



**UNIVERSAL SERVICE AND ACCESS FUND
(USAF)
ANNUAL PERFORMANCE PLAN**

**for the financial year
2021/22**

REVISED



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ACCOUNTING STATEMENT

Strategic Overview

The Universal Service and Access Agency of South Africa (USAASA) is one of the entities identified in the Revised Managed Integrated Model on BDM approved by Cabinet on 30th September 2021 and Revised South Africa Connect Model on 28th October 2022 and these are part of key priority programmes which have a direct bearing in the implementation of the structural reforms, which are crucial towards sustainable of the economic recovery and to address the underlying causes of low economic growth and high employment.

The following interventions affected the Agency's execution of annual performance plans.

Revised Managed Integrated Model on BDM, 30 September 2021

- Managed Integrated Model on Broadcasting Digital Migration (BDM), 30 September 2021 which is intended to fast-tracking the implementation of the Analogue Switch Off to enable the date of 31 March 2022 by the State President as the date to conclude the digital migration process. The BDM programme has been delayed due to the litigations and also the slow pace of installations which are essential to migrate the qualifying households from analogue to digital platforms on the provisioned subsidy. The Cabinet approved the adoption of a Managed Integrated Model on BDM on 30 September 2021 that actively involves all the broadcast media players to contribute to ramping up the Set-Top-Box (STB) installation capacity through the use of their boxes to ensure the rapid reach. The government has shifted from a staggered provincial approach towards a consolidated national approach, where Set-Top-Boxes installations and Analogue Switch-Off will happen simultaneously in all nine (9) provinces. The household qualifying support has been revised from R3200 to R3500 per month to qualifying households eligible for subsidization. The households to be migrated through a token will be provided with a subsidy of R1200 per eligible household. Cabinet has approved the last call for registration with a cut-off date of 31 October 2021. Therefore, the qualifying households who register on or before 31 October, will be connected before the Analogue Switch Off; and the households that register after 31 December 2021 will only be connected within three (3) to six (6) months after the Analogue Switch-Off.

These changes meant that there is a misaligned between the revised delivery model on BDM and also the execution of the table annual performance plans. And further the staggered provincial approach which is captured in terms of the current annual performance plans do not support the new dispensation of simultaneous installations in all nine (9) provinces.

Revised South Africa Connect Model, 28 January 2022

- The fragmented and uncoordinated manner in which broadband has been deployed necessitated a revision of the model to ensure the rapid universal geographic outreach of broadband services. In light of the 80% of the South African population coverage by 2024 and centralized and coordinated needed to be explored. The policy idea of a State Digital Infrastructure Company is to consolidate all government communications networks into one single network, partially owned by the State is reinforced on the revised delivery model on broadband. The government will utilise the existing capacity and source additional physical

networks from the private sector. The State will retain ownership of the network service layer through a designated custodian in the State.

Acknowledgements

In closing, I would like to thank the Interim Board for its resolute commitment to providing strategic guidance that will develop USAASA into a well-resourced entity. I feel confident that the Agency is optimally positioned to deliver on its mandate. Through dedication and teamwork, the USAASA management and staff can realise the Agency's strategic goals.

I would also like to express our sincere gratitude to the Honourable Khumbudzo Ntshavheni Minister for her unwavering support and vision to connect South Africa; the management and staff for their sterling role and commitment to improving the quality of life for indigent households and impoverished communities residing in underserved areas.



Ms DZ Kula-Rantho
CHAIRPERSON
UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA

CHIEF EXECUTIVE OFFICER STATEMENT

Overview of Operational Activities

The changes that were introduced mid-year after the Annual Performance have been tabled affected the performance delivery environment of the institution. USAASA planned to collaborate the implementation of the Gender-Based Violence and Femicide with a community-based organisation and further put in place outreach campaigns. These could not materialise as the resolutions of the National Integrated ICT Policy White Paper was fast-tracked and required the entity to develop a winding down strategy that will enable the entity to wind down activities by 31 March 2022. The entity was not able to fully implement the interventions on the Board approved implementation action plan as a response to the Gender-Based Violence and Femicide Strategy. The organisation could not commit to longer financial commitment and as such most of the procurement activities were well held in abeyance in preparation of the winding down.

