has been screened against research and development indicators, and has been found to target research and development.

10. INFORMATION, TECHNOLOGY, AND COMMUNICATION (ICT TAGGING)

- 10.1 ICT (Information and Communication Technology) refers to all the technologies, including hardware, software, and networks, used to handle information and aid communication. It involves the integration of computers and telecommunications to process, store, retrieve, and transmit data in various forms, such as text, images, audio, video, and all technologies and systems used to collect, store, process, transmit and exchange information. It includes both digital and communication tools that enable people, organisations, and devices to create, access, share, and manage information.
- 10.2 ICT tagging developed as governments and organisations increasingly relied on digital systems and needed better control over technology-related resources.

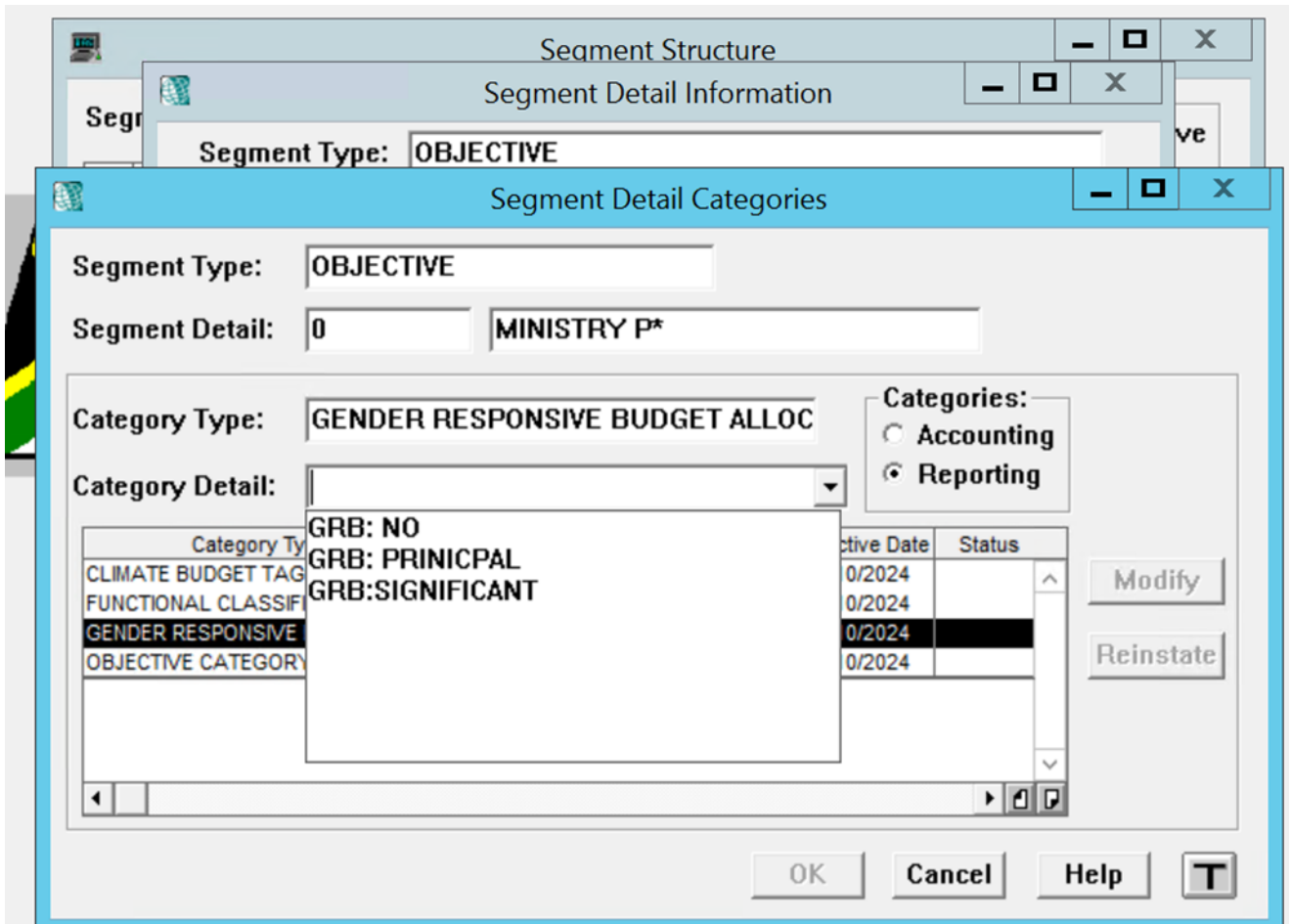
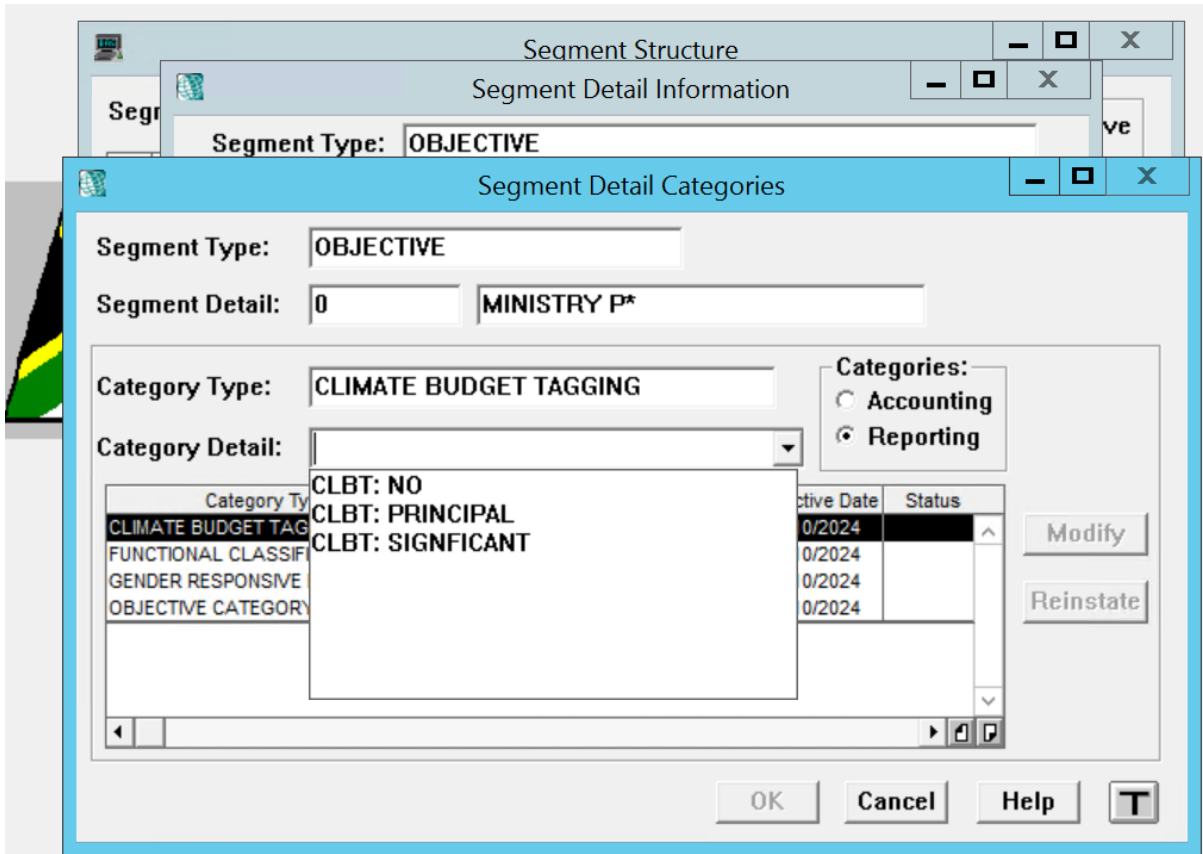
11. TAGGING METHODOLOGY FOR INFORMATION TECHNOLOGY AND COMMUNICATION (ICT)

- 11.1 The tagging flags Information, technology and communication (ICT) are NO or YES targeting Information, technology and communication (ICT) as a policy objective (main purpose of the sub-sub programme or the cost center), are defined as follows:
- 11.2 **INFORMATION, TECHNOLOGY AND COMMUNICATION: NO** means that the programme has been screened against Information, technology and communication indicators, but has not been found to target Information, technology and communication.
- 11.3 **INFORMATION, TECHNOLOGY AND COMMUNICATION: YES** means that the programme has been screened against Information, technology and communication indicators, and has been found to target Information, technology and communication.

