

NATIONAL LOTTERIES COMMISSION (NLC)

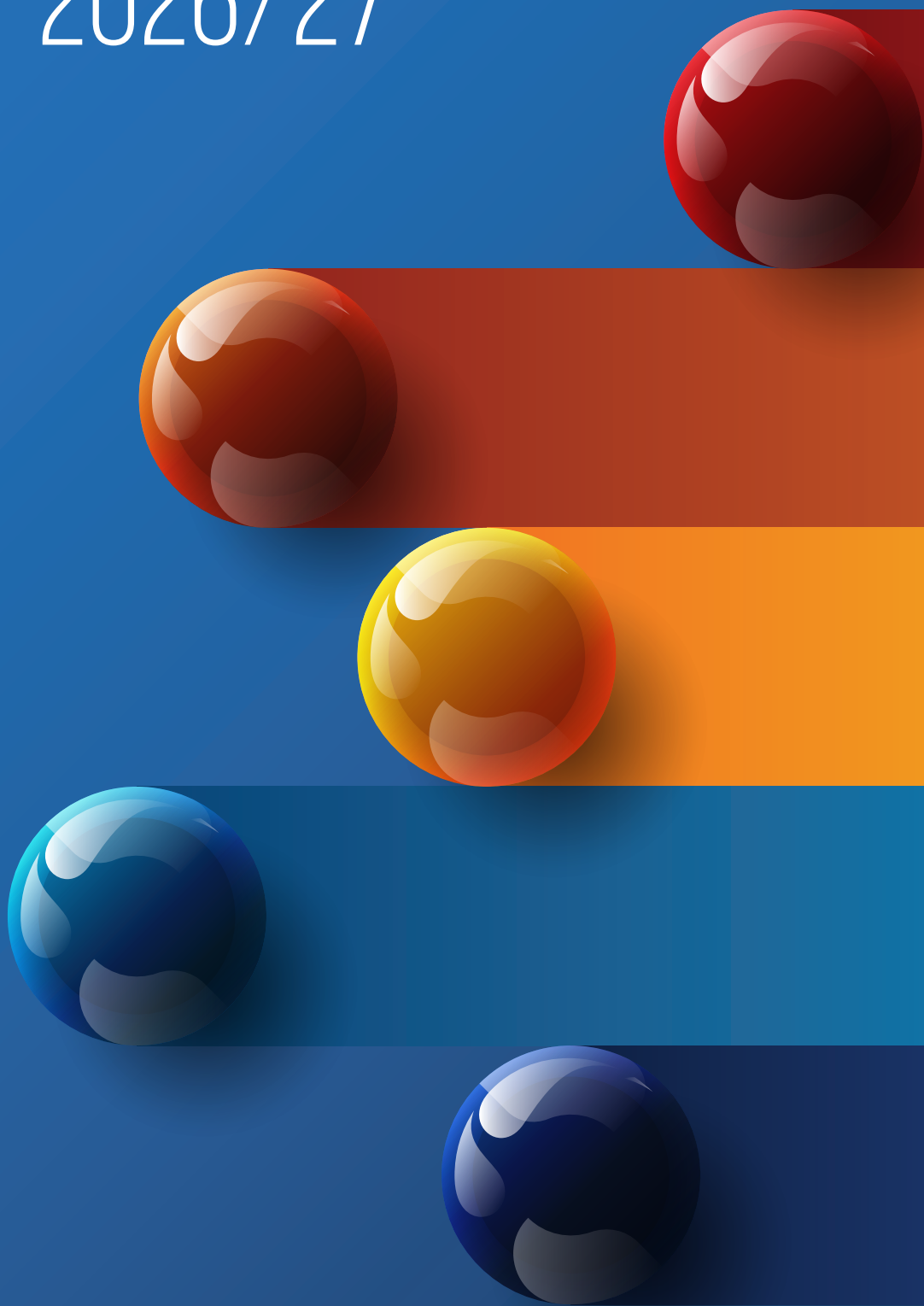
ANNUAL PERFORMANCE PLAN

2026/27



NATIONAL LOTTERIES COMMISSION

a member of the dtic group



REGULATING ALL LOTTERIES AND SPORT POOLS WITH INTEGRITY



NATIONAL LOTTERIES COMMISSION

a member of **the dtic** group

**SUPPORTING FARMERS, AGRO
ENTERPRISES AND LOCAL
FOOD SYSTEMS ENHANCING
NATIONAL FOOD SECURITY.**



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Executive Authority Statement



This Annual Performance Plan (APP) of the National Lotteries Commission (NLC) has been prepared by management for consideration by the Executive Authority and tabling in Parliament.

The APP of public entities reporting to the Department of Trade, Industry and Competition (the dtic) identifies the targets, outputs and performance indicators that an entity aims to achieve in the new financial year. My responsibility as the Executive Authority is to ensure that each entity's APP is aligned with the Strategic Plan, the institution's mandate and government's priorities and must provide direction on the development and implementation of strategic priorities and policies. There must be visible synergy in the work of all public entities under the dtic as we strive to achieve core outputs and outcomes.

The Government of National Unity in the 7th administration resolved to dedicate its term of office to actions that advance three strategic priorities, which are: to drive inclusive growth and job creation; to reduce poverty and tackle the high cost of living and to build a capable, ethical and developmental state,

with special emphasis on strengthening governance and combating corruption. The role of the NLC in uplifting communities across South Africa has a direct link to the realisation of all these strategic priorities.

South African communities are faced with high levels of unemployment, poverty and inequality and the NLC through its grant funding function, is able to extend grants to non-profit and community-based organisations to address joblessness and underdevelopment.

Towards the end of May 2025, I have awarded the 4th National Lottery operator licence to Sizekhaya Holdings (RF) (Pty) Ltd in terms of section 13 of the Lotteries Act (No. 57 of 1997) after an arduous process of evaluating eight applications. Sizekhaya's appointment takes effect on 1 June 2026 and requires that there be a transition from the 3rd licensee operations to the 4th. In this regard, I have signed a temporary licence agreement with Ithuba to operate the National Lottery and Sports Pools for a period of 12 months.

At the beginning of July 2025, I approved the appointment of ten distribution agency (DA) members. Numerous projects in Charities, Arts, Culture and National Heritage as well as Sport and Recreation are supported through grant funding initiatives. The Distribution Agency members are responsible for considering, evaluation and adjudication of applications in terms of sections 28, 29, 30 and 31 of the Act. Their appointment provides the NLC with capacity to adjudicate applications and meet statutory time frames including adjudicating applications within 150 calendar days.



Mr Parks Tau, MP
Minister of Trade, Industry and Competition

Accounting Authority Statement



As the Board of the NLC, a Public Finance Management Act (PFMA) Schedule 3 national public entity we have fiduciary duties that guide us as we discharge our responsibilities as the Accounting Authority of the Commission. Our role is to determine the strategic direction and long-term vision, oversee and evaluate the performance of management, ensuring compliance with the Lotteries Act, regulations and approved policies.

We have made great strides in advancing ethical governance, restoring public trust, and ensuring financial and operational reform within the NLC. Considerable progress has also been achieved in addressing historical irregularities, strengthening internal controls, and aligning with best practices in public finance management. Achievements in this regard include comprehensive review of 95% of organisational policies including those of supply chain management, human capital and performance management. A whistleblower hotline, a Lifestyle Audit policy, and Ethics Management Framework were established and implemented. The lifestyle audits were a critical part of the “clean-up” operation and all employees were subjected to the process. Fraud cases are now subjected to recovery actions, criminal referrals and a dedicated Forensic Audit function investigates allegations. Going forward, we will subject our policies, regulations and other governance

instruments to constant review to ensure that they remain relevant and effective.

The Executive Authority approved the appointment of ten Distribution Agency (DA) members during the 2025/26 financial year. The Distributing Agency members are responsible for considering, evaluation, and adjudication of applications in terms of sections 28, 29, 30 and 31 of the Act, including recommendations for funding of worthy causes as per sections 26G (1) and (2). They were appointed in terms of sections 26A and 26B (1) of the Lotteries Act, 1997, (Act No. 57 of 1997) as amended, as full-time members of the Distributing Agency of the NLC for a period of five years, effective from 1 July 2025 until 30 June 2030. The NLC is a vital institution of our constitutional democracy and Distributing Agency members play a crucial role in ensuring that funds raised through the National Lottery are allocated fairly and transparently to qualifying causes and organisations. With these members now in office, the NLC will be able to adjudicate applications and be able to meet statutory timeframes including adjudicating applications within 150 calendar days.

In an effort to improve and modernise its operations, the NLC adopted a Digital Transformation strategy to integrate its operations with digital platforms. Through its Modernisation 4.0 initiative, a new grant management system, Thuthuka online portal was introduced to curb fraud and corruption. However, the system has experienced teething problems, and technical work is underway to resolve glitches and improve the system. We have also entered a strategic partnership with the Chemical Industries Education and Training Authority (CHIETA) whereby our grant applicants will access the portal through digital devices at the latter’s Smart Skills Centres. The online system has integrated verifications from the Companies and Intellectual Property Commission (CIPC), Department of Social Development (DSD), Department of Home Affairs (DHA) and South African Revenue Service (SARS). This will ensure that all our applicants do meet the requirements contained in the legislation.



N Barney Pitjana GCOB FKCM MASSAF
Chairperson of the Board

Official Signoff

It is hereby certified that this Annual Performance Plan was developed by the management of the National Lotteries Commission (NLC) under the guidance of the Board of Directors and considers the relevant policies, legislation and mandate of the NLC. The plan accurately reflects the impact, outcomes and outputs which the NLC will endeavour to achieve over the 2026/27 MTDP period.

Ms T Maharaj
Chief Financial Officer

Signed:



Ms A Maharaj-Domun
Official Responsible for Planning

Signed:



Ms J Scholtz
Commissioner

Signed:



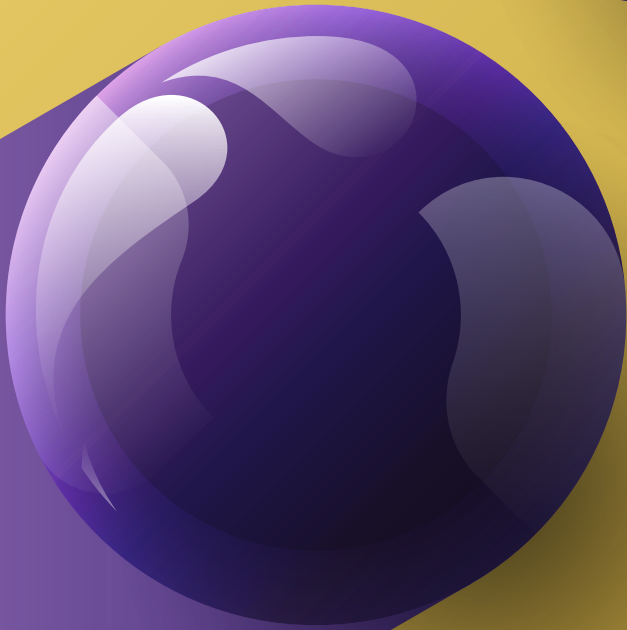
Approved by:

N Barney Pityana GCOB FKC MASSAf
Chairperson of the Board

Signed:



10 APRIL 2026



PART A

OUR MANDATE

CONSTITUTIONAL MANDATE

The NLC has the sole mandate to regulate and prohibit lotteries and sports pools and to provide for matters connected therewith.

LEGISLATIVE MANDATE

- To ensure that the National Lottery and sports pools are conducted with all due propriety and strictly in accordance with the Constitution, this Act, all other applicable law and the licence for the National Lottery, together with any agreement pertaining to that licence and that the interests of every participant in the National Lottery are adequately protected.
- Conduct research on worthy good causes that may be

funded without lodging an application prescribed in terms of the Lotteries Act, upon request by the Minister, Board or on its own initiative in consultation with the Board.

- Invite applications for grants from worthy good causes in the prescribed manner, upon request by the Minister, board or on its own initiative in consultation with the Board.

- Promote public knowledge and awareness developing and implementing educational and informational measures to educate the public about the lotteries and provisions of the Lotteries Act, as amended and educating the public by explaining the process, requirements and qualifications relating to the application for grants in terms of this Act.
- Manage staff, and its financial, administrative and clerical functions; and exercise any other function as delegated or directed by the Minister or the Board.

Institutional Policies and Strategies over the five-year planning period

At the regulatory mandate level, the national lottery continues to make significant deposits to the National Lottery Distribution Trust Fund.

In keeping with the standard practice for all public sector institutions in South Africa, as prescribed by the Department of Planning, Monitoring and Evaluation (DPME), the NLC is poised to develop a strategy for the next five-years inspired by a need to meaningfully contribute towards the realisation of aims reflected in the Medium-Term Development Plan and by extension, the National Development Plan. For the next five years, 2025 – 2030, the National Lotteries Commission (NLC) intends to develop a purpose-fit strategy to chart the future direction of the organisation and ensure that it delivers on its mandate better than it may have done in the previous years, in keeping with the spirit of continuous improvement.

In line with its mandate, vision and mission, the NLC's formulation of programme activities and targets is aligned to the social and economic realities of South Africa. From a strategic perspective, the sight of government priorities provides a major opportunity for the NLC within the disciplinary context of social development and social upliftment. This includes addressing unemployment and alleviating poverty as aligned to the NDP and the three identified strategic priority areas of government of national unity.

Strategic Alignment of the NLC

1. 7th Administration Strategic Priorities (MTDP)

The Medium Term Development Plan (MTDP) acts as the integrated economic growth strategy for the government, bringing together existing policy commitments into a prioritized delivery framework. The core focus of the 7th Administration is to urgently address the triple challenges of unemployment, poverty, and inequality, while simultaneously tackling the high cost of living.

2. The dtic's Growth Path (Blue Sky Strategy)

The dtic's strategy is a direct response to South Africa's economic constraints, which include a low growth trajectory, premature de-industrialization, and critical bottlenecks in energy and logistics.

- **High-Growth Sectors:** The industrial policy is pivoting towards sectors with massive job-creation and value potential, categorized under Decarbonisation (e.g., green economy, critical minerals), Diversification (e.g., agriculture, automotives, clothing), and Digitalisation (e.g., digital economy, aerospace).
- **The Butterfly Strategy:** The dtic aims to increase South Africa's total exports to R3 Trillion. This will be achieved by defending US and AGOA markets, expanding trade initiatives by "Looking East" (China, India, Japan), and improving the utilization of existing trade agreements like the AfCFTA.
- **Red Tape Reduction:** An "Omnibus Bill" is being developed to fast-track legislation, remove investment bottlenecks, and create an enabling environment for economic growth.

3. The Presidency's Growth and Inclusion Strategy (GAIN)

country's stagnating growth rate and create jobs at scale. The strategy is built on three primary pillars:

The GAIN document provides a framework to revive the

PILLAR	STRATEGIC FOCUS
Fix the Fundamentals	Maintaining a stable macroeconomic framework, implementing economic reforms through Operation Vulindlela, and accelerating public infrastructure investment.
Build a State that Delivers	Improving overall state capability, strengthening local government utility models, fixing basic education, and driving digital transformation.
Pursue New Areas of Growth	Implementing a forward-looking industrial policy and positioning South Africa as a leading player in the global green economy.

4. The Role of the National Lotteries Commission (NLC)

The NLC acts as a critical enabler across these government-wide strategies through its regulatory mandate and its socio-economic grant distributions.

- **Regulatory Optimization (dtic Alignment):** The NLC's legislative framework is actively being refined to support an open and competitive economy. Specifically, the Lotteries Amendment Regulations are integrated into the dtic's Omnibus Regulations to streamline processes, address industry gaps, and eliminate red tape.
- **Poverty Alleviation (MTDP Alignment):** By distributing funds to worthy good causes, the NLC directly supports the 7th Administration's goal of reducing poverty and improving livelihoods in vulnerable and marginalized communities.

- **Building a Capable State (GAIN Alignment):** In line with the Presidency's push for a state that delivers, the NLC is undergoing a modernization journey. This includes rolling out digital platforms (like the Thuthuka online grant-management system) to improve service delivery, alongside strict lifestyle audits and a zero-tolerance approach to corruption to ensure ethical and capable governance.
- **Job Creation & Inclusion (GAIN & dtic Alignment):** The NLC's targeted funding approach, which includes directing substantial budget allocations to rural development and grassroots sports, actively feeds into the government's "jobs-first" approach by stimulating local economies, fostering entrepreneurship, and supporting community-level employment.