The interventions identified in the Board approved Stakeholder Engagement Strategy and Plan could not be fully implemented as the Stakeholder Engagement Strategy focus on the key priority projects such as the Broadcasting Digital Migration (BDM) and Broadband. The revision of the BDM model which culminated in Cabinet approving the Managed Integrated Model on BDM resulted in Phase I and Phase II identified activities being put on hold and these affected the implementation of the Stakeholder Engagement Strategy. The revised delivery model has done away with the phase and also the staggering provincial approach which is captured on the planned interventions on Stakeholder Strategy to a consolidated national approach, where Set-Top-Boxes installations and Analogue Switch-Off will happen simultaneously in all nine (9) provinces. This meant that the Agency invested a lot of effort in ensuring the registration drive for the eligible qualifying household through the use of the appointed District Coordinators. These activities were not captured on the tabled annual performance plans.

The revised delivery model also changed the roles and responsibilities of the entities involved in the value chain of the BDM and as such the Department (DCDT) assumed a key leading role of managing the programme implementation of the BDM whilst USAASA retains a role of funding the BDM related activities as required in terms of the Broadcasting Digital Migration Policy. The entity has put a lot of work towards ensuring alignment with the revised delivery model where the funding model to support the activities in the revised delivery model needed to be developed and approved by the Accounting Authority and further a deviation authorisation to National Treasury for approval of multiple service providers to support the implementation of the delivery model. The entity needed also to form part of the Analogue Switch Off process by the Minister and ensure all the identified provinces which were not the key priority province in terms of the tabled annual performance plans be reprioritise.

The revisions of the South Africa Connect model implementation which were subsequently approved on 28 January 2022 resulted in the delayed execution of the broadband targets and this delayed the execution of the procurement strategy to appoint a service provider that could assist the Agency on the rollout of broadband to identified local municipalities as required in terms of the annual performance plans. To align to the dispensation introduced by the revised delivery model on broadband and the entity developed a funding manual that needed to be approved by the accounting authority of the institution and also a deviation authorisation to national treasury needed to be developed as the revised model required the designated State-Owned Entity to utilise the

existing capacity and source additional physical networks from the private sector and further, the State will retain ownership of the network service layer through a designated custodian in the State. This allows the government to rollout quality and reliable communications and broadband infrastructure to reach all areas of the country and ensure universal access and services.

The opportunity to revise the targets to be in line with the new dispensation offers the entity an opportunity to align and capture the actual activities in the annual performance plans that the entity has invested efforts in.

Conclusion

USAASA continues to play a crucial role to improve the lives of the people of South Africa through the leveraging of Information and Communications Technologies (ICTs) as a critical enabler of economic activity in an increasingly networked world. Management and the Agency staff share the same common shared objectives and unwearingly support in achieving the mandate of USAASA and working toward the achievement of the 2020-2025 USAASA Strategic Plans approved by Parliament on recommendations the Executive Authority.



Ms Chwanya Madilizela
Acting Chief Executive Officer
USAASA

OFFICIAL SIGN-OFF

It is hereby certified that this 2021/22 Annual Performance Plan (Corporate Business Plan):

- 1) Was developed by the management team of the Universal Service and Access Fund of South Africa, under the guidance of the Minister;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Universal Service and Access Fund of South Africa is responsible;
- 3) Accurately reflects the Outputs and Targets which the Universal Service and Access Fund of South Africa will endeavour to achieve over the 2021/22 financial year.



23/3/2022

Ms S. Scheepers

Date

EXECUTIVE CORPORATE SERVICES (ACTING)

Trevor Nivi

23-03-2022

Mr T. Nivi

Date

EXECUTIVE OPERATIONS (ACTING)



23-03-2022

Mr S. Mongala

Date

CHIEF FINANCIAL OFFICER (INTERIM)

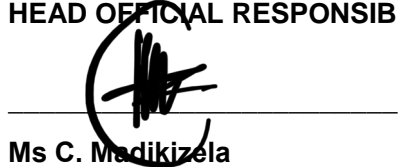
Sipho Selby Mngqibisa

23-03-2022

Mr Sipho Mngqibisa

Date

HEAD OFFICIAL RESPONSIBLE FOR PLANNING



23/03/2022

Ms C. Madikizela

Date

CHIEF EXECUTIVE OFFICER (ACTING)

