



2026 Budget cuts R800 million from ECD subsidies

Following a historic R10 billion investment in ECD in the 2025 Budget, which has allowed approximately 100 000 more children to access subsidised early childhood development (ECD) services, the 2026 Budget cuts planned investment in ECD subsidies by R800 million in 2026, from R5.1 billion to R4.3 billion.

This reduces the investment planned for the 2025 - 2027 period to R9.2 billion. Importantly, the 2026 budget does not roll these funds over to the 2028 financial year.

In Parliament, National Treasury officials advised that the slow pace of expenditure predicted for the coming 2026 financial year was the reason behind the cut.

This budget cut therefore serves as a warning to ECD stakeholders, and in particular, all three spheres of government that registering more ECD programmes is crucial to ensure there are more eligible children to subsidise with additional funding.

Subsidy value could have been increased

The President's [commitment](#) to ending child stunting and the Department of Basic Education (DBE) goal of ensuring universal access to quality ECD by 2030 require more, not less investment in young children. The 2026 budget is a missed opportunity to increase the value of the ECD subsidy, which remains at R24 per-child per-day for a second year in a row.

According to data collected in the ECD Baseline Audit of 2021, the median cost of provision at registered ECD programmes serving low-income communities that are “more compliant” with the government’s registration framework was R93 per child per day—almost 4 times the current subsidy value.

2025 investments are paying off but access to ECD needs to grow much further

The first R2 billion of the R10 billion investment allocated in 2025 has resulted in an estimated 100 000 more children accessing the ECD subsidy, increasing the total number of subsidised children to around 900 000. We applaud this progress and see it as a demonstration of how investment can lead to an increase of children accessing the subsidy.



However, the reality is that an additional 1.4 million children still need to be subsidised to reach the goal of universal access by 2030 where 2.3 million children access subsidised, quality ECD.

The majority of these 1.4 million children are currently attending unregistered early learning programmes, or are not attending any programme at all. These are the children who need subsidised access the most, and the additional R10 billion allocated in 2025 is a runway to bring them into the subsidy net.

Innovative way to support unregistered programmes to register is key

Many of the estimated 20 000 unregistered ECD programmes in South Africa require significant investment and support to comply with registration standards, complete the registration process and ultimately access state funding.

Given the slow pace of implementation of the ECD infrastructure grant, innovative ways of supporting “bronze” registered ECD programmes to meet the “silver” registration requirements in which they receive infrastructure support needs to be explored.

Enhancing the role of local government in enabling ECD centres to register and provide reliable, quality services is also a massive challenge that we call on the DBE and all stakeholders to mobilise around in this local government election year.

Given their constitutional mandate for ECD, municipalities should be required to waive or reduce municipal rates, fees and tariffs imposed on ECD programmes. The revenue forgone could be claimed back by adding a dedicated ECD component to the municipal infrastructure grant, or from the ECD infrastructure conditional grant, both of which are known for chronic underspending.

Two steps forward, one step back

While there are some wins in the 2026 Budget, such as the increase in ECD infrastructure funding by R100 million in 2026 and a retention of the R772 million over the medium-term for piloting a nutrition support programme at low-income ECD programmes, we caution against taking two steps forward and one step back.



Funding to pilot an ECD nutrition support programme was already allocated in 2024, but no pilot has yet materialised, leaving some of South Africa's most vulnerable children without access to nutritious meals.

Real Reform for ECD calls on the National Treasury and political parties to protect the full additional R10 billion investment in ECD for 2025 - 2027, by adding at least R800 million to the 2028/29 ECD subsidy baseline in the October Medium Term Budget Policy Statement (MTBPS). The DBE and all stakeholders should work together to ensure that this money is spent effectively and transparently accounted for.

The [2024 Thrive by Five survey](#) found that only 39% of ECD programmes receiving the subsidy get it on time and at the right value. The DBE and National Treasury should consider how to monitor, incentivise or hold officials accountable for the on-time payment of subsidies, particularly in provinces like [KZN where persistent late and underpayment of subsidies](#) places the survival of many ECD programmes at risk.

Real Reform for ECD calls for:

- An annual, above-inflation increases in the value of the ECD subsidy to ensure it keeps up with inflation, and gets closer to the real cost of quality ECD provisioning in low income communities.
- More transparency and accountability around the expenditure of the allocated R772 million for the ECD national nutrition pilot programme.
- A speeding up of ECD infrastructure support for ECD centres in vulnerable communities to ensure that they comply with regulations and children are kept safe while they learn.

Realising universal access to quality ECD will require more, not less investment in our youngest generation and the women who care for them.

The 2026 Medium Term Budget Speech in October should announce plans to increase the ECD subsidy value to at least R27 per-child per-day, and provide funding to boost the Bana Pele Mass Registration drive efforts to bring more ECD programmes into the registration net.

Investment in young children and the women-led care economy addresses our greatest challenges of unemployment, poverty, and inequality—in the short and long term—through improved education and health outcomes, gender equity, and inclusive economic growth.



We reiterate President Ramaphosa's [words](#) at the 2026 Basic Education Sector Lekgotla: "If we invest early, we invest wisely".