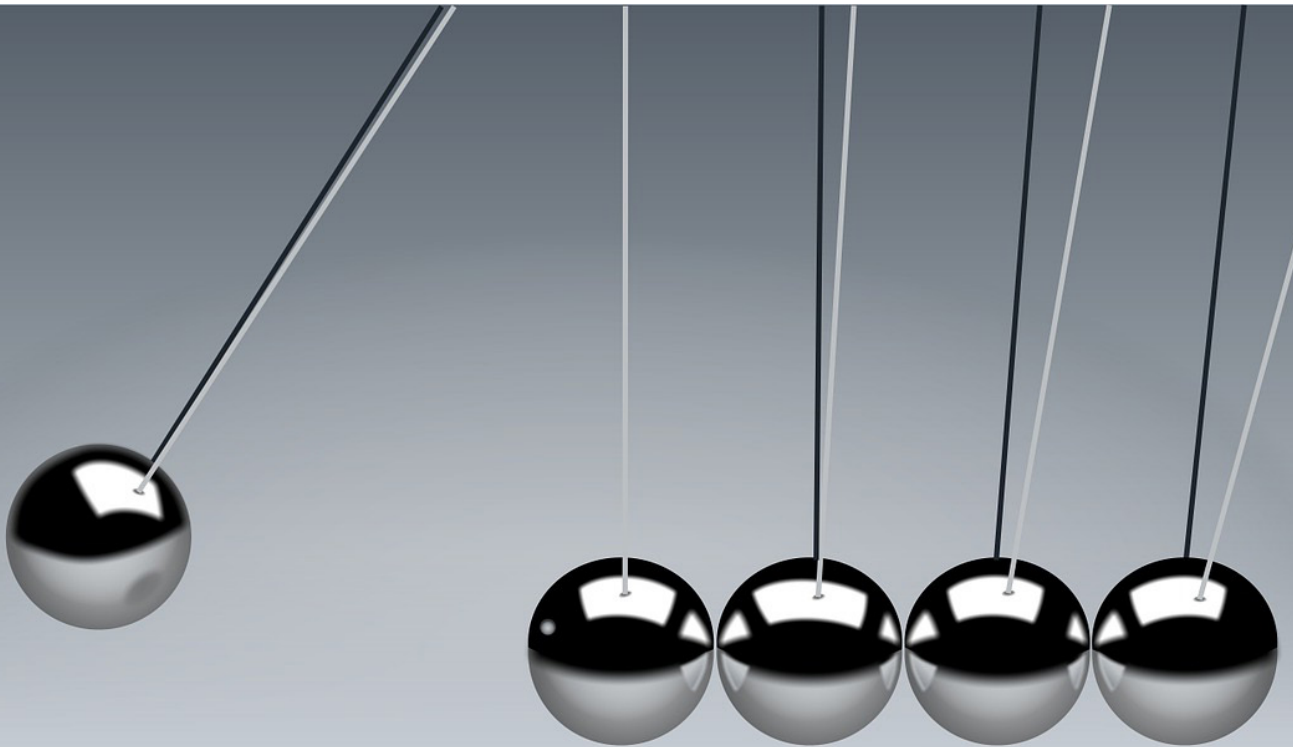
STRATEGIC ALIGNMENT: HOW THE NLC ENABLES GOVERNMENT PRIORITIES

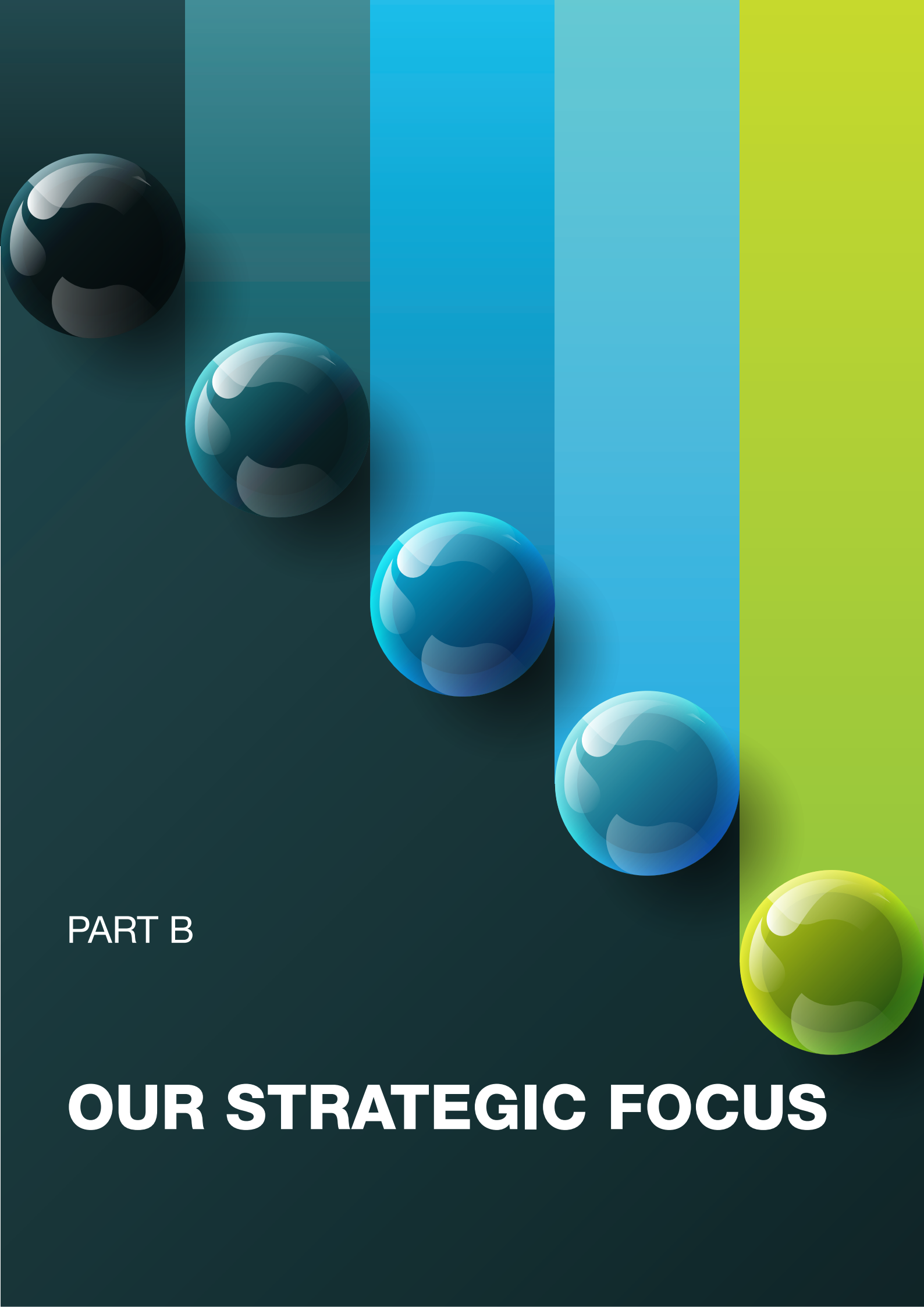


RELEVANT COURT RULINGS

Some of the pending court cases could significantly impact the National Lotteries Commission's (NLC) mandate, causing operational challenges and uncertainty. Here's how these cases affect the NLC's mandate:

- Operational Hindrance - The numerous court cases hinder the NLC's administrative functions.
- Mandate Limitations - The NLC's mandate would be compromised when courts rule against it, limiting its ability to carry out its legislative mandate.
- In the context of the Lottostar matter, reviews of temporary lottery licenses, and the 4th license operator, the NLC's experience with pending court cases highlights the importance of clarity and consistency in the legal framework governing its mandate.





PART B

OUR STRATEGIC FOCUS

NLC VISION, MISSION AND VALUES



1. Updated Situational Analysis

1.1. External Environment Analysis

The NLC is a public entity established by Lotteries Act No. 57 of 1997 (as amended) to regulate the South African lotteries and sports pools industry. Primarily, the organisation was established to undertake the functions of:

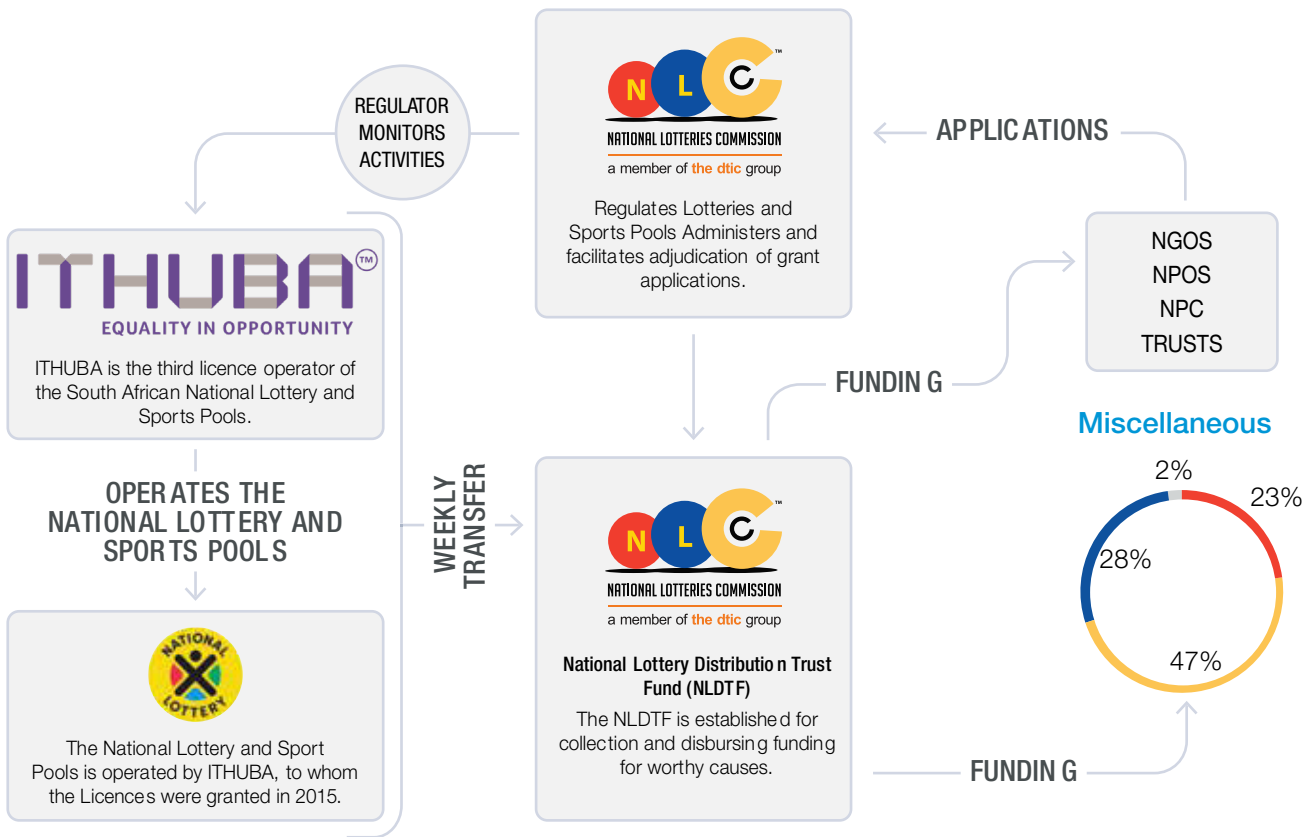
a. Regulation of the National Lottery and other Lotteries and sports pools

b. Administration of the National Lottery Distribution Trust Fund (NLDTF)

The NLC is governed by a board, whose mandate is to:

- regulate all lotteries and sport pools with integrity;
- ensure the protection of all participants;
- maximise revenue for good causes in a responsible manner; and
- distribute funds equitably and expeditiously

Operational Mandate



Largely, the NLC serves as a critical link between lottery operator and the broader social and economic communities of South Africa. Its functions are integral to promoting transparency, fairness, and integrity in lottery activities, while also ensuring that the revenue generated benefits the country’s communities and fulfills its social development objectives.

SITUATIONAL ANALYSIS: THE MACRO ENVIRONMENT

A situational analysis of the macro environment for the Lottery and Gaming Industry involves examining the broader external factors that can influence the industry. These factors are

typically categorized into different dimensions, such as the political, economic, social, technological, environmental, and legal (PESTEL) factors.

Central to the conduct of an environmental analysis that feeds into strategy formulation is the necessity to identify opportunities and threats in each of the sub-environments. This is important as foreknowledge of the opportunities and the threats that exist in the NLC’s operating environment would enable the organisation to formulate a strategy that enables the NLC to navigate through its opportunities and threats within its operating context.

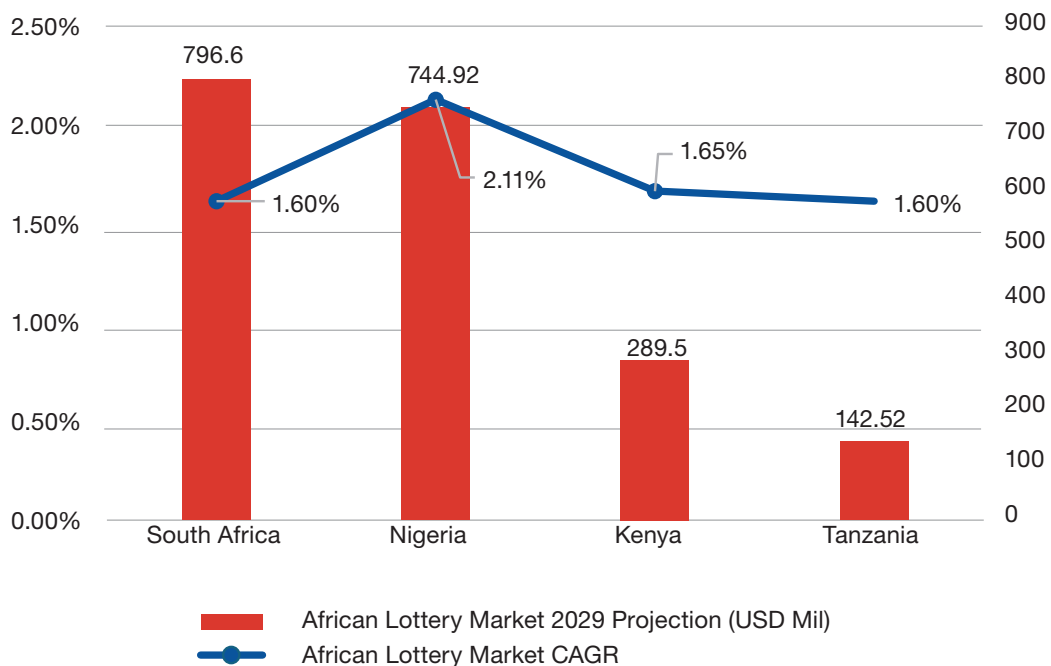
The Lottery and Gaming Industry

The lottery industry continues to grow and evolve. What was once a paper-based and localised activity, has grown to leverage digital tools and platforms, attracting a wider consumer-base and enhanced engagement without the limitations of geographic factors. Focusing on global and regional (African) growth, the industry records a compound annual growth rate of 5.3% and 7.1% respectively (Rustling, 2025). This growth is predicted to continue in the coming years, due to the rise in the integration of technology into the industry, as well as positive changes in the behaviour of consumers.

South Africa is considered to have one of the most mature lottery markets in Africa, alongside Nigeria. The South African Lottery particularly stands out for its contribution to social causes in the country, while the Nigerian Lottery is characterised by the high levels of engagement it receives.

Currently, South Africa is one of the frontrunners of the African market due to the scale and infrastructure of the national lottery, reportedly having made a revenue of R7.3 billion in the 2024 (Joseph, 2025). However, as the African Lottery market grows, several emerging national lotteries are developing their markets and capitalising on mobile platforms. Countries like Nigeria, Kenya, Ghana, Tanzania and Uganda are seeing accelerated growth through the use of mobile platforms. Nigeria projects the highest annual growth rate of 2.11%, with a Lottery and Bingo market value of USD 744.92 million by the year 2029 (Statista, 2025). Kenya follows this rate, at 1.65%, with a market value of USD 142.52 million (Statista, 2025). South Africa is tied third with Tanzania at 1.60% (Statista, 2025), however, due to the maturity of the industry, South Africa stands to achieve a greater market volume by 2029 (Statista, 2025).

Figure 1: African Lottery Market Growth Comparison



The use of technology has been a cornerstone in the development of national lotteries worldwide. With a growing youth population eager to participate in online games, digital platforms have attracted more players through features that enhance user experiences, such as gamified components and push notifications (Torres, Duarte, & Martins, 2019). To maintain its position as a regional leader, the South African lottery has the opportunity to evolve through deeper digital engagement, stronger public trust, and bold innovation.

Political Factors

The following political factors have been identified:

- Sizekhaya Appointment Controversy
- US Funding Pressure
- AfCFTA Regulations
- Political Divisions

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

Sizekhaya Appointment Controversy

The appointment of the 4th licensing operator (Sizekhaya Holdings) has sparked controversy regarding the transparency of the licensing process used as well as the political affiliations of the leaders in the organisation.

Particularly due to the involvement of the High Court and the Democratic Alliance (DA), this selection has become one of public interest (Karrim, 2025). Public scandals like these have the potential to result in the loss of trust and confidence in the NLDTF from the general public, shifting attention from social development project impact. However, this is not new to the industry. Due to the licensing tender being one of the biggest procurement

contracts offered in the country, disputes are not only unavoidable, but they are expected.

Furthermore, due to funds that have been spent on corruption schemes, the NLC continues to be in the spotlight, and has seen an increase in pressure from government to ensure ethical governance of the lottery and the distribution of funds, especially in preparation for the implementation of a 'staterun lottery'. The journey towards regaining public trust is one that will require consistency and visible efforts. The NLC has already initiated a reparation process which includes public apologies and the compensation of whistleblowers (Goni, 2024), however, improving public perception is unlikely to be achieved in the short-term.

US Funding Pressure

For over 20 years, USAID and PEPFAR have provided treatment against HIV and TB to over 4 million South Africans (Madwantsi, 2025). The recent withdrawal of U.S financial support has pressured government agencies such as the NLC to fill the gap.

These funding cuts are projected to lead to over 500 000 deaths in South Africa (Selane, 2025) and 4 million deaths in Africa as a whole (Fröhlich, 2025) within the next 10 years due to treatment limitations and halted research and development programmes. Furthermore, healthcare workers and researchers face unemployment, as 15 000 jobs have been lost to date (Makodi, 2025).

This may cause a rise in concerns for NLDTF grantees, as campaigns such as the 'Close the Gap' (95-9595) campaign may become a priority, and lead to uncertainty surrounding the funding of other projects.

The government has recognised the need for self-sufficiency through this event – relying less on foreign aid and developing more diverse funding streams and partnerships (Dentlinger, 2025). Additionally, there is a growing need for those that invest in the country to do so not only to meet their own needs, but to support and strengthen South African structures, making them more resilient to global and national crises.

AfCFTA Regulations

As the most industrialised economy in Africa, South Africa is positioning itself to be at the centre of the implementation of the African Continental Free Trade Area (South African Government News Agency, 2025).

Under the AfCFTA, African countries are to undergo changes in trade legislation and regulations to boost productivity and investments, while simultaneously creating jobs and lifting a projected 30 million Africans out of poverty (World Bank Group, 2022). This agreement will also strengthen political relations within the African

continent and reduce dependence on western countries for trade.

There is potential for more political stability on the continent as economically interdependent countries are less likely to engage in conflict. Furthermore, through this agreement, the NLC may see an increase in cross-border operations and players, as well as heightened competition from other African lotteries. This would require updates to licensing agreements, technological standards and compliance protocols to ensure alignment with the rest of the African continent while also protecting regional operations of NPOs.

Political Divisions

The introduction of a Government of National Unity in the 2024 national election has improved the political stability of the country. Consequently, there has been a reduction in national regulatory uncertainty and an increase in investor interest into South Africa, which caused a 5% spike in the Johannesburg Stock Exchange within 2 months of the national elections (Investec, 2024). While the Government of National Unity has ensured policy continuity and boosted investor confidence, future government dissensus and tensions (as seen with the delay of the budget speech for 21 days in 2025) can possibly cause delays in resource allocation for essential processes.

Furthermore, tensions that lead to bigger ideological clashes can cause policy gridlocks, where significant legislation such as the National Health Insurance and Basic Education Law Amendment bills cannot be passed due to disagreement on

key issues and ideological polarisation. Seeing as the Remote Gambling Bill is yet to pass, this may have an impact on the extent to which lottery sales can expand beyond geographical limitations.

One year into the 5-year parliamentary term, political analysts believe that the GNU as we know it will change in the coming years. There is a potential shift in ANC leadership that is looming, which increases the possibility of new coalitions and alliances (Capa, 2025). Analysts also expected that the introduction of competition at governmental level would apply pressure on ministers to perform, however inefficiencies have led to continued poor service delivery and infrastructure failures as the GNU has focused on learning to work together. This, alongside the expected leadership instability can result in delays when executing economic development projects in the future.

Opportunities and Threats Identified

Table 2: Political Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
Sizekhaya Appointment Controversy		<p>Reputational Risk from Public Scandals:</p> <p>The controversy surrounding the Sizekhaya appointment and past corruption cases has placed the NLC under heightened public scrutiny, risking the erosion of public trust and confidence in its operations and the broader NLDTF mandate.</p> <p>Perception of Political Interference:</p> <p>Perceived political influence in decisionmaking, particularly regarding appointments, may undermine the NLC’s credibility and independence, potentially affecting stakeholder confidence and the fairness of its funding processes.</p>
US Funding Pressure	<p>Support for Government Self Sufficiency Goals:</p> <p>The withdrawal of U.S. aid places pressure on local institutions to strengthen domestic funding channels. While the NLC cannot fully replace this funding, it can position itself as a complementary contributor supporting high-impact public health and social development initiatives, especially where aligned with its existing mandate.</p>	<p>External Expectations Beyond Mandate:</p> <p>The withdrawal of USAID and PEPFAR support has created pressure on national entities like the NLC to step into funding gaps, despite these expectations exceeding the NLC’s current mandate, operational model, and financial capacity.</p>

Identified Risk	Opportunities	Threats
AfCFTA Regulations	<p>AfCFTA Integration:</p> <p>The AfCFTA opens up opportunities for regional expansion, cross-border lottery participation, and partnerships with African NPOs, if the NLC proactively adapts its licensing standards, digital infrastructure, and compliance protocols to regional norms.</p>	<p>Cross-Border Regulatory Pressures:</p> <p>As South Africa integrates into the AfCFTA, the NLC may face increasing regulatory demands to align with regional standards. Without updated protocols, this could create legal or compliance risks and limit future growth opportunities.</p>
Political Divisions	<p>Political Stability and Investor Confidence:</p> <p>The formation of the Government of National Unity can attract new corporate partnerships, foreign investments, and donors to the NLC-funded projects.</p>	<p>Delays Linked to Political EMGFrndination:</p> <p>While national stability has improved under the Government of National Unity, political tensions - such as delayed budget approvals - can disrupt the timing of grant disbursements and interfere with the NLC's planning and execution cycles.</p>
		<p>Local Government Capacity Constraints:</p> <p>Ongoing service delivery failures and inefficiencies within local government structures hinder the effective implementation of NLC-funded projects, impacting their visibility, sustainability, and developmental impact.</p>

Economic Factors

The following economic factors have been identified:

- Trade Wars
- Investment and Foreign Equity Outflows
- Unemployment Rates and Disparities
- Recession
- Inflation
- Gross Domestic Product

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

Trade Wars

The current trade wars initiated by the U.S. are expected to reduce global economic growth (CubaBorda, Queralto, Reyes-Heroles, & Scaramucci, 2025). Tariff policies set by the U.S President, Donald Trump, are expected to raise inflation due to the limited accessibility of products and thus reduce the growth of the economy of countries that have been targeted (South Africa included).