APPROVED BY:



30/03/2022

Ms DZ Kula-Rantho

Date

ACCOUNTING AUTHORITY (CHAIRPERSON OF THE BOARD)

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PART A: OUR MANDATE

PART A: OUR MANDATE

In response to the strategic priorities of the 6th Administration, and informed by instructing legislation and policy, the Universal Service and Access Fund (USAF) has defined its role/ purpose (primary object) in the 2020-2025 Strategic Plan as to:

- 1) Provide connectivity to primary health facilities, educational institutions and needy communities;
- 2) Provide incentives to network licensees to construct, operate and maintain networks in underserved areas;
- 3) To broaden access to digital broadcasting services by qualifying households.

Aligned to this understanding, USAF then articulates its strategic focus – its vision, mission and its institutional values - for the period 2021/22–2024/25 as follows:

VISION

In delivering on its mandate/purpose, the vision of USAASA is aligned to and supports, the vision of the Department of Communications and Digital Technologies to be “*a leader in enabling a connected and digitally transformed South Africa.*”

In response, USAF has the following vision:

Effective project implementation towards the goal of universal ICT access and service for all.

MISSION

- *To facilitate the roll-out of adequate Information and Communication Technology (ICT) infrastructure to enable 4IR readiness and universal access to underserved areas in South Africa;*
- *To facilitate ICT service to underserved areas, thereby contributing to the reduction of poverty and unemployment in South Africa; and*
- *To broaden access to digital broadcasting services by qualifying households.*

VALUES

Value	Description - What it means in practice
Batho Pele	We believe in providing excellent, efficient and effective service to all customers and stakeholders.
Integrity	We uphold high standards of trust; condemn bribery and corruption; honesty and respect in all interactions with stakeholders.
Accountability	We foster employee ownership and responsibility in ensuring quality service.

VALUES	
Value	Description - What it means in practice
Innovation	We support employee creativity in delivering all our services.
Transparency	We encourage openness in all our activities.
Teamwork	We strive to create a harmonious work environment, where all employees and contributors are respected.

IMPACT STATEMENT
<i>Enhanced access to ICT and digital broadcasting services in identified underserved areas.</i>

OUTCOMES		
Outcome 1: Broadened access to broadcast digital services by qualifying households	Outcome 2: Increased access to broadband in underserved areas	Outcome 3: A well-governed and high-performance organisation, delivering on its mandate

In turn, the above strategic framework and the three Outcomes inform the alignment to the delivery structure of USAF and the development of outputs, performance indicators and annual and quarterly performance metrics, as outlined in the rolling annual performance plans throughout the Strategic Plan.

Reflected in this Annual Performance Plan are the 2021/22 planning priorities, outputs, performance indicators, annual targets and budget allocations for performance against the Outcomes of the Strategic Plan.

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1. UPDATED LEGISLATIVE MANDATES

The Universal Service and Access Agency of South Africa (USAASA) was established under the Electronic Communications Act, 2005 (Act No. 36 of 2005 as amended by Act No. 1 of 2014) to promote the goals of universal access and universal service in the under-served areas of South Africa. Licensees are required to contribute to the Universal Service and Access Fund (USAF) which is intended for use in incentivising and subsidising the roll-out of electronic communications networks in under-served areas.

Name of the Act	Purpose
Electronic Communications Act, 2005 (Act No. 36 of 2005)	To promote convergence in the broadcasting, broadcasting signal distribution and

	telecommunications sectors and to provide the legal framework for convergence of these sectors; to make new provisions for the regulation of electronic communications services, electronic communications network services and broadcasting services; to provide for the granting of new licenses and new social obligations; to provide for the control of the radio frequency spectrum; to provide for the continued existence of the Universal Service Agency and the Universal Service Fund, and to provide for matters incidental thereto.
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In executing its role, the Fund is also guided, amongst others, by: -

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended)
- The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- The Infrastructure Development Act, 2014 (Act No. 14 of 2014)

1.2. UPDATED POLICY MANDATES

The National Development Plan, Vision 2030 (NDP, 2012) is the national framework for the development of the South African economy and society broadly. The NDP describes the critical role of innovation, research and development in fostering sustained competitiveness and profitability in the economy, in the face of a world economy that is rapidly transforming into a knowledge and network economy. Evidence suggests that an increase in public investment in innovation, research and development, and related infrastructure and access, will enable South Africa's economic development, competitiveness and sustainable growth.