12. TAGS HAVE BEEN IMPLEMENTED IN THE FOLLOWING SEGMENTS, AS ILLUSTRATED BELOW:

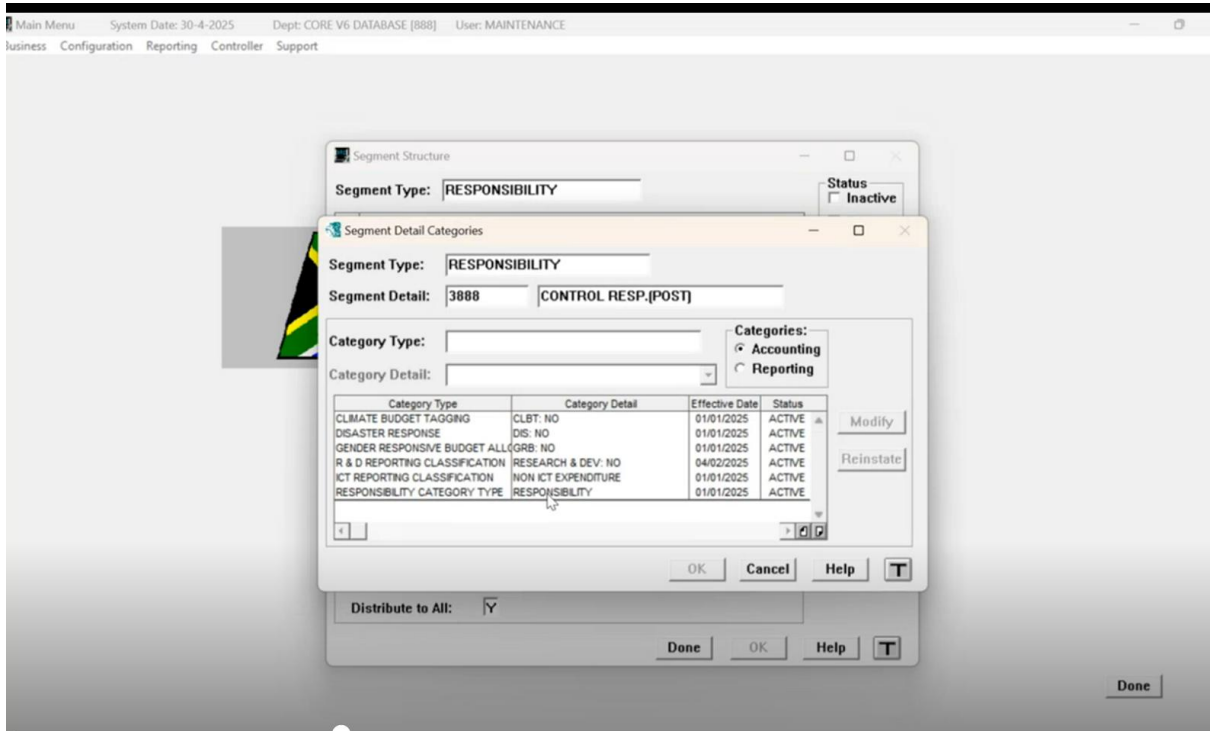
12.1 OBJECTIVE SEGMENT

The screenshots below illustrate the tags in the Objective segment.



12.1 RESPONSIBILITY SEGMENT

The screenshots below illustrate the tags in the Responsibility segment.



13. CONTACT INFORMATION

Please contact the SCOA Technical Committee via the SCOA Call Center at (012) 315 5311, or by sending a concise email to scoa@treasury.gov.za for further clarity or discussion regarding budget tagging.

Regards,
SCOA Technical Committee
Date: 1 April 2025