Furthermore, these protectionist measures may cause disruptions in the country's supply chain processes, affecting the accessibility of resources for South African citizens and businesses.

Investments and Foreign Equity Outflows

South Africa is currently experiencing the longest streak of foreign equity outflows in 5 years (Business Insider Africa, 2025). Investors have withdrawn a total of USD 3.7 Billion from the stock exchange since October 2024. This has been reflected in the volatility of the currency.

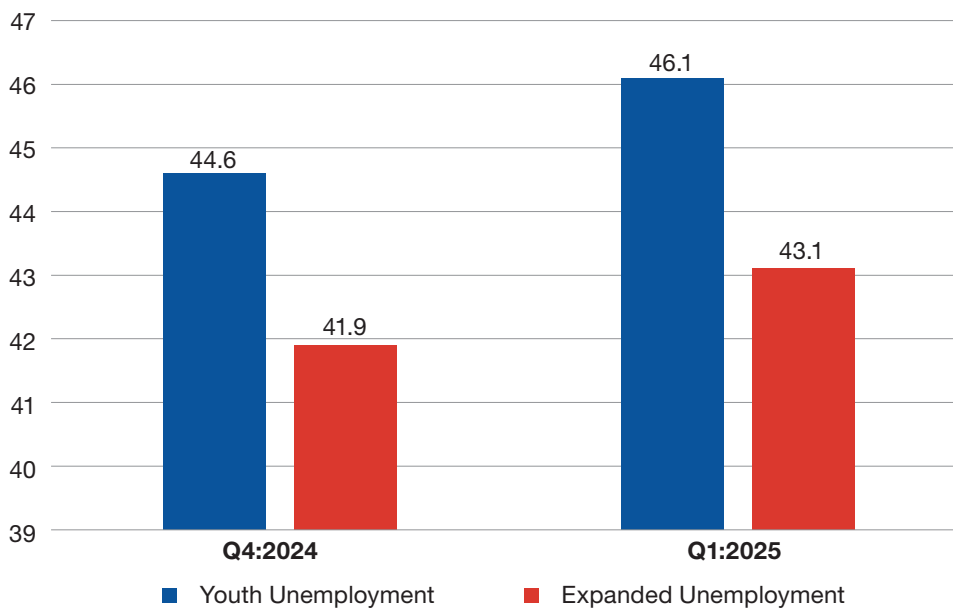
However, South Africa is still receiving a steady inflow of Foreign Direct Investments and has proven to be more stable and diversified compared to other African economies (Strategy&, 2024). Foreign Direct Investments affect economic conditions of emerging markets and boost the growth and innovation of domestic organisations. Through the expansion of existing enterprises or the establishment of new operations, FDI helps in reducing poverty and increasing employment opportunities in South Africa.

Unemployment Rate and Disparities

The Growth and Inclusion Strategy implemented emphasizes a “jobs first” approach, with a focus on digital skills for jobs that are expected to empower the economy and society. Governmental programmes, such as the Presidential Employment Stimulus (PES) launched in 2020, have worked to creating over 2 million jobs since inception (Mabasa, 2025). Despite these efforts, the unemployment rate in South Africa continues to rise. The youth unemployment rate has increased

from 44,6% in the fourth quarter of 2024 to 46,1% in the first quarter of 2025. The expanded unemployment rate has also increased in Q1 of 2025 by 1,2 percentage points to 43,1% from Q4 of 2024 (41,9%) (Stats SA, 2025). This goes to show that as much effort is directed towards improving employment in the country, the economic contexts within which South African citizens find themselves, particularly the rate at which the economy is growing, is not conducive to long-term and sustainable improvements.

Figure 2: South Africa’s Unemployment Rates (%)



Source: Stats SA (2025)

Initiatives such as the PES and The Jobs Fund were created to support innovative, scalable projects that create sustainable employment. These initiatives support the ‘jobs first’ approach by creating jobs around the country for economic development, whether they are temporary, project-based or permanent. Through the expansion of work of the NLC, including providing non-monetary support to grantees and communities, this mandate can further be supported over a more long-term period where social development leads to sustainable economic improvement.

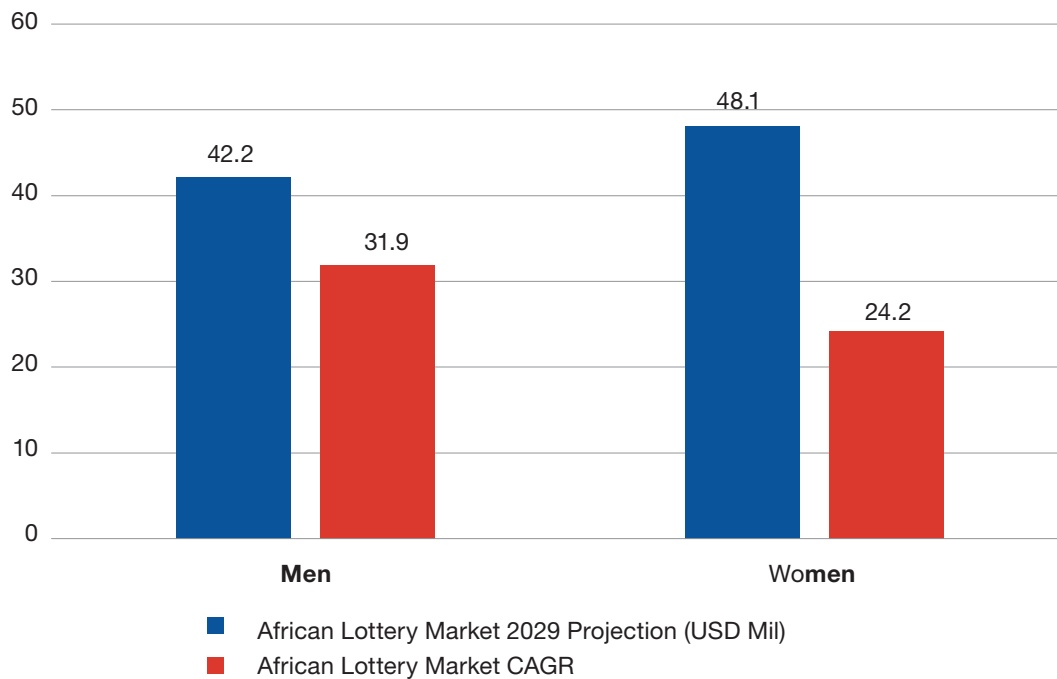
In Q1 of 2025, nearly 6 in 10 unemployed individuals reported to have not had any work experience, which enables the cycle of exclusion as without skills, young people are struggling to find employment and without employment, young people feel they do not have the opportunity to gain skills (Stats SA, 2025).

Furthermore, between Q1:2024 and Q1:2025, discouraged work-seekers also increased by 425 000 (up by 0,2%), and

the number of persons who were not economically active for reasons other than discouragement increased by 63 000 (up by 1,4%) (Stats SA, 2025). Should this continue, the reach and impact of skills development and job creation initiatives to improve the unemployment rate is less guaranteed in 2025 than it was in 2024, as the unemployed individuals are unable to find work in their area, unable to find work related to their skills or have lost hope.

Young women are also reportedly more vulnerable in the labour market than young men. Overall, in Q1 of 2025, young women have a higher rate of NEET (Not in employment, Education or Training) than young men. Furthermore, in 2024, young men had recorded an absorption rate of 31,9% compared to 24,2% for young women (Stats SA, 2025). Youth employment and skills development programmes provide a foundation for young people to gain skills; however, this is challenged by the inability of organisations to retain employees after the programme has ended.

Figure 3: Gender Disparities in the Labour Market



Source: Stats SA (2025)

Recession

In 2025, South Africa faces a 50-60% likelihood of entering a recession (Stewart, 2025). Recessions typically affect consumer behaviour negatively, as people have less disposable income to spend on non-essential goods and services. However, historically, lotteries have shown resilience during economic downturns (The Lottery House, 2024). For example, during the Great Depression in the United States in the 1930s, many states saw an increase in lottery ticket sales. Similarly, during the 2008-2009 recession, despite the global economic slump, lotteries continued to generate substantial revenues.

A 2023 study by the University of Cape Town found that low-income South African households sometimes devote up to 5% of monthly income to lottery tickets. Furthermore, 27.7% of South African lottery players are reportedly unemployed, 24% receive social grants, and 42% earn less than R5,000/month (Warby, 2025). In the next 5 years, if social development remains limited, lotteries may continue to attract marginalised participants, allowing for a high and steady demand, even as average income declines.

Inflation

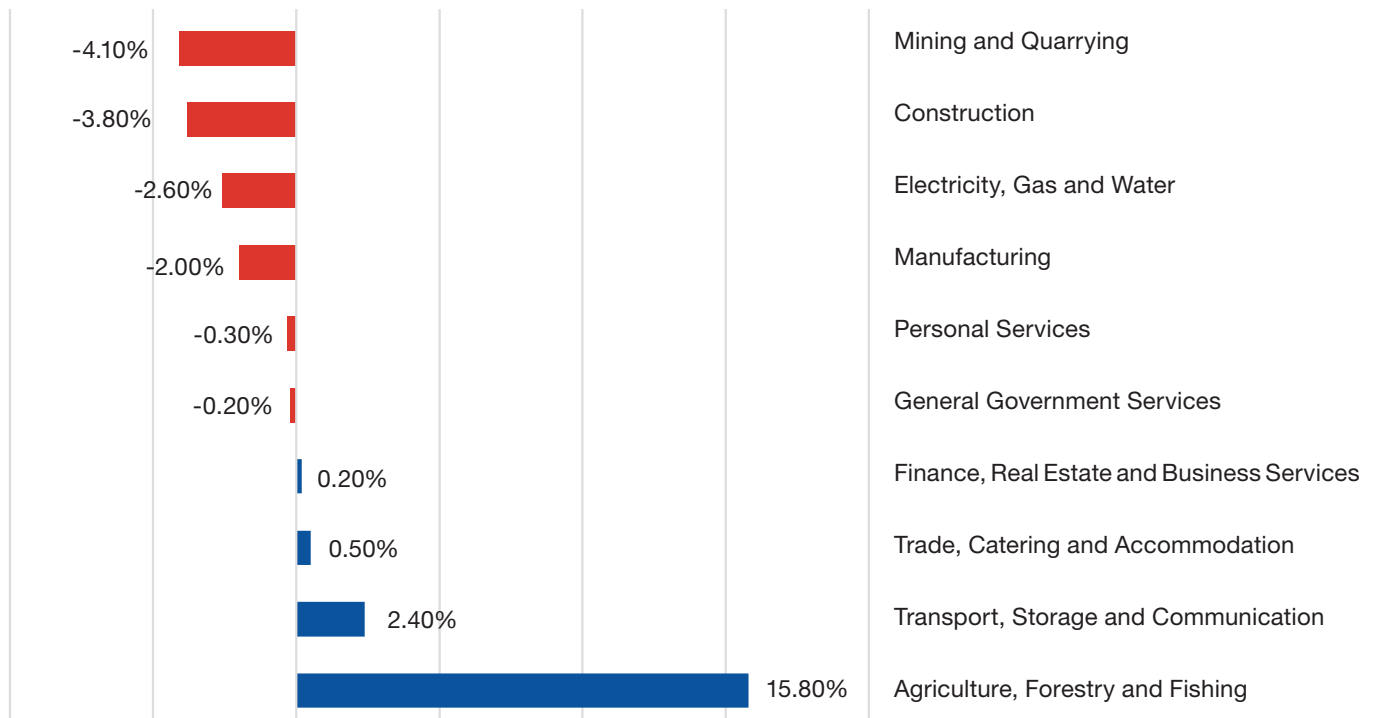
South Africa experienced a slight rise in inflation in January 2025, from 3.0% to 3.2%, which has since declined to 2.8% in May 2025. On a year-to-year basis, inflation reported to be 4.43% in 2024 and is forecasted to decline to 3.79 in 2025 but hold steady and yield 4.5% from 2026 to 2029 (Statista, 2025). Inflation is a key indicator of economic stability as it determines how much of their essentials consumers can afford. A rise in inflation decreases the value of money, which influences the utility of disposable income.

Gross Domestic Product

Despite economic challenges, South Africa's GDP is expected to grow slowly over the next 5 years. Deloitte projects real GDP of 1.7% in 2025 and 1.8% annually through 2027 (Deloitte, 2025), which is an improvement when compared to only 0.6% expansion in 2024 and 0.7% in 2023 (Stats SA, 2025).

Currently, the biggest drivers of the GDP are the Agricultural, Forestry and Fishing sector, followed by the Transport, Storage and Communication sector (Stats SA, 2025).

Figure 4: Industry Growth Rates (Q1:2025 compared with Q4:2025)



Source: Stats SA (2025)

Opportunities and Threats Identified

Table 3: Economic Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
Trade Wars		Trade Wars and Inflation: Global economic instability and domestic inflation reduce disposable income, potentially limiting ticket sales and donor funding.
Investment and Foreign Equity Outflows	Foreign Direct Investment: FDI inflows and public-private partnerships can supplement funding for social impact initiatives, reducing NLC’s financial burden.	Currency Volatility: Ongoing foreign equity outflows and rand instability may complicate budgeting and international transactions.
Unemployment Rates and Disparities		Rising Unemployment and NEET Rates: High youth unemployment can increase dependency on grants while reducing the sustainability of skills development programmes.

Identified Risk	Opportunities	Threats
Growth and Inclusion Strategy	Digital and Inclusive Employment Initiatives: Government focus on digital skills development and job creation aligns with NLC's potential to fund or partner in programmes that boost economic participation.	
	Employment Through Social Investment: Providing additional, non-monetary support to grantees and communities can have a lasting, positive economic impact.	
Gross Domestic Product	GDP Recovery Trajectory: Gradual economic growth, especially in sectors like agriculture and transport, may lead to higher disposable income and increased lottery sales over time.	

Social Factors

The following social factors have been identified:

- HIV/AIDS, TB and STIs
- Poverty and Inequality
- Crime

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

HIV/AIDS, TB and STIs

Currently, 1.1 million people living with HIV know their status but are not on treatment (World Health Organization, 2025). South Africa contributes towards 50% of PEPFARs global HIV treatment goals (Madwantsi, 2025) and has one of the largest HIV populations in the world (approximately 8 million) (UNAIDS, 2025). Although only 17% of the HIV/AIDS budget came from PEPFAR, several members of the key population find themselves left out of treatment plans due to the recent funding cuts. Restoring access to this key population is imperative in the management of HIV/AIDS in the country, as these are people who are most likely to be exposed to the virus and also most likely to spread it.

Furthermore, the accessibility of Anti-Retroviral Therapy (ART) helps to reduce the risk of active TB in patients. People with HIV are more likely to become ill with TB and also have greater TB progression from latent to active TB. Research shows that treating HIV with ARVs reduces the risk of mortality due to TB by between 44% and 71%, as they strengthen the immune system (Carter, 2014).

Regardless of the disruption in funding, South African government and agencies have actively worked towards ensuring that those who are living with HIV have access to treatment, with a projection of 85% of people living with HIV will be on treatment by the year 2028.

Poverty and Inequality

According to the World Bank, poverty is expected to reach 63,5% in the year 2025 (World Bank Group, 2025). This means that over 34,3 million people would be living on under approximately R124 a day. This number is also expected to stay relatively unchanged from 2025 until 2027.

When considering South Africa on a global scale, it records one of the highest inequality rates in the world, whereby the top 20% of the population held over 68% of the wealth in the country in 2017 (International Monetary Fund, 2020).

The connection between poverty and inequality should not be underestimated, as they both perpetuate a cycle that keeps the poor from improving their circumstances.

Through social grants, the government has committed to reducing the Gini coefficient (income inequality) to 0.6 (from 0.63 in 2025) by the year 2030. Extensive social spending has played a major role in the reduction of inequality. According to simulations by the (World Bank Group, 2020), social grants significantly reduce poverty rates and inequality by up to 10 and 7 percent respectively.

Crime

South Africa’s crime rates present a critical barrier in attracting and retaining investments. The perception of safety shapes where and how investors choose to commit their resources. South Africa was named the most dangerous country in

Africa in 2023, characterised by high murder and organised criminal activities (Moloi, 2023). Furthermore, data from the World Population Review (2025) reported the Crime Index in South Africa to be 75.4 in 2024. This means that for every 100 000 people, there are 75 reports of crime in the country. However, crime of this calibre is not random and is indicative of underlying social issues. This high crime rate can be attributed to factors such as high unemployment and poverty, social exclusion, as well as the normalisation of violence in the country (World Population Review, 2025). These do not only sustain cycles of criminal activity but also signal to investors the longterm instability that the country is facing, reducing private sector support.

Crime also raises the cost of doing business. Operations are often negatively affected by criminal activities and divert funds from income-generating activities towards protective and recovery measures.

Opportunities and Threats Identified

Table 4: Social Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
HIV/AIDS, TB and STIs	<p>Funding Gaps in Health Sector:</p> <p>The NLC can step in to fund critical HIV/AIDS, TB, and STI treatment access, especially for vulnerable populations excluded by the PEPFAR freeze, thus improving its social impact reputation.</p>	<p>Public Health Crisis:</p> <p>Loss of major health funding (e.g., USAID, PEPFAR) increases pressure on NLC to divert funds from other development areas.</p>
Poverty and Inequality	<p>Strategic Poverty Alleviation:</p> <p>High poverty and inequality levels present a targeted opportunity for impactful grant making in underserved areas, especially in collaboration with social grant structures.</p> <p>Focus on Youth and Women: Supporting youth employment and gender-sensitive programming can strengthen the NLC’s social license and create long-term economic value.</p>	<p>Entrenched Poverty and Inequality:</p> <p>Persistent socio-economic challenges can stretch NLC resources thin and reduce measurable impact.</p>
Crime		<p>High Crime Rates:</p> <p>Rising crime deters private investment, increases operational costs, and risks NLC assets and personnel, especially in project implementation.</p>

Technological Factors

The following technological factors have been identified:

- Global Digital Transformation
- Digital Platform Economy
- Social Media Trends
- Fifth Industrial Revolution

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

Global Digital Transformation

As consumer behaviour shifts towards digital convenience, driving the use of new innovations and technologies becomes imperative to remain competitive. The lottery industry in particular has seen an increase in the use of tools such as Artificial Intelligence and blockchain for automation and to enhance transparency in processes. Furthermore, there has been increased acceptance of cryptocurrency prize options, using currencies like Bitcoin and Ethereum (Oluwatobi, 2020).

Digital transformation for the operational processes of national and governmental entities have also proven to be cost-efficient. For example, the introduction of the South African Revenue Service e-filing system has proven to streamline processes, reduce inefficiencies and lead to higher compliance rates (Ngcaweni, 2025). However, should there be failure to negotiate reasonable prices and nurture relationships with suppliers, the process towards fully digitised governmental systems will incur unnecessary expenses. Furthermore, without equally strong security measures, transparency and accountability, advanced systems will struggle to earn public trust. Cutting-edge systems need to be paired with rigorous data-protection frameworks and open governance practices to ensure citizens feel both secure and confident in using digital services.