In turn, the Medium Term Strategic Framework (MTSF) is a high-level strategic document and is the central organising framework to guide the rolling five-year implementation and monitoring of the NDP, Vision 2030.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Fund does not have a specific established policy through legislation and its mandate are derived from the following policies:

Name of the institutional policies and strategies	Purpose
South Africa's Broadband Policy: South Africa Connect, 6 December 2013	<p>In terms of the Electronic Communications Act, 2005 (Act No. 36 of 2005), the Department of Communications and Digital Technologies published a policy document "South Africa Connect: Creating Opportunities, Ensuring inclusion: South Africa's Broadband Policy". This was gazetted on 6 December 2013.</p> <p>SA Connect is a four-pronged strategy, consisting of 4 "sub-strategies" which will move the country from the current state to achieving its targets over the next 10 (ten) years.</p>

	SA Connect guides the ICT sector as a whole, and USAASA in particular, in terms of the approach that must be taken to promote broadband deployment, usage and uptake in the country.
The National Integrated Information and Communication Technologies (ICT) Policy White Paper, 28 September 2016	<p>The National Integrated Information and Communication Technologies (ICT) Policy White Paper that was approved by Cabinet on 28 September 2016 will have implications on Universal Service. It proposes the revision of services and access based on the outcome of the research conducted to support the policy revision. The White Paper further suggests that USAASA should be reformulated into a Digital Development Fund and stipulates contributions by licensees into the fund. Lastly, the report revises the USAASA institutional framework.</p> <p>The establishment of a Digital Development Fund will effectively remove USAASA's policymaking and regulatory functions, leaving the organisation to focus on funding and project management. The motivation behind this shift in the institutional framework is to allow USAASA to focus on its main priority which is service and access delivery to the nation.</p>
Broadcasting Digital Migration Policy For South Africa, August 2008	The Government must, as a matter of policy, consider the means to make STBs affordable and available to the poorest TV-owning households. This support by the Government should be seen as part of its commitment to bridging the digital divide in South Africa. The Government has therefore decided, as mandated by section 88(1) (a) of the Electronic Communications Act to subsidise poor TV owing households through USAF [Universal Service and Access Fund].
Managed Integrated Model on Broadcasting Digital Migration (BDM), 30 September 2021	On 30 September 2021, the Cabinet approved the adoption of a Managed Integrated Model on Broadcasting Digital Migration (BDM) that actively involves all the broadcast media players to contribute to ramping up the Set-Top-Box (STB) installation capacity through the use of their boxes to ensure the rapid reach.
Revised South Africa Connect Model, 28 January 2022	A revised South Africa Connect Model which is facilitated through the proposed State Digital Infrastructure Company inform the integrated and coordinated broadband deployment to ensure universal service rapid coverage of broadband service to reach the unconnected communities and households.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court judgements or rulings which have a material and/or direct bearing on the mandate and/or core operations of the Universal Service and Access Fund. However, USAASA as the administrator of the Universal Service and Access Fund might be exposed to potential litigation arising out of the previous contracts entered on procurement of set-top-boxes. Should litigation arise and the Agency will assess the legal impediments on the core operations of USAASA and mitigate the inherent risks.

PART B:

OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

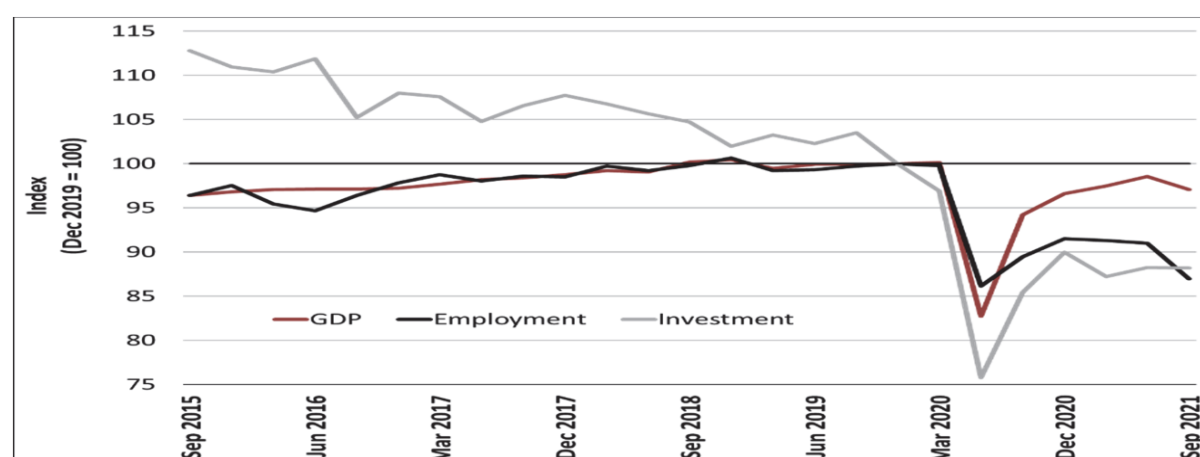
4. UPDATED SITUATIONAL ANALYSIS

The economy grew by an estimated 4.8 per cent in 2021 compared with the 5.1 per cent projected in the 2021 MTBPS. The downward revision reflects a sharp third-quarter contraction driven by a new wave of COVID-19, the outbreak of public violence in July 2021, heightened global uncertainty and modest growth expectations for the fourth quarter following renewed power cuts. Nevertheless, the growth outlook for 2022 has improved slightly since the 2021 MTBPS.

Structural constraints have reduced potential economic growth for the past decade and remain an impediment to recovery. In 2021, the economic effects of the pandemic – lost jobs and delayed investments – were exacerbated by inadequate electricity supply, with the highest levels of load-shedding to date. There are signs that this combination of factors has led to scarring –defined as medium-term economic performance below pre-pandemic projections. Higher global inflation, monetary policy adjustments, commodity price changes and emerging geopolitical risks also contribute to elevated uncertainty over the medium term. The initial recovery in economic growth during 2021 was not matched by higher employment or investment, and the slow take-up of vaccinations leaves the country vulnerable to new waves of COVID-19 infections. Real GDP growth of 2.1 per cent is projected for 2022, and growth is projected to average 1.8 per cent over the next three years. The government's previously announced economic reforms are underway, though at an uneven pace. More rapid implementation of these reforms, complemented by fiscal consolidation to provide a stable foundation for growth, will ease investor concerns about South Africa and support faster recovery and higher levels of economic growth over the long term.

Reducing regulatory constraints, providing effective services, and coordinating and sequencing economic interventions will bolster public and private investment, which will, in turn, increase resilience and support economic transformation.

Figure 2.1 Employment, investment and GDP



Source: Statistics South Africa

Creating a durable and resilient economy

In the recent State of the Nation Address, the President noted that “the key task of government is to create the conditions that will enable the private sector – both big and small – to emerge, to grow, to access new markets, to create new products, and to hire more employees”. Reforms that promote growth and employment are needed to build on the recovery observed over the past year.

These include interventions to stimulate demand through investment in infrastructure, complemented by employment programmes and social transfers that will boost household consumption. Modernising network industries will support an increase in the economy's productive capacity, boost electricity production and reduce the cost of doing business.

The 2021 MTBPS detailed notable progress on structural reforms through Operation Vulindlela, including lifting the registration threshold for embedded electricity generation to 100 megawatts (MW), corporatizing the Transnet National Ports Authority, implementing an e-Visa system and overhauling the water-use licence system. Work is underway to expedite the approvals required to register embedded electricity generation plants, complete the analogue to digital migration and auction spectrum, and clear the backlog of water-use licences.