Digital Platform Economy

Digital platforms have centred themselves in the economy – prioritising speed, convenience and reach when connecting with customers. Projections for the digital platform sector indicate that it could contribute as much as R91.4 billion to the South African economy by 2035 (Bhana, 2024).

In the 2022 Census, only 21.1 % of South African households reported to have no access to the internet, and 60.5 % reported to making use of cellphones and other mobile devices (Stats SA, 2024). This reliance on mobile devices, the growth of the online lottery market and the access to the internet establishes a need for robust frameworks that cover all bases and ensure strict compliance to the Protection of Personal Information Act (POPIA) and the Electronic Communications and Transactions Act (ECTA).

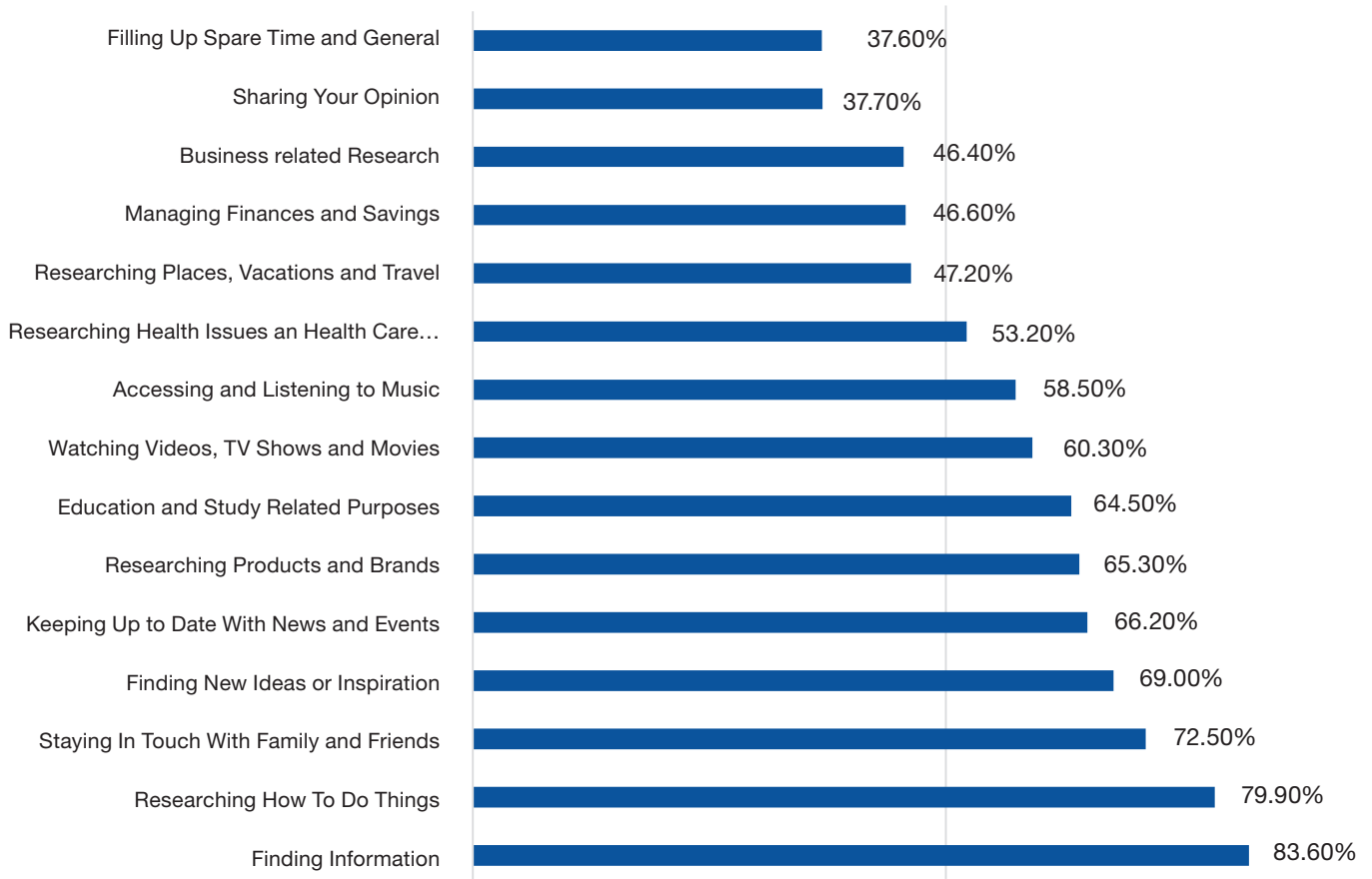
Social Media Trends

Social media has set the tone for global communication and culture. Younger South Africans are increasingly connected and “going viral” has become a huge part of lottery culture. As of January 2024, there were over 45 million internet users in South Africa, of which 26 million were active social media users (Statista, 2025). It is forecasted that the percentage of internet users in the country would increase from 78% in 2022, to 90% by 2027 (Statista, 2025).

Typically, South Africans use the internet to find information, keep in contact with family and friends, as well as to keep up to date with news and events (George, 2024).



Figure 5: Main Reasons for Using the Internet in South Africa



Source: How SA spends time online (2024)

In recent years, short-form video content, with videos typically being between 11 and 60 seconds long, has become a preferred method of engagement. Furthermore, shopping features in applications have also been gaining traction, whereby users can shop for items directly on the app used.

Fifth Industrial Revolution

Globally, there is a new era of industrialisation emerging – where technology no longer seeks to replace human potential but supports it instead. The 5th Industrial Revolution prioritises human-centricity in harnessing technological innovations, not only to drive efficiency, but in collaboration with humans in operational processes as well.

According to Goldman Sachs, 300 million jobs could be displaced globally by AI by 2030 (Kelly, 2023). Goldman Sachs

further estimates that Generative AI alone could eventually increase annual global GDP by 7% (roughly \$7 trillion) and lift global labor productivity growth by 1.5 percentage points annually over a 10-year period (Briggs & Kodnani, 2023). This emphasises the need to keep pace with technological innovations in order to reap the full benefits of the changes that are to come.

Early breakthrough innovations identified by the World Economic Forum include carbon-capturing microbes, reconfigurable intelligence surfaces and integrated sensing and communication (World Economic Forum, 2024). These highlight how technology is shaping a more humane future, stepping in to help solve everyday human problems.

Opportunities and Threats Identified

Table 5: Technological Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
Global Digital Transformation	<p>Digital Lottery Expansion:</p> <p>The growing use of mobile and online platforms provides an opportunity to digitise ticket sales, marketing, and operations, reaching wider and younger audiences.</p>	<p>Cybersecurity Risks:</p> <p>Increased digitalisation without strong protections exposes the NLC to data breaches, fraud, and legal challenges under POPIA and ECTA.</p> <p>Digital Divide:</p> <p>While mobile use is widespread, gaps in internet access may exclude some communities from digital lottery services and communication efforts.</p>
	<p>Blockchain and AI Integration:</p> <p>Adopting technologies like AI for operations and blockchain for transparency could enhance credibility and improve efficiency.</p>	
Social Media Trends	<p>Social Media Engagement:</p> <p>With high internet and social media usage, the NLC can strengthen awareness and public engagement through viral content, influencer partnerships, and short-form video campaigns.</p>	
Fifth Industrial Revolution		<p>Job Displacement from AI:</p> <p>Broader tech shifts may worsen unemployment if not paired with effective upskilling, undermining development objectives</p>

Ecological Factors

The following ecological factors have been identified:

- Climate Change
- Green Project Funding

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

Climate Change

Climate change is considered a major developmental risk in South Africa, posing a threat to both economic progress and social stability. South African temperature is projected to increase by 4 to 6 degrees Celsius by the year 2100 (Department of Environmental Affairs, 2018). This climate change is expected to increase the frequency, intensity and duration of weather-related disasters, thus negatively affecting the development efforts of the country.

Events like 2015-2017 drought and Durban floods have already shrunk agricultural output and stressed vulnerable communities. A global study by PwC found that 44% of people in South Africa believe that these weather events will affect their ability to do their job (PwC Global, 2024). Climate-related challenges also drive up the cost of living and damage infrastructure, making it harder for South Africans to achieve sustainable growth.

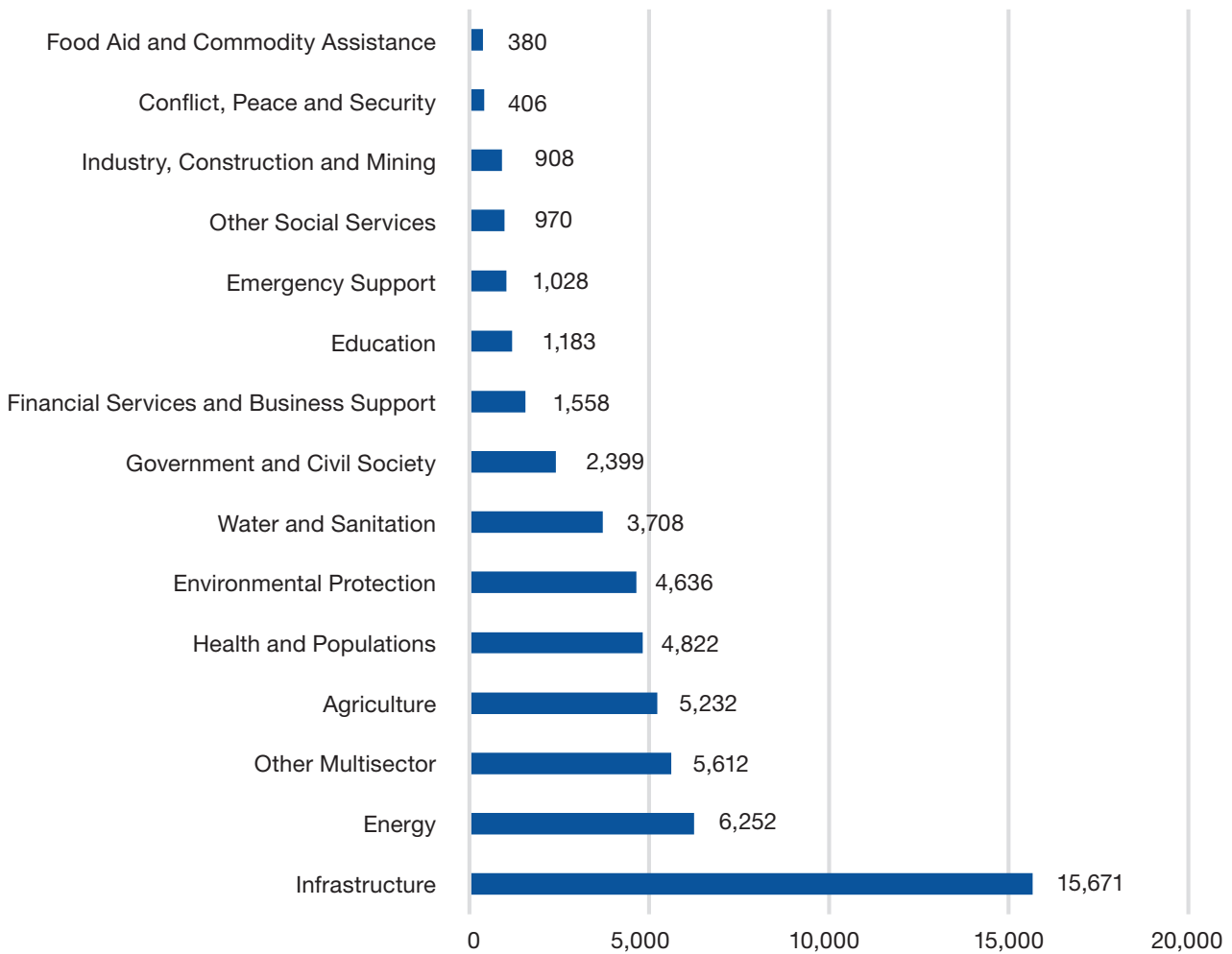
Furthermore, due to the socio-economic status of the country, immediate social development projects often take priority over green initiatives, whose benefits unfold only in the longer term. Limited budgets and urgent needs direct focus on poverty alleviation, healthcare and education, sidelining environmental sustainability. This can have substantial future implications, as Africa is a continent most vulnerable to climate shocks, even though it only contributes the least amount to gas emissions of all continents (ECA, 2023). To safeguard both welfare and the environment, urgent social imperatives and long-term ecological stability have to advance in parallel.

Green Project Funding

As environmental challenges intensify, green project funding has become increasingly crucial in the global shift towards sustainable development and climate resilience. This trend is reflected in the rise of green grants, which support initiatives aimed at reducing carbon footprints, conserving natural resources, and fostering sustainable practices. For example,

a total R1.5 billion has been invested in developing green hydrogen projects in South Africa (South African Broadcasting Commission, 2025). Globally, the Development Assistance Committee (DAC) member countries, including the likes of Japan, Germany and the United States of America, reportedly donated USD 55.9 billion towards green projects in the year 2023 (DonorTracker, 2023) .

Figure 6: DAC Donors' Climate Change-Related Commitments by Sector



Green Project Funding

As environmental challenges intensify, green project funding has become increasingly crucial in the global shift towards sustainable development and climate resilience. This trend is reflected in the rise of green grants, which support initiatives aimed at reducing carbon footprints, conserving natural resources, and fostering sustainable practices. For example, a total R1.5 billion has been invested in developing green hydrogen projects in South Africa (South African Broadcasting

Commission, 2025). Globally, the Development Assistance Committee (DAC) member countries, including the likes of Japan, Germany and the United States of America, reportedly donated USD 55.9 billion towards green projects in the year 2023 (DonorTracker, 2023) .

With abundant solar, wind and hydro potential, as well as a large youth population, Africa is seen as a key contributor to green projects, as it holds over half of the best resources and minerals to decarbonize energy and transport (Zero Carbon

Analytics, 2024). However, the challenge lies in the lack of infrastructure and limited access to finances to support large scale green projects on the continent.

As the world shifts towards increasing the use of nuclear energy for power, Africa and South Africa are further left behind the curve of innovation due to financial constraints.

Opportunities and Threats Identified

Table 6: Ecological Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
Climate Change		<p>Direction of Funds:</p> <p>Given the country’s current socioeconomic conditions, social development projects may take priority over green initiatives, which yield longerterm, less immediate results.</p> <p>Inadequate Infrastructure and Finances:</p> <p>Africa, including South Africa, struggles to scale green projects due to limited infrastructure and financing. These constraints continue to push South Africa further behind in energy innovation.</p>
Green Project Funding	<p>Green Project Funding:</p> <p>The rise of green financing offers the NLC a chance to prioritise and fund climate adaptation and renewable energy projects.</p> <p>Sustainability Partnerships:</p> <p>South Africa’s natural endowments (solar, wind, minerals) open doors for NLC-funded innovation hubs focused on green tech and youth entrepreneurship.</p>	

Legal Factors

The following legal factors have been identified:

- Legislation and Regulations
- Litigation

This section discusses each factor in turn, and then identifies risks and opportunities linked to each factor.

Legislation and Regulations

The National Lotteries Commission operates within a framework set by the National Lotteries Commission in

conjunction with broader public sector requirements (i.e the mandate of the Department of Trade, Industry and Competition). The NLC has taken strides to ensure good governance and maintain transparency and accountability. However, strict legal compliance tends to distance the organisation from its fundamental mandate: to serve and uplift South African communities through equitable funding distribution. A balanced approach is essential, where legal obligations are upheld as a foundation that supports, rather than overshadows, the NLC’s developmental mission.

Additionally, in an effort to promote responsible gaming and consumer protection, regulators are imposing stricter controls in the industry. The National Lotteries Act is currently under

review, 12 years after the previous amendment, and with digitisation, the POPIA and ECTA are key protectors against the misuse of information shared on digital platforms.

Digital platforms have the ability to collect vast amounts of information from users; therefore, it is of utmost importance that robust measures and infrastructures are in place to prevent breaches and cybercrimes from taking place.

The Remote Gambling Bill was also introduced to parliament in 2024 in order to regulate interactive gambling and to provide for uniform norms and standards in respect of remote gambling. This act will prohibit consumers from participating in or providing interactive games to others unless they are authorised in terms of the Act or other national legislation. This will help mitigate the financial effects of illegal gambling, especially in a digital and mobile world. This law also expands the consumer base of the South African lottery, as players are no longer limited by geographical factors.

Opportunities and Threats Identified

Table 7: Legal Factor Opportunities and Threats

Identified Risk	Opportunities	Threats
Legislation and Regulation	<p>Reform of the National Lotteries Act:</p> <p>Updates in the legal framework provide an opportunity to modernise the regulatory environment, especially in light of digital transformation.</p>	<p>Stricter Regulation:</p> <p>New legal controls may increase compliance burdens and limit agility in adapting to emerging market trends or launching new products.</p>
	<p>Remote Gambling Bill:</p> <p>This law expands access to remote, regulated gaming, offering new avenues for lottery revenue and wider inclusion of rural and remote participants.</p>	
Litigation		<p>Ongoing Litigation:</p> <p>Legal battles due to corruption scandals can damage reputation, drain resources, and distract from core functions.</p>

Strategic Implications

This chapter consolidates the key opportunities and threats identified in the PESTEL environmental analysis. It highlights the major themes emerging across political, economic, social, technological, environmental, and legal dimensions, and identifies strategic issues most relevant to the NLC's mandate

Litigation

Public scandals and cases of corruption give rise to elongated litigation processes. This not only delays justice but also weakens public trust in organisations that provide social development services. Lengthy legal battles can disrupt operations, reduce revenue, and lead to significant costs for the organisation, further leading to budget constraints or delays in resource allocation.

On the other hand, investigation processes can be seen as anti-corruption measures as they highlight the inefficiencies of current systems in place. These can then be improved through the integration of more reliable and transparent systems.

and operating environment. The aim is to surface the top priorities for consideration in future planning and decision-making.

The table below summarises the opportunities and threats categorised under each PESTEL factor, as drawn from the environmental scan.

Table 8: Opportunities and Threats Identified

Identified Risk	Opportunities	Threats
Political	<ul style="list-style-type: none"> Support for Government Self- Sufficiency Goals: AfCFTA Integration Political Stability and Investor Confidence 	<ul style="list-style-type: none"> Reputational Risk from Public Scandals Perception of Political Interference External Expectations Beyond Mandate Cross-Border Regulatory Pressures: Delays Linked to Political EMGFrmination Local Government Capacity Constraints
Economical	<ul style="list-style-type: none"> Foreign Direct Investment Digital and Inclusive Employment Initiatives Employment Through Investment GDP Recovery Trajectory 	<ul style="list-style-type: none"> Trade Wars and Inflation Currency Volatility Rising Unemployment and NEET Rates
Social	<ul style="list-style-type: none"> Funding Gaps in Health Sector Strategic Poverty Alleviation Focus on Youth and Women 	<ul style="list-style-type: none"> Public Health Crisis Entrenched Poverty and Inequality High Crime Rates
Technological	<ul style="list-style-type: none"> Digital Lottery Expansion Blockchain and AI Integration Social Media Engagement 	<ul style="list-style-type: none"> Cybersecurity Risks Digital Divide Job Displacement from AI
Ecological	<ul style="list-style-type: none"> Green Project Funding Sustainability Partnerships 	<ul style="list-style-type: none"> Direction of Funds Inadequate Infrastructure and Finances
Legal	<ul style="list-style-type: none"> Reform of the National Lotteries Act Remote Gambling Bill 	<ul style="list-style-type: none"> Stricter Regulation Ongoing Litigation

Strategic Themes Emerging from Environmental Analysis

The PESTEL scan reveals several overlapping themes that have strategic implications for the NLC. These themes highlight both risks and opportunities arising from shifts in the political, economic, social, technological, environmental, and legal landscape. Grouping the findings in this way helps the NLC focus its strategy on the most influential and actionable areas in its external environment.