Progress on the economic recovery plan: Interventions to support growth

Energy security

In October 2021, the Minister of Mineral Resources and Energy announced 25 projects for the fifth bid window of the Renewable Energy Independent Power Producer Procurement (REIPPP) Programme, with a total contracted capacity of 2 583 MW. Proposals for the sixth bid window are expected to procure additional capacity of 2 600 MW. In total, the programme is expected to procure additional capacity of 6 783 MW, with investment of at least R128 billion over the medium term. In addition, the risk mitigation power projects that are ready to proceed can generate up to 800 MW. Embedded generation projects in the mining sector can produce an estimated 4 000 MW and various municipalities are securing an estimated 1 400 MW of their own power.

Aligning with the National Development Plan's infrastructure goals

Government is prioritising 55 new infrastructure projects with an investment value of R595 billion that will significantly boost long-term GDP growth. One-third of the 62 strategic integrated projects gazetted in 2020 are under construction or completed. The remaining projects, which are in the early stages of development, are receiving additional project preparation support. The Infrastructure Fund and Infrastructure South Africa will improve the scale, speed, quality and efficiency of growth-enabling infrastructure spending. The Infrastructure Fund is collaborating with other public agencies to prepare six projects with an investment value of R96 billion in higher education accommodation, social housing, telecommunications, water and sanitation, and transport.

Promoting industrial growth

In 2021, the steel, furniture and global business services masterplans were launched. The 2022 State of the Nation Address noted significant industry contributions in the sugar and poultry industries to increase investment, improve productivity and accelerate transformation. In the clothing industry, a number of retailers have announced localisation sourcing plans. Business, government and labour continue to work together to increase production and create jobs through these masterplans.

Transnet has developed partnerships with the private sector to address cable theft and vandalism on the freight rail network through advanced technologies and additional security personnel.

Strengthening enabling conditions

A team tasked with cutting red tape has been set up in the Presidency to identify priority reforms for the year ahead, including mechanisms to ensure government departments pay suppliers within the required 30 days. It will support current initiatives to simplify processes relating to property registration, cross-border trade and construction permits.

The pandemic and the public violence in July 2021 took a severe toll on the labour market, with 2.1 million fewer jobs in the third quarter of 2021 than in the final quarter of 2019. There is a real risk that many of the jobs eliminated will not return. In addition, structural unemployment persists.

Reforms that lead to job creation and expand entrepreneurship would raise incomes and consumption expenditure over time, and lead to the growth of the middle class. Post-COVID-19 recovery strategies have converged around job creation and income support. This includes stimulating the economy through public employment programmes and tax incentives while implementing reforms that ease the skills constraint and make it easier to do business. In particular, a review of the policy framework and processes for work visas is underway. Labour-intensive, export-oriented sectors (such as tourism and agriculture) are receiving additional support. As confidence and investment rise, bolstered by reforms, employment is expected to recover.

Global outlook

After the resurgence of COVID-19 infections towards the end of 2021, the International Monetary Fund (IMF) lowered its expectation for global growth in 2022 from 4.9 to 4.4 per cent. Alongside new restrictions, elevated inflation, withdrawal of the US financial support package and the consequences of volatility in China's troubled real-estate sector have reduced growth projections.

A key risk is that new COVID-19 variants will prolong the pandemic and disrupt economic activity. Vaccination rates in developing countries are much lower than in their developed counterparts, and the emergence of new variants increases global vulnerability. There remains a high degree of uncertainty over the trajectory of the virus and policy responses. The shape of the global recovery has exacerbated inequality across countries and sectors. By the end of 2022, developed countries will have returned to pre-pandemic output levels, but developing countries will not have fully recovered. In many cases, employment continues to recover more slowly than GDP.