Rebuilding Public Confidence in Governance

Issue: Ongoing concerns around the Sizekhaya appointment and legacy corruption have led to sustained public and political scrutiny of the NLC, threatening stakeholder confidence – even where current leadership is not at fault.

Threat: Continued perception of weak governance can erode public trust, reduce lottery participation, and undermine legitimacy.

PESTEL Factors: Political, Legal

Shifting expectations Following Donor Withdrawal

Issue: The exit of major health funders like USAID and PEPFAR has created visible funding gaps in HIV/AIDS and TB treatment, especially for vulnerable populations. Public pressure is rising for institutions like the NLC to help close these gaps.

Opportunity: The NLC can selectively fund initiatives that align with its mandate, strengthening its value to underserved communities.

Threat: Stretching beyond its scope may dilute impact and create long-term strategic drift.

PESTEL Factors: Political, Social, Economic

Regional Integration and Regulatory Pressure (AfCFTA)

Issue: South Africa's participation in AfCFTA introduces new legal and technological standards that could affect how the NLC operates, especially around digital lottery infrastructure and cross-border activities.

Opportunity: Adapting systems early can position the NLC as a regional leader in compliant, modern lottery governance.

Threat: Delay in adapting may limit growth or trigger legal and regulatory challenges

PESTEL Factors: Political, Legal, Technological

Political Stability vs Operational Delays

Issue: While the Government of National Unity brings improved political stability, internal delays (e.g. budget approvals) continue to affect planning and grant cycles.

Threat: Prolonged administrative bottlenecks may delay funding disbursements and disrupt programme delivery.

PESTEL Factors: Political

Local Government Delivery Gaps

Issue: Many NLC projects rely on local governments, which frequently suffer from weak oversight and poor implementation capacity.

Threat: Inefficiencies at municipal level can waste resources and damage the NLC's developmental reputation.

Opportunity: The NLC can adopt a more hands-on role in monitoring, evaluation, and delivery partnerships.

PESTEL Factors: Political, Legal, Technological, Social
Economic Pressure and Inflation Risk

Issue: Economic instability – including rising inflation, high youth unemployment, and rand volatility – continues to affect South Africans' disposable income and increases pressure on grantees.

Threat: Financial strain may reduce ticket sales and raise the cost of operations and project implementation.

PESTEL Factors: Economic

Resilience of Lottery During Downturns

Issue: Despite broader economic pressures, historical patterns suggest lottery participation often remains stable or

increases in recessions.

Opportunity: The NLC can maintain or grow revenue even during economic hardship, supporting continuity in social funding.

PESTEL Factors: Economic

Supporting Economic Participation through Employment

Issue: The state's focus on job creation and digital inclusion aligns with NLC's funding scope.

Opportunity: Funding skills development and inclusive digital economy initiatives allows the NLC to play a catalytic role in economic transformation.

PESTEL Factors: Economic, Social

Addressing Social Vulnerabilities

Issue: Poverty, inequality, and youth exclusion continue to drive social instability and hamper longterm development.

Threat: Persistent inequality can reduce the effectiveness of NLC-funded programmes by increasing dependency and lowering project sustainability.

Opportunity: Targeted NLC grant-making in marginalised areas can create lasting social value.

PESTEL Factors: Social, Economic

Crime and Safety Challenges

Issue: High crime levels increase operational risk for NLC staff and grantees, while deterring private investment in supported projects.

Threat: Project disruption and higher security costs reduce effectiveness and attractiveness of NLC interventions.

PESTEL Factors: Social

Embracing Digital Transformation

Issue: South Africa's growing digital landscape creates pressure and opportunity for NLC to modernise its operations and engagement models.

Opportunity: Digital platforms, cybersecurity measures, social media, and emerging tech (e.g., blockchain, AI) can drive efficiency and trust.

Threat: Gaps in access and cybersecurity readiness could expose the NLC to legal risk and reputational harm.

PESTEL Factors: Technological, Legal, Social

Sustainability and Climate Alignment

Issue: Global sustainability trends are shaping development agendas, and donors are shifting toward green finance.

Opportunity: The NLC can support green projects, renewable energy, and youth-led climate initiatives, increasing developmental relevance and attracting aligned partners.

PESTEL Factors: Environmental, Economic
Legislative and Policy Fluidity

Issue: Regulatory reform (e.g., Lotteries Act and Remote Gambling Bill) continues to reshape the operating environment.

Opportunity: The NLC can engage early to influence legislation and leverage openings for innovation and expanded reach.

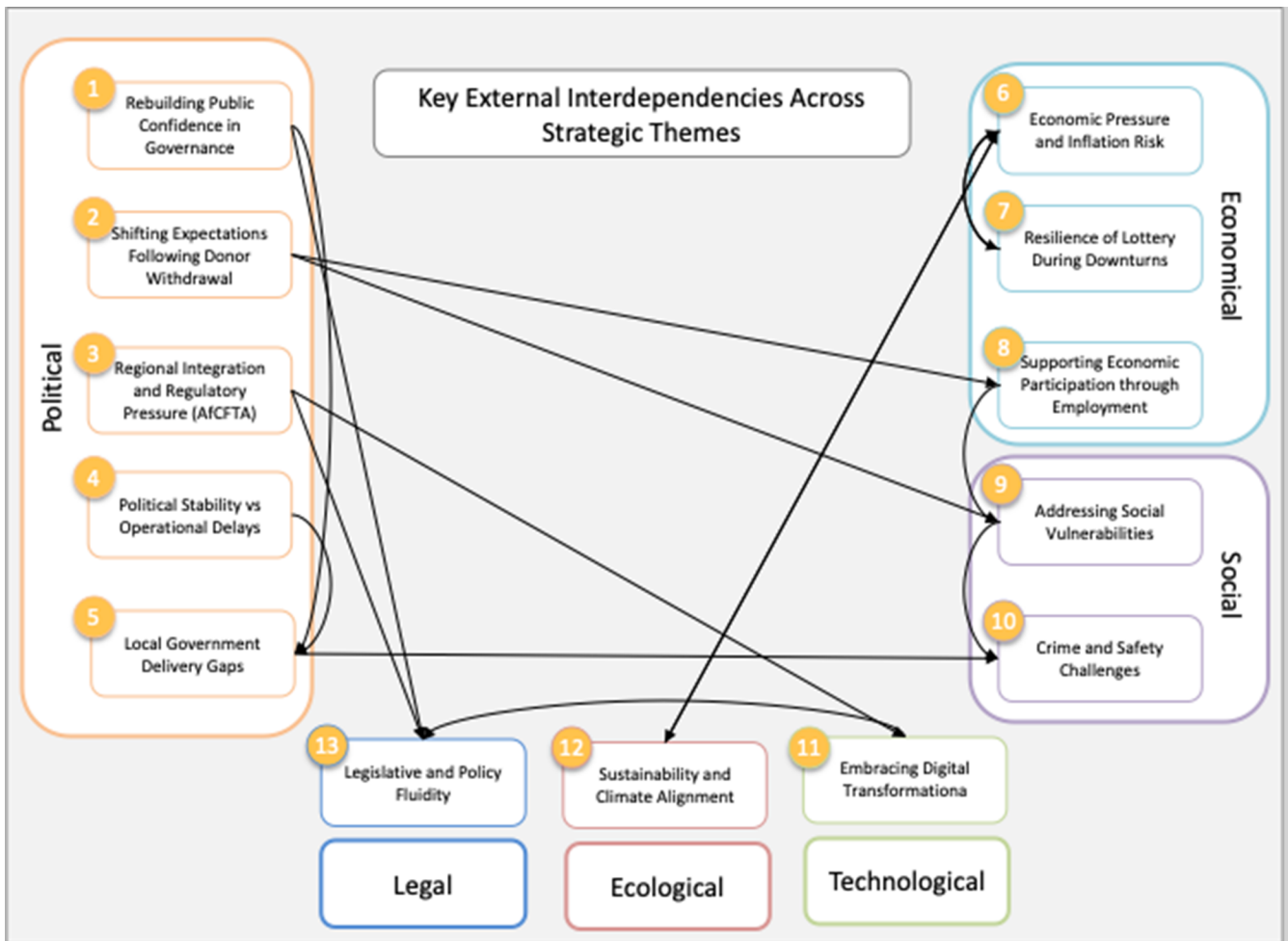
Threat: Stricter compliance burdens or unresolved litigation may slow strategic agility or damage reputation.

PESTEL Factors: Legal, Political

Mapping Strategic Interdependencies: PESTEL Themes and Influence Matrix

This section presents a visual representation of the key external factors identified through the PESTEL analysis. Each theme is categorised under its primary driver while selected links between factors are illustrated to show where one may influence or be influenced by another. Only the most relevant interdependencies are highlighted to support a focused and strategic interpretation of the external landscape.

Figure 7: Interdependencies Across Themes



The interdependencies mapped between the NLC’s key external themes reveal several critical leverage points for strategic planning. Most notably, governance, economic pressure, and local delivery capacity emerge as central drivers, influencing a wide range of other factors. For example, Rebuilding Public Confidence in Governance (Theme 1) links directly to both Local Government Delivery Gaps (Theme 5) and Legislative and Policy Fluidity (Theme 13), suggesting that reputational recovery is not solely a communications challenge but one rooted in systemic reform and legislative credibility.

Similarly, economic conditions underpin multiple dimensions of the NLC’s operating environment. Economic Pressure and Inflation Risk (Theme 6) is shown to affect both Lottery Resilience (Theme 7) and Sustainability and Climate Alignment (Theme 12). This highlights the dual challenge the NLC faces: ensuring financial sustainability during macroeconomic instability, while also responding to shifting developmental priorities such as green finance and inclusive growth.

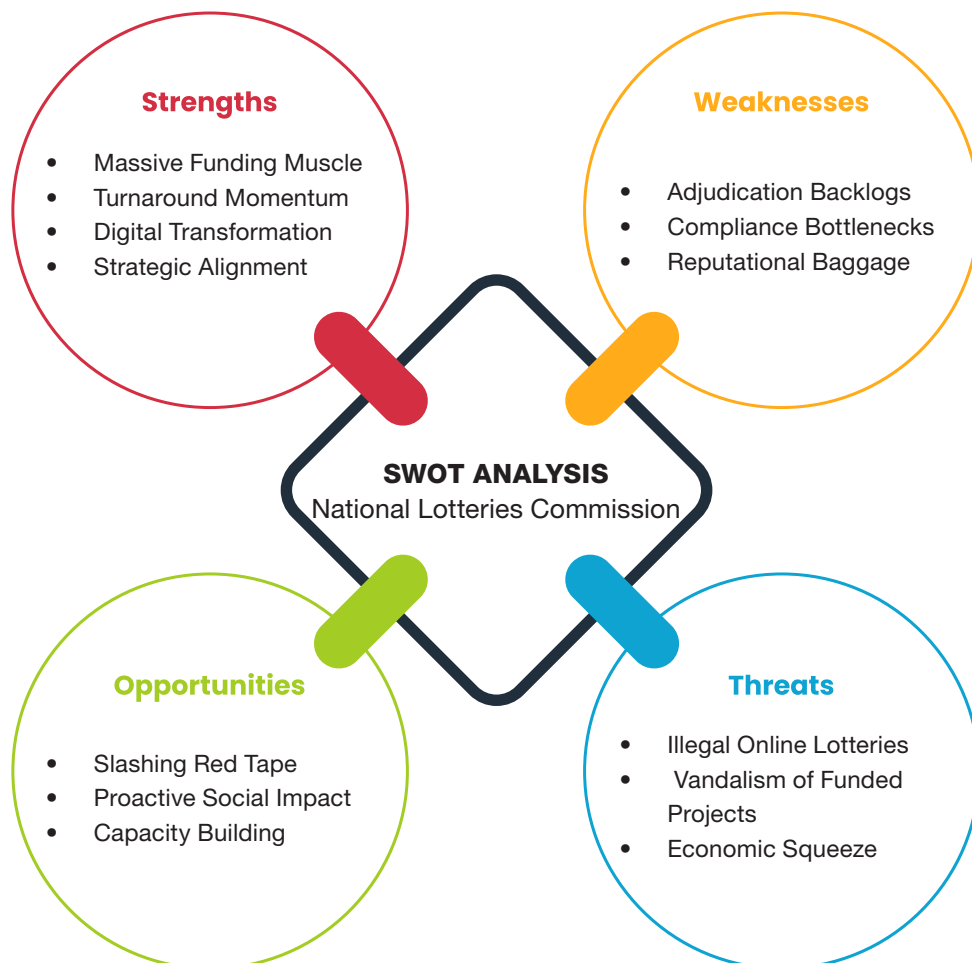
Social vulnerabilities also form a dense cluster of related challenges. The withdrawal of major donors (Theme 2) and

the state’s focus on employment (Theme 8) both converge on Addressing Social Vulnerabilities (Theme 9), reinforcing how inequalities, unemployment, and underfunded public health systems are interlinked. These connections suggest that the NLC’s grant-making can have greater long-term impact if it takes an integrated approach to social development.

Finally, the map reflects a clear link between innovation and regulatory readiness. Both AfCFTA-related pressures (Theme 3) and Digital Transformation (Theme 11) ultimately connect to Legislative and Policy Fluidity (Theme 13), underscoring that technological advancement will remain limited unless supported by adaptive, enabling legal frameworks.

Overall, the diagram underscores that while each external force may be analysed individually, their influence is deeply interconnected. The NLC’s strategic success will depend on how well it responds to these cross-cutting pressures – particularly by strengthening governance, managing economic volatility, and ensuring that implementation capacity keeps pace with public and legislative expectations.

2. HIGH LEVEL SWOT



STRENGTHS

- a. **Massive Funding Muscle:** The NLC remains the biggest grant funder in the country distributing billions of rands annually to uplift charities, arts, and sports development.
- b. **Turnaround Momentum:** The new leadership is hard at work to clean house, moving past previous scandals and recently scoring an unqualified audit opinion for the 2024/25 financial year.
- c. **Intelligent Digital Transformation:** The rollout of the new Thuthuka online grant-management system is modernizing the application process, creating better tracking, and blocking loopholes for fraud by using Block Chain and AI.
- d. **Strategic Alignment:** The entity's mandate ties perfectly into the 7th Administration's MTDP and the dtic's drive for grassroots job creation and poverty alleviation.
- e. **Governance:** Improved governance and audit outcome.

WEAKNESSES

- a. **Turnaround times:** Delays in processing grants are still a concern as many desperate community organizations depend on funding for survival.
- b. **Compliance Bottlenecks:** Many NPOs remain non-compliant as they struggle to navigate the SARS, CIPC, and DSD red tape required to qualify for funding.
- c. **Reputational Baggage:** The shadow of historical corruption, SIU investigations, and frozen assets still requires the NLC to spend heavy resources on restoring public trust.

OPPORTUNITIES

- a. **Slashing Red Tape:** By leaning into the dtic's proposed Omnibus Bill, the NLC can streamline regulations to make it easy for legitimate, under-resourced community projects to access funds.
- b. **Proactive Social Impact:** The revival of Research-Based Funding (formerly Proactive Funding) under strict new internal controls allows the NLC to directly target and fund critical infrastructure without waiting for applications.
- c. **Capacity Building:** Rolling out nationwide workshops to upskill local NPOs on financial compliance and governance ensures funding actually reaches marginalized rural communities instead of just well-resourced urban NGOs.

THREATS

- a. **Illegal Online Lotteries:** Unregulated, unauthorized gambling operators and foreign lotteries are cannibalising lottery ticket sales, threatening the core revenue stream

meant for good causes.

- b. **Vandalism of Funded Projects:** A lack of post-disbursement security means many NLC-funded community sites—like old-age homes and rehab centers—are being looted and stripped before they even open.
- c. **Economic Squeeze:** With the rising cost of living and a tough economy, the demand for financial relief from civil society far outstrips the NLC's available budget.

1. WOMEN, YOUTH AND PWD

The NLC functions as a primary catalyst for socio-economic development, intentionally directing capital to empower women, youth, and persons with disabilities. The organization's operational mandate enforces rigorous inclusion criteria to ensure under-resourced communities achieve sustainable economic participation.

1. Strategic Initiatives for Women: The NLC implements aggressive funding frameworks to advance gender equity and combat systemic socio-economic challenges:

- **Gender-Based Violence (GBV) Mitigation:** A dedicated focus from the Research Based Funding budget has been earmarked specifically for GBV initiatives. This finances safe havens, preventative frameworks, and community-level advocacy programs.
- **Enterprise and Cultural Development:** Strategic investments are directed toward the commercialization of arts and crafts produced by women run NPO's, enabling sustainable micro-enterprise growth.
- **Preferential Procurement:** Demonstrating a tangible commitment to economic transformation, the NLC has channeled over R66 million in procurement expenditure in the 2024/25 financial year directly to women-owned enterprises, a significant milestone for inclusive supply chains.

2. Youth Empowerment and Development: Addressing the problem of high youth unemployment requires targeted programmatic support and grassroots infrastructure investment:

- **Early Childhood Development (ECD):** The NLC allocates a significant amount to ECD's, supporting infrastructure, operational overheads, and educational resources within low-income demographics.
- **Rehabilitation and Skills Transfer:** Funding is actively deployed toward entrepreneurial training and critical diversion programs. These initiatives aim to rehabilitate youth in conflict with the law, equipping them with viable market skills for employment.
- **Preferential Procurement:** To stimulate youth-led economic participation, in 2024/25 over R16 million in

procurement spend successfully awarded to youth-owned SMEs.

3. Inclusion of Persons with Disabilities: The NLC enforces strict accessibility compliance and targeted financial support to dismantle structural barriers for persons with disabilities:

- **Infrastructure Accessibility:** The Sports and Recreation Distributing Agency legally mandates that all funded capital projects prioritize universal access, ensuring inclusive participation in community sports facilities.
- **Specialized Care and Education:** Within the Charities portfolio, substantial grants are awarded to NPOs providing specialized healthcare, special needs education, and vocational training tailored specifically for persons with disabilities.
- **Preferential Procurement:** The organization actively diversifies its vendor database to promote equity, executing over R11 million in procurement spend with enterprises owned by persons with disabilities.

By enforcing these targeted funding mechanisms and inclusive supply chain policies, the NLC continues to drive systemic

change and foster a highly equitable economic landscape.