Table 2.1 Economic growth in selected countries

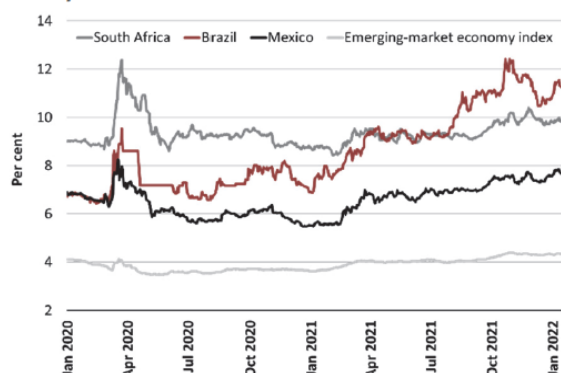
Region/country	2020	2021	2022	2023
Percentage	Actual	Estimate	Forecast	
World	-3.1	5.9	4.4	3.8
Advanced economies	-4.5	5.0	3.9	2.6
United States	-3.4	5.6	4.0	2.6
Euro area	-6.4	5.2	3.9	2.5
United Kingdom	-9.4	7.2	4.7	2.3
Japan	-4.5	1.6	3.3	1.8
Emerging and developing countries	-2.0	6.5	4.8	4.7
Brazil	-3.9	4.7	0.3	1.6
Russia	-2.7	4.5	2.8	2.1
India	-7.3	9.0	9.0	7.1
China	2.3	8.1	4.8	5.2
Sub-Saharan Africa	-1.7	4.0	3.7	4.0
Nigeria	-1.8	3.0	2.7	2.7
South Africa ¹	-6.4	4.8	2.1	1.6
World trade volumes	-8.2	9.3	6.0	4.9

1. National Treasury forecast

Source: IMF World Economic Outlook, January 2022

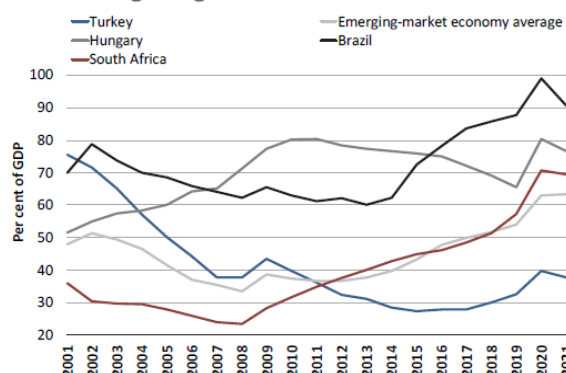
Inflation is proving more persistent than expected, particularly in the United States, as a result of disruptions to global supply chains and rising energy costs. In developed countries, consumer price inflation is expected to rise from 3.1 per cent in 2021 to 3.9 per cent in 2022. As supply imbalances diminish and monetary policy changes take effect, inflationary pressures are expected to start dissipating in 2023. In developing countries, consumer price inflation is expected to rise marginally from 5.7 per cent to 5.9 per cent in 2022, before falling to 4.7 per cent in 2023. Prices in global equity markets declined towards the end of 2021 amid higher expected real interest rates, but remain relatively high as a result of strong corporate earnings. The IMF expects earnings to surpass pre-pandemic levels in most sectors in 2022. In 2021, global bond yields rose broadly in response to mounting inflation and expectations of tightening monetary policy. Low yields in developing countries have been supported by accommodative monetary policy in developed countries. As developed countries begin to raise interest rates, this will reverse. The US dollar strengthened significantly in 2021 on expectations that the Federal Reserve would raise interest rates, reinforcing rand depreciation that began in mid-2021.

Figure 2.2 Emerging market economies 10-year bond yields



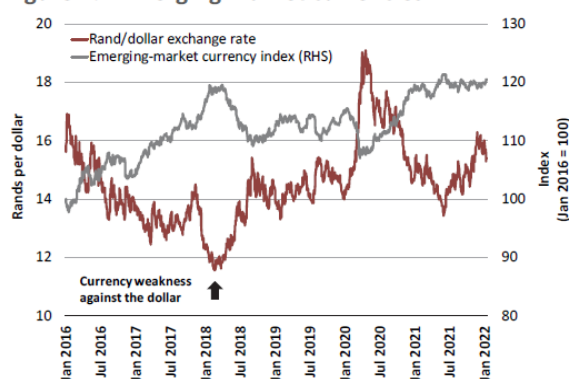
Source: Bloomberg

Figure 2.3 Emerging market and developing economies gross government debt-to-GDP ratios