**2. ALIGNMENT TO DTIC PRIORITIES
THE ECONOMIC CLUSTER FRAMEWORK
SUMMARY-**

The dtic blue- sky outputs for Growth Plan- 2025- 2030

The NLC’s APP seeks to align with the 7th administration’s three strategic priorities, namely, inclusive growth and job creation, poverty reduction and tackling the high cost of living; and building a capable, ethical and developmental state. The following ten core outputs were set out as areas of focus for the economic cluster for the Medium-Term Development Plan (MTDP). These areas of concentration represent significant government initiatives that are broadly detailed in the 7th administration three strategic priorities. The NLC will contribute to the attainment of the core targets, the blue-sky outcomes and the concept of 3D’s (Diversification, De-carbonisation, and Digitalisation). The NLC contribution is succinctly depicted below:

CORE TARGETS	THE NLC CONTRIBUTION
Inclusive growth and Jobs Created	Inclusive growth and job creation by supporting programs, through grant funding, implemented by grantees to create or retain jobs across the sectors provided in the Lotteries Act. At least 36 000 jobs will be created or retained during the medium-term period, with 3500 earmarked for 2026/27 FY to contribute to long-term societal growth, stability, and prosperity.
Red- tape Reduction - Improved processes and creating an enabling environment for companies by reducing red tape and unlocking bottlenecks	<ul style="list-style-type: none"> • The modernisation of processes and systems. • Reduction of disbursements timeliness • A fully integrated and digitised management system enrolled to track and monitor service efficiency. • Enhancing accessibility, transparency, and ease of use. • Streamlined operations to reduce costs, turnaround times and the overall effectiveness of service delivery • Business processes to increase productivity and reduce inefficiencies across operations.
Omnibus regulations	<ul style="list-style-type: none"> • Creating an enabling environment for companies through fast tracking of legislation, other instruments, reducing red tape and unlocking bottlenecks, through continuation of the review and amendment of the Lotteries Act and its Regulations in the main • Simplified legislative and regulatory processes to expedite service delivery and facilitate smoother operations across the NLC
Illicit trade	<ul style="list-style-type: none"> • Prevention of illegal lotteries and schemes and enforcement • Regulatory compliance and the reduction of illegal schemes
Workforce Readiness and skills for the Economy	<ul style="list-style-type: none"> • The NLC will place at least 275 graduates and student learners for experiential learning and internship programs to enhance skills and employability. 60 placements for 2026/27 financial year. Through the Y.E.S program initiative, the intake is likely to increase during the MTDP period.
SMMEs Supported- 255 000	<ul style="list-style-type: none"> • The NLC commits to supporting 500 SMME’s over the 5- year MTDP period.110 SMME’s for 2026/27 FY. • Through Enterprise Supplier Development (ESD) initiatives, the NLC would support a minimum of 80 SMME’s over the MTDP period, with 22 SMME’s supported in 2026/27. • From the Supplier development through the Operator, the requirements of the new license will inform the Supplier Development initiatives.

CORE TARGETS	THE NLC CONTRIBUTION
International Tourist Arrival- 14.9 million	The NLC will attempt to attract more applications from the tourism sectors, but that will not address the R15m output required. A dent of 2.5% at most, to a greater degree, most of the applications will be for profit and outside the NLC funding scope.
Subsistence Farmers- 441 000	The NLC call for applications under Research Based Funding model for food security concept will contribute towards this priority area. The dependency is on the applications received; numbers can only be quantified post funding.
Transformation- 200 industrial Parks + DDM	Grants will be segmented with the minimum allocation of 5% to all provinces to transform the communities within DDM.

ENRICHING
COMMUNITIES THROUGH
SKILLS DEVELOPMENT.



PART C

MEASURING OUR PERFORMANCE



Institutional Programme Performance Information

Programme 1	Administration and Business Support
Purpose	To ensure that the NLC restores governance and integrity with zero tolerance for fraud and corruption. To implement responsive systems and processes.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTDP Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Enhanced stakeholder trust and confidence in NLCSA as a fair and transparent regulator & funder	Education and awareness	1. Number of people reached nationally through education and awareness engagements	80 education and awareness engagements conducted nationally	Conduct 132 education and awareness engagements nationally	Conduct 90 education and awareness engagements nationally 27 861 people reached through education and awareness	Conduct 120 education and awareness engagements nationally	Reach 30 000 people nationally through education and awareness engagements	Reach 32 000 people nationally through education and awareness engagements	Reach 34 000 people nationally through education and awareness engagements
Enhanced stakeholder trust and confidence in NLCSA as a fair and transparent regulator & funder	Service and Transparency	2. Percentage of grant payments published on the NLC's website		204 case studies packaged and profiled	Profile 100 case studies of organisations and communities impacted by NLC measures	Profile 100 good stories of the NLC	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end
Improved governance and compliance for NLC	Optimise returns to good causes	3. Percentage disbursement of grants as per GNR644, 6(c)(iv)	85% of grants disbursed in line with the regulated 60 days timeframe	83% of grants paid in line with the regulated 60 days timeframe	25% reduction in timelines for payment of grantees	70% of grants paid in line with the regulated 60 days timeframe	90% of grants paid in line with the regulated 60 days timeframe	95% of grants paid in line with the regulated 60 days timeframe	100% of grants paid in line with the regulated 60 days timeframe
Enhanced empowerment, equity and inclusivity through improved B-BBEE status	Annual B-BBEE verification certificate obtained and published	4. Improvement on the NLC B-BBEE Status			Level 6 verification achieved	Level 8 verification achieved	Obtain Level 3 B-BBEE verification	Obtain Level 2 B-BBEE verification	Obtain Level 1 B-BBEE verification

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTDP Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Restore NLC Governance and Credibility	Institutionalisation of NLC Fraud and Anti-bribery Management	5.Implementation of the Anti-Bribery Management System (ISO 37001:2025)	-	Enterprise Wide Fraud Risk Assessment	Cultivating a skilled, ethical team through the change management framework	100% of organisational compliance risks managed	Fully implemented Anti-Bribery Management System (ISO 37001:2025)	Surveillance Audit Certification	Surveillance Audit Certification

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1. Number of people reached nationally through education and awareness engagements	Reach 30 000 people nationally through education and awareness engagements	Reach 10 000 people nationally through education and awareness engagements	Reach 20 000 people nationally through education and awareness engagements	Reach 25 000 people nationally through education and awareness engagements	Reach 30 000 people nationally through education and awareness engagements
2. Percentage of grant payments published on the NLC's website	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end	Publish 100% of grant payments on the NLC's website within 10 days of month-end
3. Percentage disbursement of grants as per GNR644, 6(c)(iv)	90% of grants paid in line with the regulated 60 days timeframe	90% of grants paid in line with the regulated 60 days' timeframe	90% of grants paid in line with the regulated 60 days' timeframe	90% of grants paid in line with the regulated 60 days' timeframe	90% of grants paid in line with the regulated 60 days' timeframe
4. Improvement on the NLC B-BBEE Status	Obtain Level 3 B-BBEE verification	Conduct a baseline B-BBEE assessment to identify gaps and produce an improvement plan with clear targets per element	Implement 100% of the targeted interventions to address the gaps	Produce the supporting documentation and POE for verification by an accredited agency	Obtain official Level 3 B-BBEE verification with a SANAS-accredited agency

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
5. Implementation of the Anti-Bribery Management System (ISO 37001:2025)	Fully implemented Anti- Bribery Management System (ISO 37001:2025)	Obtain the Anti-Bribery Management ISO 37001:2025 Certification	All identified high-risk business units subjected to Anti-Bribery Management System continuous training and due diligence reviews	Conduct an internal Anti-Bribery Management System continuous compliance assessment to ensure closure of any minor non-conformities/observations.	Submit an Anti-Bribery Management System Management Review Report to Exco, including an evaluation of the anti-Bribery culture within the NLC.

*ISO 37001 Anti-bribery Management System is a standard enacted by the International Standard Organization (ISO). It provides a mechanism and structured approach to the way organisation's should prevent, detect, respond and continuously improve the control environment as it relates to bribery and corruption. Certification Audit in this standard looks into: tone from the top, policies, due diligence in all business areas, assurance provided by management and the Board as well as measures for continuous improvement.

Programme 2	Regulatory Compliance
Purpose	Restoring the NLC to its core mandate of regulatory compliance and reinstating its credibility

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTDP Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Increased effectiveness, inclusivity and efficiency in regulatory processes	Enhanced measures to regulate lotteries and sports pools	6. Percentage of identified compliant lottery schemes with the Lotteries Act	Conduct investigations on 100% of all identified and reported lottery schemes	50% increase in the number of compliant lottery schemes	75% increase in the number of compliant lottery schemes	80% of lottery schemes are compliant with the Lotteries Act	100% of identified lottery schemes are compliant with the Lotteries Act	100% of identified lottery schemes are compliant with the Lotteries Act	100% of identified lottery schemes are compliant with the Lotteries Act
Full adherence to the National Lottery and Sports Pools Licence conditions	A fair and safe National Lottery and Sports Pools	7. Percentage Compliance monitoring of the National Lottery and Sports Pools Licence conditions		Implementation of the National Lottery & Sports Pools Monitoring Matrix	Implementation of the National Lottery & Sports Pools Monitoring Matrix	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% Compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% Compliance monitoring of the National Lottery and Sports Pools Licence conditions
Reduce poverty and tackle the high cost of living	Driving compliant societies lotteries	8. Percentage implementation of the measures to increase the uptake of society lotteries			Assess society lottery applications and assist NPOs to comply with the Act	Conduct research on measures to increase the uptake of society lotteries	Implement 75% of the recommendations from the research conducted on the uptake of society lotteries	Implement 85% of the recommendations from the research conducted on the uptake of society lotteries	Implement 100% of the recommendations from the research conducted on the uptake of society lotteries

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
6. Percentage of identified compliant lottery schemes with the Lotteries Act	100% of identified lottery schemes are compliant with the Lotteries Act	65% of identified lottery schemes are compliant with the Lotteries Act	75% of identified lottery schemes are compliant with the Lotteries Act	90% of identified lottery schemes are compliant with the Lotteries Act	100% of identified lottery schemes are compliant with the Lotteries Act
7. Percentage compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	Develop the 4th National Lottery and Sports Pools Licence monitoring matrix; 100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions
8. Percentage implementation of the measures to increase the uptake of society lotteries	Implement 75% of the recommendations from the research conducted on the uptake of society lotteries	Develop the implementation plan to increase the uptake of society lotteries as per the recommendations of the research Table the implementation plan to Exco for approval	Implement 25% of the quarterly activities as per the approved implementation plan	Implement 50% of the quarterly activities as per the approved implementation plan	Implement 75% of the quarterly activities as per the approved implementation plan

Programme 3	Grant Making
Purpose	Restoring the NLC to its core mandate of grant making and reinstating its credibility

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTDP Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Increased effectiveness, and impact of research-based funding programmes	Research based funding concepts developed to realise impactful outcomes for target communities	9. Number of research based worthy good causes that may be funded without lodging an application in terms of the Act		Develop a governance model to implement Research-Based Model and approval by the board.	Allocation of 50% of the planned research-based funding budget	Conduct and present three research concepts on worthy good causes for Board consideration	Conduct and present six (6) research concepts on worthy good causes for Board consideration	Conduct and present seven (7) research concepts on worthy good causes for Board consideration	Conduct and present eight (8) research concepts on worthy good causes for Board consideration
Improved compliance by grantees	Assurance that NLDTF funds are utilised for the intended purpose	10. Percentage monitoring of funded projects	2500 monitoring reports	Complete 2000 Monitoring assessments	Complete 3000 Monitoring assessments	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects
Holistic, programmatic funding and effective regulation that creates jobs	Support programmes with potential to create jobs, leading to improved socio-economic outcomes over the medium to long term.	11. Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries			3000 jobs created or retained by grantees	1321 jobs created/retained by the NLC funded Grantees, Lottery operator (unaudited)	3500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	3700 jobs created or retained by NLC funded Grantees, Lottery operator and society lotteries	4000 jobs created or retained by NLC funded Grantees, Lottery operator and society lotteries
Increased effectiveness and efficiency in funding processes	Regulation 3A(1)(a)	12. Percentage of applications adjudicated within 150 days	90% of applications adjudicated within 150 days	61% of applications adjudicated within 150 days	50% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	100% of applications adjudicated within 150 days	100% of applications adjudicated within 150 days

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTDP Period		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Enhanced inclusivity through strengthened partnerships with grassroots organisations	Provide capacity-building and mentorship support	13. Percentage of DDM districts in which capacity building workshops were conducted				9 capacity building workshops conducted	Capacity building programs conducted in 50% of the districts in the DDM	Capacity building programs conducted in 80% of the districts in the DDM	Capacity building programs conducted in 100% of the districts in the DDM
Increased socio-economic impact and alignment of NLC funding with national industrial and transformation goals.	Funding aligned to dtic priorities	14. Number of research-led funding interventions implemented in alignment with the dtic priority sectors	-	-	-	-	3 research-led funding interventions implemented	4 research-led funding interventions implemented	6 research-led funding interventions implemented

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
9. Number of research based worthy good causes that may be funded without lodging an application in terms of the Act	Conduct and present six (6) research concepts on worthy good causes for Board consideration	Conduct research on 1 strategic concept and present to the Board	Conduct research on 2 strategic concepts and present to the Board	Conduct research on 2 strategic concepts and present to the Board	Conduct research on 1 strategic concept and present to the Board
10. Percentage monitoring of funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects
11. Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	3500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	600 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	1000 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	2000 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	3500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries
12. Percentage of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days
13. Percentage of DDM districts in which capacity building workshops were conducted	Capacity building programs conducted in 50% of the districts in the DDM	Develop the implementation plan with quarterly activities and the identification of the districts.	Conduct the capacity building program in 20% of the identified districts as per the implementation plan	Conduct the capacity building program in 20% of the identified districts as per the implementation plan	Conduct the capacity building program in 10% of the identified districts as per the implementation plan
14. Number of research-led funding interventions implemented in alignment with the dtic priority sectors	3 research-led funding interventions implemented	Conduct research on 2 dtic aligned funding interventions	Implementation of the interventions	Conduct research on 1 dtic aligned funding intervention	Implementation of the intervention

3. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

Programme 1: Administration and Business Support

The combination of outputs in this programme will position the NLC to execute both mandates to ensure a safe and sustainable lottery industry for maximum economic and social impact through the support functions.

The inclusion of this indicator in the APP is not just a strategic choice; it is a direct operationalization of the law. When the Lotteries Act was amended (specifically via the Lotteries Amendment Act No. 32 of 2013, which transitioned the body from a “Board” to a “Commission”), the legislature fundamentally expanded the NLC’s mandate. The inclusion demonstrates the NLC’s intention to move from a passive administrator to an active educator: Prior to the amendments, the body was largely seen as a passive distributor of funds and regulator. The amended legislation explicitly empowered the NLC to take an active role in educating the public. The amended Act also places a heavy emphasis on protecting the public from illegal lottery operations and promoting responsible play. Education and Awareness engagements are a primary vehicle for warning the public about illegal lotteries, scams, and the dangers of irresponsible gambling.

For several years, the NLC was plagued by systemic corruption, where billions of Rands intended for good causes were siphoned off by syndicates, corrupt officials, and hijacked non-profit organizations (NPOs). During the height of this maladministration, the NLC actively stopped publishing its list of grantees, using privacy laws as an excuse to hide the movement of funds. Publishing the list of paid grantees on a public platform is not just administrative housekeeping; it is a radical, necessary step to sanitize the NLC. When the list of beneficiaries is public, it becomes incredibly difficult for “hijacked” NPOs or fake charities to receive funds without the real community noticing. If a local community sees that an NPO was supposedly funded R10 million to build a rural sports facility that doesn’t exist, they can immediately blow the whistle. It further serves to restore credibility with oversight bodies. Openly publishing these lists proves to government watchdogs that the new NLC leadership is walking the talk on clean, open governance. It further serves to mend media and civil society relations. Internally, it may also account for cultivating a culture of accountability. Public lists force internal actions by all employees to ensure every approval can withstand intense public scrutiny. A public, systemic commitment to transparency sets a clear, ethical baseline from the top down.

Achieving a high payment rate within 60 days is the primary indicator of the NLC’s operational agility and service delivery excellence. For many Non-Profit Organizations (NPOs) and NGOs, cash flow is precarious; delayed payments can lead to project collapse and reputational damage for the NLC. By enforcing this strict turnaround time, the NLC drives internal process optimization, forcing distinct departments (Grant Funding/Finance) to collaborate efficiently. Meeting this target reduces the backlog of active files, minimizes legal risks associated with non-payment, and ensures that the funds reach grantees when they are most needed to execute their community projects.

Obtaining an improved Broad-Based Black Economic Empowerment (B-BBEE) score is critical for the NLC’s compliance with national legislative frameworks and its legitimacy as a state-owned entity. Performance in this area is not merely administrative; it reflects the NLC’s commitment to economic transformation through its procurement spend and skills development initiatives. Achieving this level ensures that the NLC avoids reputational risks associated with non-compliance. It demonstrates that the organization is driving performance by leveraging its operational budget to support black-owned enterprises, thereby aligning its internal business practices with the broader developmental goals of the South African government.

The implementation of a target to conduct capacity-building programs in 50% of the districts within the District Development Model (DDM) is a vital strategic shift for the NLC toward more equitable and impactful grant distribution. By systematically decentralizing its support, the NLC ensures that the barriers to entry—often related to governance, compliance, and application technicalities—are dismantled for grassroots organizations in under-served areas, rather than just in major urban hubs. Anchoring these interventions within the DDM framework allows the NLC to align its resources with national priorities for integrated development, ensuring that non-profits are not only capable of accessing funds but possess the operational strength to manage them effectively. Ultimately, achieving this footprint empowers local communities to drive their own development, ensuring that lottery funds translate into sustainable, tangible benefits where they are needed most.

Programme 2: Regulatory Compliance

The developments in the gaming and lottery industry have an influence on the regulatory environment of the lotteries and contributed to the amendment of the Lotteries Act 57 of 1997. Provisions made in the Lotteries Amendment Act No.32 of 2013 had an impact on the NLC regulatory,

functional and governance role namely: amendment of certain definitions; to provide for the establishment of a National Lotteries Commission; to provide for the extension of the powers of the board; to provide for the licensing of an organ of state to conduct the National Lottery; to provide for a clear accountability process for the distributing agency; to provide for the professionalization of the distributing agency; to eliminate overlapping of functions between the Minister and the board; to provide for the removal of the reconstruction and development programme as a category entitled to be allocated money of the fund; and to provide for matters connected therewith.

Monitoring the compliance of lottery schemes is the core of the NLC's regulatory mandate and is essential for maintaining the integrity of the South African gambling landscape. High performance in this area ensures that all participants in the lottery ecosystem operate within the law, protecting the public from fraudulent schemes and ensuring fair play. By rigorously enforcing compliance, the NLC prevents revenue leakage from illegal operators, which directly secures the National Lottery's market share and, by extension, the funds destined for good causes. This target drives a performance culture of vigilance and enforcement, positioning the NLC as a strong and effective regulator.

The successful implementation of the 4th Licence Monitoring Matrix is critical for oversight of the current National Lottery operator. This target is the primary mechanism for ensuring that the operator adheres to its license conditions, including technology infrastructure rollout, prize payouts, and contributions to the National Lottery Distribution Trust Fund (NLDTF). Performance here is measured by the NLC's ability to hold the operator accountable, ensuring that the state derives maximum value from the license. Effective monitoring mitigates risk, ensures the stability of the national lottery infrastructure, and safeguards the revenue stream that funds thousands of NPOs across the country.

Increasing the uptake of society lotteries represents a strategic shift towards empowering civil society organizations to generate their own funding. From a performance perspective, this target is vital for reducing the sector's over-reliance on direct grants from the NLC. By creating an enabling environment for society lotteries, the NLC diversifies the funding ecosystem, allowing schools, clubs, and NPOs to run regulated fundraising competitions legally. Success in this area demonstrates the NLC's ability to facilitate self-sustainability within the non-profit sector, expanding the regulated gambling space while fostering financial independence among beneficiaries.

Programme 3: Grant Making

The outputs in this programme are intended to improve the

way we fund. The combination of outputs in this programme will position the NLC to execute the funding mandate to ensure a safe and sustainable lottery industry for maximum economic and social impact.

Like many governments, international development agencies, public sector organisations, and grant-making organisations around the globe, the NLC finds itself in a place where it is required to do more with less, as demand for funding outstrips what is available. This calls for a much more systematic and deliberate approach to grant making. Furthermore, the role of the NLC in the development space demands that we continuously ask the questions "Are we making the right investments?" and "If we are, how will we know?"

In answering these questions, as well as in response to the requirements of the amended Act, the NLC revised the underpinning philosophy of its research-based funding model. This revised philosophy and the strategic positioning of the organization is based on the core concept of "Funding for Impact". This marks a strategic shift in the NLC's positioning in the development sector. It moves the NLC from merely focusing on the distribution of funds to being more broadly and deeply involved and engaged in managing and understanding the impact that its funding has on funded communities and grant holders. It asks the NLC to become more purposeful in ensuring that it is indeed a catalyst for social upliftment, changing lives for the better and contributing to the development of the poorest and most marginalised communities. The NLC intends to allocate funds through this vehicle to make a desired impact.

The RBF target enables the NLC to exercise its mandate for research-based funding, ensuring that resources are directed toward strategic national priorities that might be overlooked by the standard application process. From a performance perspective, this is critical for addressing urgent needs, such as disaster relief or infrastructure deficits in marginalized communities, where beneficiaries may lack the capacity to lodge complex applications. By rooting this funding in research, the NLC ensures that its proactive interventions are evidence-based and defensible. Success here drives performance by enhancing the strategic relevance of the NLC's portfolio, moving beyond reactive funding to becoming a catalyst for targeted development.

Monitoring funded projects is the primary control mechanism for ensuring accountability and the proper use of public funds. A high monitoring percentage is critical for performance because it mitigates the risk of fraud, "ghost projects," and incomplete deliverables. It ensures that the funds disbursed actually translate into the infrastructure or services promised in the grant agreement. Furthermore, effective monitoring

generates the data required for impact evaluation, allowing the NLC to refine its funding strategy based on what works. This target drives a culture of oversight, ensuring that every rand spent delivers tangible value to the community.

Tracking job creation aligns the NLC's performance with the broader national agenda of reducing unemployment and stimulating economic growth. While the NLC's primary mandate is social upliftment, the economic multiplier effect of its grants is a key performance indicator of its contribution to the South African economy. This target compels the NLC to favor projects that are labor-intensive and sustainable, rather than just transactional. By measuring jobs created and retained, the NLC demonstrates its relevance not just as a funder, but as a significant economic player that supports livelihoods in the NGO sector and the broader lottery value chain.

Adjudicating applications within 150 days is vital for maintaining the credibility and efficiency of the grant funding ecosystem. Long delays in adjudication can paralyze NPOs that rely on NLC funding for their annual operations, potentially leading to the closure of vital community services. Meeting this target

signifies that the NLC has streamlined its internal processes, removed bureaucratic bottlenecks, and is managing its intake effectively. It balances the need for thorough due diligence with the urgency of service delivery, driving a performance standard that respects the time and needs of the applicants.

4. PROGRAMME RESOURCE CONSIDERATIONS

Total revenue for 2026/27 is expected to be R2.91 billion. The budget for revenue is expected to increase to R4.35 billion over the medium term to 2028/29 financial year as it is expected that the operations of the 4th lottery operator would have transitioned smoothly with no interruption of the national lottery. Revenue from interest is expected to increase over the medium term due to increased revenue generation over the MTEF

The costs to implement the programmes, including employee related costs are as follows:

Programme 1: R755m

Programme 2: R60m

Programme 3: R2,1b

2026/27 Financial year budget

	BUDGET	Projections	Projections	Admin	Operations	Regulation & Compliance	NLPT
	2026/27	2027/28	2028/29				
	R 000	R 000	R 000	R 000	R 000	R 000	R 000
REVENUE	2 905 393	4 100 381	4 350 143	2 898 732	-	-	6 237
NLDTF	2 511 908	3 692 425	3 927 912	2 511 908	-	-	
Interest Received	283 485	295 845	309 128	276 825	-	-	6 237
License Signing Fees	4 190	4 372	4 568	4 190	-	-	
Societies & Other Lotteries	61	65	68	61	-	-	
Unclaimed and expired prize money	88 814	90 000	90 000	88 814	-	-	
Withdrawals	8 500	8 871	9 269	8 500	-	-	
Interest from the Participants Trust	7 435	7 759	8 107	7 435	-	-	
Sundry Income	1 000	1 044	1 091	1 000	-	-	
EXPENDITURE	2 905 393	4 100 381	4 350 143	755 238	2 083 486	60 117	6 237
Allocations	2 012 317	3 168 367	3 376 282	-	2 012 317	-	
Advertising & Publicity	25 040	26 132	27 305	2 140	18 000	4 900	
Agency Emoluments		-	-	-	-	-	
Audit Fees	15 515	16 191	16 918	14 500	-	-	1 015
Bank Charges	209	218	228	131	-	-	78
Board Members Emoluments	7 980	8 328	8 702	5 880	-	2 100	
ICT Operational Cost	46 149	48 161	50 323	46 149	-	-	
Conferences venue	9 526	9 941	10 387	1 120	7 746	660	
Consulting Fees	37 194	38 816	40 559	19 083	8 823	9 287	
Courier & Postages	655	683	714	-	655	-	
Depreciation	21 458	22 393	23 398	21 458	-	-	
Electricity, water, rates & taxes	7 554	7 883	8 237	3 600	3 594	360	
Refreshments & Catering	2 592	2 706	2 827	1 450	781	362	-
General Expenses	1 541	1 608	1 680	984	557	-	

	BUDGET	Projections	Projections	Admin	Operations	Regulation & Compliance	NLPT
	2026/27	2027/28	2028/29				
Insurance	1 183	1 234	1 289	963	-	-	220
Legal Fees	73 600	76 809	80 258	39 600	-	34 000	-
Motor Vehicle Expenses	-	-	-	-	-	-	-
Outsourced services	28 053	29 276	30 590	27 102	267	684	
Print & Stationery	2 820	2 943	3 075	1 740	1 080	-	
Lease costs	39 640	41 369	43 226	29 980	7 028	2 632	
Repairs & Maintenance	8 099	8 452	8 831	6 500	1 599	-	
Removals	550	574	600	550	-	-	
Employee Costs	462 133	482 282	503 936	462 133	-	-	
Recruitment costs - Permanent appointments	1 400	1 461	1 527	1 400	-	-	
Staff Training	5 474	5 713	5 970	5 374	-	-	100
Staff Welfare	3 305	3 449	3 604	2 905	-	400	
Subscriptions	1 487	1 552	1 622	837	500	150	
Security	12 819	13 378	13 979	4 800	8 019	-	
Reparation awards	1 100	1 148	1 200	1 100			
Telephone & Fax	1 754	1 830	1 912	1 754	-	-	
Recruitment -Temporary Staff appointments	700	731	764	700	-	-	
Travel & Accommodation	22 000	22 959	23 990	9 493	8 811	3 381	-
Workmen's Compensation	808	843	881	808	-	-	-
Investigation cost	30 000	31 308	32 714	30 000	-	-	-
Enterprise and Supplier Development	15 914	16 608	17 354	15 914			
Trust Administration Fee	4 420	4 613	4 820		-	-	4 420
Trustee fees	404	422	441		-	-	404
ACCOUNTING SURPLUS/(DEFICIT)	-	-	-				
Any deficit will be funded using reserves.							

	BUDGET	Projections	Projections	Admin	Operations	Regulation & Compliance	NLPT
	2026/27	2027/28	2028/29				
TOTAL CAPEX BUDGET	89 536	15 519	8 087	83 677	30	5 829	-
Office accommodation	5 000	-	-	5 000	-	-	-
Leasehold Improvements	10 000	10 436	-	10 000			
Computer Equipment	16 728		3 000	16 728	-	-	-
Office Equipment	80	83	87	50	30	-	-
Intangible Assets	42 878			37 049	-	5 829	-
Furniture and Fittings	12 000	5 000	5 000	12 000	-	-	-
Motor Vehicles	-	-	-				
Network Infrastructure	2 850	-	-	2 850	-	-	-

6. UPDATED KEY RISKS AND MITIGATIONS FROM THE SP

NLC Strategic Risk Register: 2026-27			
No	Outcome	Key Risks	Mitigations
1	Increased effectiveness, inclusivity and efficiency in regulatory processes Reduce poverty and tackle the high cost of living	Regulatory Compliance Oversight	<ul style="list-style-type: none"> Improve timelines for Player complaints resolution by the National Lottery & Sports Pools Operator. Data Analytics and Information Security System resource enhancement Periodic assessment of Lottery & Sports Pools by the NLC (Complaints register, Penetration testing) Development and implement of the licence Monitoring Metrics “ Facilitation of Mandatory Induction Training: i.e. for all staff, licensees/operators, and stakeholders on the Lotteries Act and its amendments. Conduct regulatory impact assessment. Procure a lotteries compliance monitoring tool Data Analytics and Information Security System resource enhancement
2	Increased effectiveness, inclusivity and efficiency in regulatory processes Reduce poverty and tackle the high cost of living	Regulatory Enforcement	<ul style="list-style-type: none"> Continue liaison with the dtic to amend the Act to enhance enforcement provisions. Seek declaratory order on lotteries and gambling activities Institute legal action against illegal lottery operators. Continue with existing controls of Education & awareness sessions conducted on the Lotteries Act.
3	Full adherence to the 4th Lottery Licence conditions	Litigation of the Licence Award	<ul style="list-style-type: none"> Continue to manage the litigation process. Defend the legal proceeding against the NLC n the 4thand temporary licence award
4	Increased effectiveness, inclusivity and efficiency in regulatory & funding processes	Grant Funding	<ul style="list-style-type: none"> Activate the Distributing Agency’s independent cost centre. Implement the organisation-wide talent placement/ mobility framework to build internal capacity and close skills gaps.” Establish a dedicated internal capacity-building program of trained provincial officials to ensure sustainable, cost-effective program delivery. Develop a standardised capacity-building curriculum to ensure consistency and address common grantee deficiencies Draft a study on collaboration with critical stakeholders to improve capacitation NPO sector (i.e. Business Development) Draft concept document on Incubation programmes to enhance capacity building”
5		Fraud and Unethical Conduct	<ul style="list-style-type: none"> Implementation of Ethics Plan Conduct continuous Ethics Awareness Programme Implementation of Corrective Actions and Consequence Management for breach of Code of Ethics” Implementation of Thuthuka Continuous Improvement Plan and monitoring of APIs and fraud indicators. Implementation of Grantee Fraud Response measures which includes, Investigations, NCGC listings and Recovery of Funds” Implementation of Internal Audit plan for audit review and recommendations to improve control environment Implementation of ISO 37001 - ABMS and Certification”

No	Outcome	Key Risks	Mitigations
6	Improved governance and compliance for NLC	Cyber Security and Business Continuity	<ul style="list-style-type: none"> Develop, implement and measure the effectiveness of the Disaster Recovery Plan (DRP). Implement automated, centrally monitored backup solution. Schedule and conduct annual DR simulation tests.” Implement full vulnerability management lifecycle (scan - prioritise - remediate - report) Conduct quarterly penetration tests and network assessments Develop, monitor and enforce secure configuration baselines for servers and network devices Conduct regular cybersecurity awareness sessions Formalise maintenance schedules with Service Providers and enforce SLAs” Develop and Implement the Enterprise Architecture and ICT Strategy Review, Align and Implement the ICT Governance Framework.”” Review and manage Service Level Agreements with Service Providers
7	Improved governance and compliance for NLC Enhanced empowerment, equity and inclusivity through improved B-BBEE status	Organisational Non-Compliance	<ul style="list-style-type: none"> Provide continuous learning and professional development, including compliance, governance, and technical skills training. Establish a centralised contract management system to track obligations, milestones, and risks. Assign dedicated contract managers or administrators for high value/critical contracts. Implement regular contract reviews, audits, and compliance checks. Implementation of Compliance Risk Treatment Plans Provide ongoing legal and regulatory training tailored to staff roles. Develop accessible legal guidance materials, checklists, and decision-making tools. Establish consultation protocols with legal advisors for complex decisions.
8	Enhanced stakeholder trust and confidence in NLCSA as a fair and transparent regulator & funder	Brand and Reputation	<ul style="list-style-type: none"> Implementation of Marketing and Communication Strategy Implementation of the Stakeholder Engagement Plan Conduct Customer/Grantee Satisfaction Survey” Implementation of the Grantee Complaints process with clear performance measures.
9	Agile, capable, and ethical workforce established	Human Capital	<ul style="list-style-type: none"> Develop a phased plan with timelines, milestones, and deliverables for rolling out the structure Succession planning and talent pool development framework” Union consultation and engagements Engagement and sign-off job profiles and grading outcomes Actioning of automatic placements Re training / resocialisation of culture and change champions Review culture renewal Strategy, and implementation plan. Implement the recognition and excellence awards program Implementation of Workplace Skills Development Plan Implementation of Compliance Management Programme, monitor compliance and implement corrective/consequence management for non-compliance

7. Public Entities

Not applicable to the NLC

8. Infrastructure Projects

Not applicable to the NLC

9. Public Private Partnerships

Not applicable to the NLC

PART D

TECHNICAL INDICATOR DESCRIPTIONS (TID)



INDICATOR TITLE	1. REACH 30 000 PEOPLE NATIONALLY THROUGH EDUCATION AND AWARENESS ENGAGEMENTS											
Definition	Education and awareness engagements refer to the promotion of the NLC’s mandate as a regulator and funder through the various communication platforms available to the organisation. These educational instruments/engagements are not limited to and may take the following forms: <ul style="list-style-type: none"> • Workshops • Written content • Posts on social media • Internal communication • Print and electronic media • Webinars • Broadcasts • PISE 											
Source of data	<table border="1"> <thead> <tr> <th data-bbox="485 741 979 786">Engagement Type</th> <th data-bbox="979 741 1477 786">Evidence</th> </tr> </thead> <tbody> <tr> <td data-bbox="485 786 979 853">In-Person Events (Workshops, roadshows, PISE, Stakeholder engagements)</td> <td data-bbox="979 786 1477 853">NLC Attendance Registers</td> </tr> <tr> <td data-bbox="485 853 979 949">Virtual Engagements (Webinars, online training)</td> <td data-bbox="979 853 1477 949">System-generated attendance logs (e.g., Zoom/Teams participant exports attendance).</td> </tr> <tr> <td data-bbox="485 949 979 1016">Social Media (Facebook Live, X Spaces, Interactive Campaigns; LinkedIn)</td> <td data-bbox="979 949 1477 1016">Platform insight tools(e.g. Meta Business Suite exports)</td> </tr> <tr> <td data-bbox="485 1016 979 1113">Broadcast Media* (Community radio, TV)</td> <td data-bbox="979 1016 1477 1113">Verified listenership/viewership confirmation letters from the broadcaster or independent monitoring agencies.</td> </tr> </tbody> </table>		Engagement Type	Evidence	In-Person Events (Workshops, roadshows, PISE, Stakeholder engagements)	NLC Attendance Registers	Virtual Engagements (Webinars, online training)	System-generated attendance logs (e.g., Zoom/Teams participant exports attendance).	Social Media (Facebook Live, X Spaces, Interactive Campaigns; LinkedIn)	Platform insight tools(e.g. Meta Business Suite exports)	Broadcast Media* (Community radio, TV)	Verified listenership/viewership confirmation letters from the broadcaster or independent monitoring agencies.
Engagement Type	Evidence											
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Social Media (Facebook Live, X Spaces, Interactive Campaigns; LinkedIn)	Platform insight tools(e.g. Meta Business Suite exports)											
Broadcast Media* (Community radio, TV)	Verified listenership/viewership confirmation letters from the broadcaster or independent monitoring agencies.											
Method of Calculation / Assessment	Simple Count of persons from the evidence NB: The same individual attending on different platforms or for different content does not constitute double counting											
Means of verification	POE: Production of the sources of data.											
Assumptions	Appropriate and relevant content is developed. Methods applied to count the attendees remain consistent and reliable.											
<i>Disaggregation of Beneficiaries (where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a											
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a											
Calculation type	Cumulative (year-end)											
Reporting Cycle	Quarterly & Annually											
Desired performance	All stakeholders are aware of the functions of the NLC.											
Indicator Responsibility	EMGF											

INDICATOR TITLE	2. PERCENTAGE OF GRANT PAYMENTS PUBLISHED ON THE NLC'S WEBSITE
Definition	This indicator measures the proportion of all valid, approved and successfully disbursed NLC grant payments that are publicly disclosed on the official NLC website within a specific reporting period. It tracks the NLC's commitment to transparency, accountability, and public accessibility of funding information. For several years, the NLC was plagued by systemic corruption, where billions of Rands intended for good causes were siphoned off by syndicates, corrupt officials, and hijacked non-profit organizations (NPOs). During the height of this maladministration, the NLC actively stopped publishing its list of grantees, using privacy laws as an excuse to hide the movement of funds. Publishing the list of paid grantees on a public platform is not just administrative housekeeping; it is a radical, necessary step to sanitize the NLC. When the list of beneficiaries is public, it becomes incredibly difficult for "hijacked" NPOs or fake charities to receive funds without the real community noticing. If a local community sees that an NPO was supposedly funded R10 million to build a rural sports facility that doesn't exist, they can immediately blow the whistle.
Source of data	Payment list that will include the name of the organisation, province and amount paid, as uploaded on the NLC's Website.
Method of Calculation / Assessment	Payment list published by month showing datestamp of upload. (Total number of disbursed grant payments published on the website ÷ Total number of approved and disbursed grant payments in the same period) × 100.
Means of verification	A list of all disbursed grants from Finance cross-referenced against the website link, exported web publication logs, or date-stamped screenshots of the published lists.
Assumptions	The NLC website remains functional and accessible. There are no legal or POPIA (Protection of Personal Information Act) disputes that legally block the publication of specific organizational grant details. There is seamless communication between the Finance department and the ICT team.
Disaggregation of Beneficiaries <i>(where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation <i>(where applicable)</i>	Reported per province to show an even spread of transparency across the Republic.
Calculation type	Non-Cumulative (calculated per quarter or annual reporting cycle).
Reporting Cycle	Quarterly & Annually
Desired performance	100% of all disbursed grant payments are published on the website, hitting the target exactly as planned to maintain public trust.
Indicator Responsibility	CFO & EMCS

INDICATOR TITLE	3. PERCENTAGE DISBURSEMENT OF GRANTS AS PER GNR644, 6(C)(IV).
Definition	This target refers to the percentage of allocated grants that must be paid (disbursed) as per regulation (GNR644). This implies that 1st tranche payments must be made within 60 days of receipt of a fully compliant grant agreement. A grant agreement is considered to be compliant if all stipulated conditions have been met, including the submission of an acceptable form of verification of banking details. If the grantee payment file is referred to Grant Funding before payment, they will be deemed non-compliant.
Source of data	Finance payment reports
Method of Calculation / Assessment	Quantitative % calculation= (Projects paid within 60 days) ÷ (Number of projects paid) x100
Means of verification	Finance Management Report
Assumptions	Grantees are fully compliant with NLC requirements.
Disaggregation of Beneficiaries <i>(where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Timeous and accurate payments to grantees to reduce red tape.
Indicator Responsibility	CFO

INDICATOR TITLE	4. OBTAIN LEVEL 3 BBBEE VERIFICATION
Definition	By improving its B-BBEE verification rating, the NLC not only complies with national legislation but demonstrates its tangible contribution to South Africa's transformation and inclusive growth objectives – turning empowerment into measurable social impact.
Source of data	BBBEE Verification report
Method of Calculation / Assessment	BBBEE POE as it relates to the scorecard verification.
Means of verification	Baseline B-BBEE assessment report B-BBEE improvement plan Evidence of initiated actions Official Level 3 B-BBEE certificate
Assumptions	There are no budgetary constraints.
Disaggregation of Beneficiaries <i>(where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Quarterly)
Reporting Cycle	Quarterly
Desired performance	Deepening transformation, advancing inclusivity and enhancing the organisation's socio-economic impact.
Indicator Responsibility	SM:CPM

INDICATOR TITLE	5. IMPLEMENTATION OF THE ANTI-BRIBERY MANAGEMENT SYSTEM (ISO 37001:2025)
Definition	This indicator tracks the NLC’s journey from obtaining anti-bribery certification to ensuring the system is fully operational across the organisation. It measures both the legal status (the certificate) and the operational application of anti-bribery controls.
Source of data	ISO 37001 Certificate; ABMS Continuous Compliance Assessment Reports; ABMS Management Review Minutes; Risk Registers.
Method of Calculation / Assessment	Each quarter is assessed on whether the specific milestone was achieved
Means of verification	<p>Q1: Valid ISO 37001:2025 Certificate issued by a certification body.</p> <p>Q2: Continuous training attendance register and due diligence report signed by the Chief Risk Officer.</p> <p>Q3: ABMS continuous Compliance Assessment Report/Dashboard showing zero open minor non-conformities.</p> <p>Q4: Exco Approved ABMS Management Review Report.</p>
Assumptions	The certification body is available for the Q1 audit; The NLC maintains the budget for annual surveillance fees.
Disaggregation of Beneficiaries <i>(where applicable)</i>	n/a
Spatial Transformation <i>(where applicable)</i>	n/a
Calculation type	Non-cumulative
Reporting Cycle	Quarterly.
Desired performance	Certification issued and fully implemented ISO 37001:2025
Indicator Responsibility	Chief Risk Officer (CRO)

INDICATOR TITLE	6. PERCENTAGE OF IDENTIFIED LOTTERY SCHEMES COMPLIANT WITH THE LOTTERIES ACT
Definition	<p>Lottery schemes are identified through a process of monitoring the internet, scanning print and electronic media as well as reports by members of the public. Once identified as a lottery scheme, a legal analysis is drafted, which will have recommendations on lottery schemes contravening the Lotteries Act. The NLC communicates the applicable Enforcement Sanctions to the lottery scheme operator, informing them of the contravention of the Lotteries Act and compliance requirements thereto. The lottery scheme operator is expected to comply with the demands of the enforcement sanction communicated, which seeks to cease the illegal lottery scheme or take corrective action for future lottery schemes to comply with the Lotteries Act. A Compliant lottery scheme are schemes that responded positively to the enforcement sanctions issued and are compliant with the provisions of the Lotteries Act. The lottery scheme will be ceased and/or the promoter will make an undertaking to cease the lottery scheme through signing an undertaking, email, letter and or messaging. The Investigation Close-Out report will be produced to that effect.</p>
Source of data	<ol style="list-style-type: none"> 1. Lottery Schemes Register of all illegal lottery schemes identified during the reporting period. 2. Enforcement files containing Letters of Demand or Warning Letters or Undertakings. 3. An Investigation Close-out Report confirming the scheme is no longer in contravention of the Act.
Method of Calculation / Assessment	<p>100% of identified lottery schemes have undertakings to ensure compliance with the Lotteries Act. This excludes lottery schemes referred for legal action to be instituted. The formula used will be the following:</p> $\% = (\text{Total number of compliant lottery schemes}) \div (\text{Total number of identified lottery schemes}) \times 100$ <p>For the purposes of ensuring that all identified lottery schemes are analysed to be compliant with the Lotteries Act, the reporting for each quarter is as follows:</p> <p>Quarter 1: March, April, May Quarter 2: June, July, August Quarter 3: September, October, November Quarter 4: December, January, February</p>
Means of verification	<p>The Lottery Schemes Register listing the number of lottery schemes identified and the number of enforcement sanctions issued to scheme operators for ensuring compliance with provisions of the Lotteries Act.</p>
Assumptions	<p>Cooperation from lottery scheme operators</p>
Disaggregation of Beneficiaries <i>(where applicable)</i>	<p>Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a</p>
Spatial Transformation <i>(where applicable)</i>	<p>Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a</p>
Calculation type	<p>Cumulative (Annual)</p>
Reporting Cycle	<p>Quarterly</p>
Desired performance	<p>Preventing harm and ensuring that the interests of all lottery participants are adequately protected.</p>
Indicator Responsibility	<p>EMRC</p>

INDICATOR TITLE	7. PERCENTAGE COMPLIANCE MONITORING OF THE NATIONAL LOTTERY AND SPORTS POOLS LICENCE CONDITIONS
Definition	The Lotteries Act requires that the Operator complies with conditions of the National Lottery and Sports pools Licence. The Licence contains clauses that the Operator must comply with for the duration of the Licence period. A license monitoring matrix is a tool used to monitor compliance by the National Lottery and Sports Pools Operator against the Licence Agreement.
Source of data	Developed Monitoring Matrix. National Lottery & Sports Pools Licence compliance monitoring matrix generated quarterly.
Method of Calculation / Assessment	<p>License Compliance Monitoring Matrix. Completed National Lottery & Sports pools Licence Monitoring Matrix.</p> <p>Compliance is monitored against the Licence conditions applicable / due for the quarter under review.</p> <p>$\% = (\text{Total Clauses Measured}) \div (\text{Total Clauses Applicable for Monitoring in the period}) \times 100$</p> <ol style="list-style-type: none"> Total Clauses Applicable for Monitoring in the period: It is the total number of license conditions/deliverables that are active or due for monitoring in the quarterly/annual matrix. Total Clauses Monitored: It is the number of clauses the NLC has reviewed for the period <p>Note: This formula measures effort (how much was monitored), not the score of the operator.</p>
Means of verification	Quarterly completed Licence monitoring matrix.
Assumptions	The operator is monitored for compliance with the Licence conditions for the National Lottery and Sports Pools.
Disaggregation of Beneficiaries <i>(where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Quarterly)
Reporting Cycle	Quarterly
Desired performance	Optimum compliance monitoring of the National Lottery and Sports Pools Operator.
Indicator Responsibility	EMRC

INDICATOR TITLE	8. PERCENTAGE IMPLEMENTATION OF THE MEASURES TO INCREASE THE UPTAKE OF SOCIETY LOTTERIES
Definition	<p>This is a follow-on target from the previous year and emanates from the research that was conducted to increase the uptake of society lotteries. Society lotteries (fundraising schemes) are allowed in terms of the Lotteries Act for non-profit entities to raise funds by running raffles and competitions, through selling tickets to members of the public, for a chance to win a prize(s). With the increase in the promotion of unlawful fundraising schemes, the NLC has a mandate to protect lottery participants, by ensuring that only legal lotteries are available to the public. Society lotteries are required to register with the NLC, wherein they should be assessed for compliance with the Act and its regulations.</p> <p>The NLC conducted research to identify measures to be implemented to increase the number of society lotteries conducted and funds raised to support operations of non-profit entities. Following the recommendations from the research conducted, an implementation plan will be developed and implemented.</p>
Source of data	<ul style="list-style-type: none"> • The Research Report with recommendations • Implementation plan to increase the uptake of society lotteries
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Production of the implementation plan approved by Exco • Reports to Exco on interventions implemented quarterly <p>The formula used will be the following:</p> $\% = (\text{Number adopted of recommendations from the research report that have been implemented}) \div (\text{The total number of recommendations presented in the final research report}) \times 100$
Means of verification	Implementation Plan of the recommendations on measures to increase the uptake of society lotteries and quarterly reports on the implementation with supporting POE for each deliverable.
Assumptions	Adequate resources to implement recommendations on the uptake of society lotteries.
Disaggregation of Beneficiaries <i>(where applicable)</i>	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Annual
Desired performance	Research outcomes aid the NLC to increase the uptake of society lotteries and increase funds raised to support operations of non-profit entities.
Indicator Responsibility	EMRC

INDICATOR TITLE	9. NUMBER OF RESEARCH BASED WORTHY GOOD CAUSES THAT MAY BE FUNDED WITHOUT LODGING AN APPLICATION IN TERMS OF THE ACT
Definition	<p>The Research Based funding model relies on rigorous research and analysis to identify worthy good causes or recipients for funding that are innovative and that demonstrate effectiveness and positive outcomes.</p> <p>For the year under review, six research studies/concepts must be presented to the Board.</p>
Source of data	<p>Presentation slides to the Board Minutes of the Board meeting</p>
Method of Calculation / Assessment	<p>Simple count of concepts</p>
Means of verification	<p>Research document on the strategic concept Board minutes</p>
Assumptions	<p>There are no budgetary or capacity constraints</p>
Disaggregation of Beneficiaries <i>(where applicable)</i>	<p>Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a</p>
Spatial Transformation <i>(where applicable)</i>	<p>Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a</p>
Calculation type	<p>Cumulative (year-end)</p>
Reporting Cycle	<p>Annually</p>
Desired performance	<p>Informed and strategic decisions on worthy good causes to be funded based on credible research.</p>
Indicator Responsibility	<p>SM: BDD & EMGF</p>

INDICATOR TITLE	10. PERCENTAGE MONITORING OF FUNDED PROJECTS											
Definition	Monitoring is important for the NLC as it helps to ensure that projects and programmes are being implemented in accordance with the grant agreement, leading to the desired short, medium and long-term programme outcomes in accordance with the NLC's strategic funding objectives. The M&E unit will implement the Monitoring Plan by conducting monitoring assessments on all eligible funded projects across all sectors (i.e. grantees that have been paid two quarters prior to the monitoring visit being conducted).											
Source of data	Monitoring tracker Monitoring assessment reports											
Method of Calculation / Assessment	<table border="1" data-bbox="488 577 783 775"> <thead> <tr> <th data-bbox="488 577 628 618">Paid</th> <th data-bbox="628 577 783 618">Monitored</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 618 628 658">Q3</td> <td data-bbox="628 618 783 658">Q1</td> </tr> <tr> <td data-bbox="488 658 628 698">Q4</td> <td data-bbox="628 658 783 698">Q2</td> </tr> <tr> <td data-bbox="488 698 628 739">Q1</td> <td data-bbox="628 698 783 739">Q3</td> </tr> <tr> <td data-bbox="488 739 628 775">Q2</td> <td data-bbox="628 739 783 775">Q4</td> </tr> </tbody> </table> <p data-bbox="488 801 1161 902">Quantitative % calculation= (Total number of monitored funded projects) ÷ (Total number of eligible funded projects) X 100</p>		Paid	Monitored	Q3	Q1	Q4	Q2	Q1	Q3	Q2	Q4
Paid	Monitored											
Q3	Q1											
Q4	Q2											
Q1	Q3											
Q2	Q4											
Means of verification	Count of the number of monitoring reports											
Assumptions	Adequate data sample and capacity to monitor											
Disaggregation of Beneficiaries <i>(where applicable)</i>	<ul style="list-style-type: none"> • Target for Women: n/a Target for Youth: n/a • Target for People with Disabilities: n/a 											
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a											
Calculation type	Cumulative (year-end)											
Reporting Cycle	Quarterly											
Desired performance	Funding used for intended purposes, outputs and short-term outcomes contribute to desired funding outcomes.											
Indicator Responsibility	SM: BDD											

INDICATOR TITLE	11. NUMBER OF JOBS CREATED OR RETAINED BY THE NLC FUNDED GRANTEES, LOTTERY OPERATOR AND SOCIETY LOTTERIES.																	
Definition	<p>One of the 7th administration apex priorities and the dtic core outputs is job creation and inclusive growth, which has become a storyline and strategic component of all government entities. Job creation and retention at the NLC is measured through grantees that have been funded for salaries as well as stipends under approved items. A new job, temporary and permanent is created, or an existing job, temporary and permanent, is retained when salaries and stipends are funded for grantees.</p> <p>A created job is when a new position in the organisation is filled because of the NLC grant allocation towards salaries/stipends. A retained job is when an existing position in the organisation is retained because of the NLC grant allocation towards salaries. The NLC funded grantees will contribute towards this key priority by creating or retaining, directly or indirectly and the count of secondary jobs that were also created through the grant. Other forms of job creation will be derived from lottery operator and society lotteries.</p>																	
Source of data	<table border="1" data-bbox="421 658 1477 1256"> <thead> <tr> <th data-bbox="421 658 568 696">Definition</th> <th data-bbox="572 658 1283 696">POE 1</th> <th data-bbox="1287 658 1477 696">*POE 2</th> </tr> </thead> <tbody> <tr> <td data-bbox="421 703 568 824">New job, permanent</td> <td data-bbox="572 703 1283 824"> Primary: Signed Contract with commencement date from after NLC grant OR Letter of Appointment Secondary: Letter from CEO / Accounting Officer or Head of HR confirming jobs created </td> <td data-bbox="1287 703 1477 824">Payroll OR Payslip OR Signed Salary Register</td> </tr> <tr> <td data-bbox="421 831 568 976">New job, temporary</td> <td data-bbox="572 831 1283 976"> Primary: Signed Contract with commencement date from after NLC grant and termination date up to six months OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job created </td> <td data-bbox="1287 831 1477 976">Payroll OR Payslip OR signed Salary Register</td> </tr> <tr> <td data-bbox="421 983 568 1104">Retained job, permanent</td> <td data-bbox="572 983 1283 1104"> Primary: Signed Contract with commencement date from before NLC grant OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job retained </td> <td data-bbox="1287 983 1477 1104">Payroll OR Payslip OR signed Salary Register</td> </tr> <tr> <td data-bbox="421 1111 568 1256">Retained job, temporary</td> <td data-bbox="572 1111 1283 1256"> Primary: Signed Contract with commencement date from before NLC grant and termination date up to six months OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job retained </td> <td data-bbox="1287 1111 1477 1256">Payroll OR Payslip OR signed Salary Register</td> </tr> </tbody> </table> <p data-bbox="421 1285 1477 1346">A letter from the CEO/Accounting Officer/Head of HR confirming the number of jobs created or retained from the Operator/s and Society Lotteries.</p> <p data-bbox="421 1384 1477 1444">*Given the complexity of the civil society sector, it must be noted that only 1 item from POE 1 and 1 item from POE 2 is required to meet the target.</p>			Definition	POE 1	*POE 2	New job, permanent	Primary: Signed Contract with commencement date from after NLC grant OR Letter of Appointment Secondary: Letter from CEO / Accounting Officer or Head of HR confirming jobs created	Payroll OR Payslip OR Signed Salary Register	New job, temporary	Primary: Signed Contract with commencement date from after NLC grant and termination date up to six months OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job created	Payroll OR Payslip OR signed Salary Register	Retained job, permanent	Primary: Signed Contract with commencement date from before NLC grant OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job retained	Payroll OR Payslip OR signed Salary Register	Retained job, temporary	Primary: Signed Contract with commencement date from before NLC grant and termination date up to six months OR Letter of Appointment Secondary: Letter from the CEO/ Accounting Officer or Head of HR confirming a job retained	Payroll OR Payslip OR signed Salary Register
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Method of Calculation / Assessment	Quantitative, simple count of jobs created or retained through NLC funded grantees, lottery operator and society lotteries																	
Means of verification	Count of the number of jobs created or retained, directly or indirectly, where salaries and stipends were funded and paid by Grantees through NLC funding. lottery operator and society lotteries																	
Assumptions	Grantees apply for salaries and stipends and the Distributing Agencies allocate funds for salaries and stipends when awarding grants to stimulate job creation and support job retention																	
Disaggregation of Beneficiaries <i>(where applicable)</i>	<ul style="list-style-type: none"> • Target for Women: n/a Target for Youth: n/a • Target for People with Disabilities: n/a 																	
Spatial Transformation <i>(where applicable)</i>	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a																	
Calculation type	Cumulative (year-end)																	
Reporting Cycle	Annually																	
Desired performance	Inclusive growth and job creation.																	
Indicator Responsibility	EMRC & SM: BDD																	

INDICATOR TITLE	12. PERCENTAGE OF GRANT APPLICATIONS ADJUDICATED WITHIN 150 CALENDAR DAYS.
Definition	150 days is the regulated time in terms of Regulation 3A(1)(a) in which an application should be adjudicated. This is aimed at ensuring that the NLC responds to applicants within a reasonable time. This indicator measures the efficiency of the Distributing Agency (DA) in adjudicating an application. The additional control mechanisms implemented resulted in a risk-based approach for assessing funding applications. A 360-degree assessment has been introduced to complement the existing evaluation process. For 2026/27, the target is to adjudicate 80% of applications.
Source of data	NLC Grant Management System (Thuthuka Report)
Method of Calculation / Assessment	$\% = (\text{Total number of grant applications adjudicated within 150 calendar days during the period}) \div (\text{Total applications adjudicated in the same reporting period}) \times 100$ <p>The calculation excludes Research Based Funding (RBF) projects.</p>
Means of verification	System-generated report showing. A list of all adjudicated applications; Data columns showing the date of the receipt of the application; the date of the final DA adjudication; and calculated days
Assumptions	<p>The 'Date of Receipt' is accurately captured at the first point of contact (physical or digital).</p> <p>All 150 days are counted as calendar days.</p> <p>The call must have a defined closing date.</p>
Disaggregation of Beneficiaries <i>(where applicable)</i>	N/A
Spatial Transformation <i>(where applicable)</i>	N/A
Calculation type	Non - Cumulative
Reporting Cycle	Quarterly and Annually.
Desired performance	Efficient Service Delivery and 100% compliance with the statutory limit
Indicator Responsibility	Grant Funding (EMGF) & Distribution Agencies (DAs).

INDICATOR TITLE	13. PERCENTAGE OF DDM DISTRICTS IN WHICH CAPACITY BUILDING WORKSHOPS WERE CONDUCTED
Definition	<p>This indicator measures the number and proportion of District Development Model (DDM) districts in which the National Lotteries Commission (NLC) has successfully implemented capacity-building programmes aimed at strengthening Non-Profit Organisations (NPOs), community-based organisations, and other stakeholders.</p> <p>Capacity-building programmes include training workshops, information sessions, and help desks that enhance understanding of the NLC funding process, compliance requirements, governance, and impact reporting.</p>
Source of data	<ul style="list-style-type: none"> • Implementation plan • Attendance registers • Quarterly activity reports / Workshop reports
Method of Calculation / Assessment	<p>Percentage of DDM Districts Reached = (Number of DDM Districts where capacity-building programmes were conducted) ÷ (Total Number of DDM Districts) X 100</p>
Means of verification	<ul style="list-style-type: none"> • Signed attendance registers with district details • Photographic evidence of sessions (where available) • Approved activity reports consolidated quarterly • Implementation Plan
Assumptions	<p>Availability of resources (budget and personnel) to conduct programmes in targeted districts Stakeholder participation and collaboration at district level</p>
Disaggregation of Beneficiaries <i>(where applicable)</i>	<ul style="list-style-type: none"> • By province and district • By organisation type (NPO, CIPC, etc.) • By gender and youth representation
Spatial Transformation <i>(where applicable)</i>	n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Empowered applicants and increased compliance to be able to access funding
Indicator Responsibility	EMGF

INDICATOR TITLE	14. NUMBER OF RESEARCH-LED FUNDING INTERVENTIONS IMPLEMENTED IN ALIGNMENT WITH THE DTIC PRIORITY SECTORS
Definition	This indicator measures the NLC's use of Section 2A(3) to identify and fund projects without a formal application process. The focus is on the alignment of the dtic's priorities (such as Job creation, Transformation, Industrialisation) and how that can be met through NLC funding.
Source of data	Board-approved Research Concepts; Grant Agreements; Finance Record of Disbursement; Implementation reports
Method of Calculation / Assessment	Simple Count: The number of distinct research-led interventions (sectors/priority areas) where funding has been approved and the first tranche paid.
Means of verification	<ol style="list-style-type: none"> 1. Board Approved Research Concept/Report for each intervention. 2. List of research based funded projects and signed Grant Agreements. 3. Disbursement of the first tranche to the funded project. 4. Implementation reports
Assumptions	Section 2A(3) is triggered correctly
Disaggregation of Beneficiaries <i>(where applicable)</i>	N/A
Spatial Transformation <i>(where applicable)</i>	N/A
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Completion of 3 high-impact interventions that solve specific socio-economic challenges aligned with dtic priorities.
Indicator Responsibility	Commissioner



NATIONAL LOTTERIES COMMISSION

a member of **the dtic** group