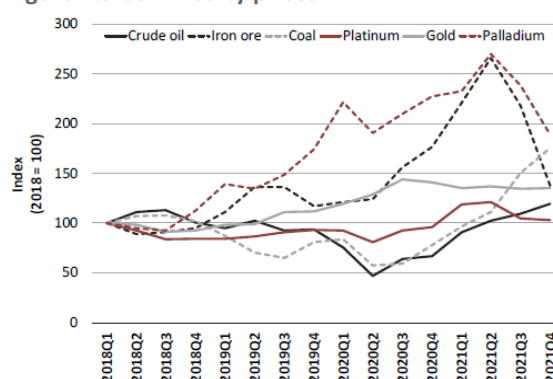
Source: Bloomberg

Figure 2.4 Emerging market currencies



Source: Bloomberg

Figure 2.5 Commodity prices



Source: IMF, Bloomberg, National Treasury calculations

Capital flows to developing economies, excluding China, have declined, posing a particular threat to highly indebted countries. Government debt to- GDP levels in developing economies rose from 54 per cent at the end of 2019 to 63 per cent by the end of 2021. Tightening financial conditions put these economies at risk of financial stress and could slow their recovery.

While some major commodity prices declined during the second half of 2021, prices remain above pre-pandemic levels (the final quarter of 2019) providing further support to commodity exporters. In the near term, a further easing in iron ore, platinum and palladium prices are expected.

Conversely, oil and coal prices are expected to continue to increase in response to the recovery in demand. Over the longer term, easing coal and iron ore prices are expected to offset gradually rising precious metal prices.

Domestic outlook

The National Treasury projects real economic growth of 4.8 per cent in 2021 and 2.1 per cent in 2022, compared with 2021 MTBPS estimates of 5.1 per cent and 1.8 per cent, respectively. Real GDP growth is expected to moderate to 1.7 per cent in 2024. Although South Africa is still expected to return to pre-pandemic production levels this year, it is important to note that the economy was in recession before the outbreak of the pandemic –largely due to the impact of existing structural constraints.

Table 2.2 Macroeconomic performance and projections

Percentage change	2018	2019 Actual	2020	2021 Estimate	2022	2023 Forecast	2024
Final household consumption	2.4	1.1	-6.5	5.6	2.5	1.8	2.0
Final government consumption	1.0	2.7	1.3	0.3	0.4	-2.0	-0.8
Gross fixed-capital formation	-1.8	-2.4	-14.9	1.2	3.2	3.8	4.1
Gross domestic expenditure	1.6	1.2	-8.0	4.6	2.7	1.9	1.9
Exports	2.8	-3.4	-12.0	9.3	2.9	2.8	2.7
Imports	3.2	0.5	-17.4	8.5	5.4	3.9	3.3
Real GDP growth	1.5	0.1	-6.4	4.8	2.1	1.6	1.7
GDP inflation	4.0	4.5	5.3	6.7	1.5	3.3	4.4
GDP at current prices (R billion)	5 357.6	5 605.0	5 521.1	6 172.0	6 395.4	6 712.2	7 127.3
CPI inflation	4.6	4.1	3.3	4.5	4.8	4.4	4.5
Current account balance (% of GDP)	-3.0	-2.6	2.0	3.8	0.3	-1.2	-1.5

Employment

The official unemployment rate breached a previous high yet again in the third quarter of 2021, reaching 34.9 per cent. The labour market came under strain amid renewed COVID-19 lockdowns and the outbreak of public violence in July. Of the 660 000 jobs lost in the third quarter, 309 000 were in the trade sector (retail trade, wholesale trade, motor trade, catering and accommodation), which was severely affected by the July violence. Trade sector employment fell to the lowest level since the Quarterly Labour Force Survey began in 2008. The lingering effect on sentiment may weigh on job prospects through 2022. These events aggravated longstanding problems in the labour market.

More than three-quarters of jobless people (78.5 per cent) are in long-term unemployment – defined as unemployment for a year or longer. Job losses continue to be more pronounced in lower-skilled occupations, including sales and services, craftspeople, clerks and elementary workers – many of which were highly sensitive to the pandemic restrictions.

There remain 2.1 million fewer people employed in the third quarter of 2021 compared with the final quarter of 2019. As such, the government's reform agenda is crucial to foster growth and employment.

Household consumption

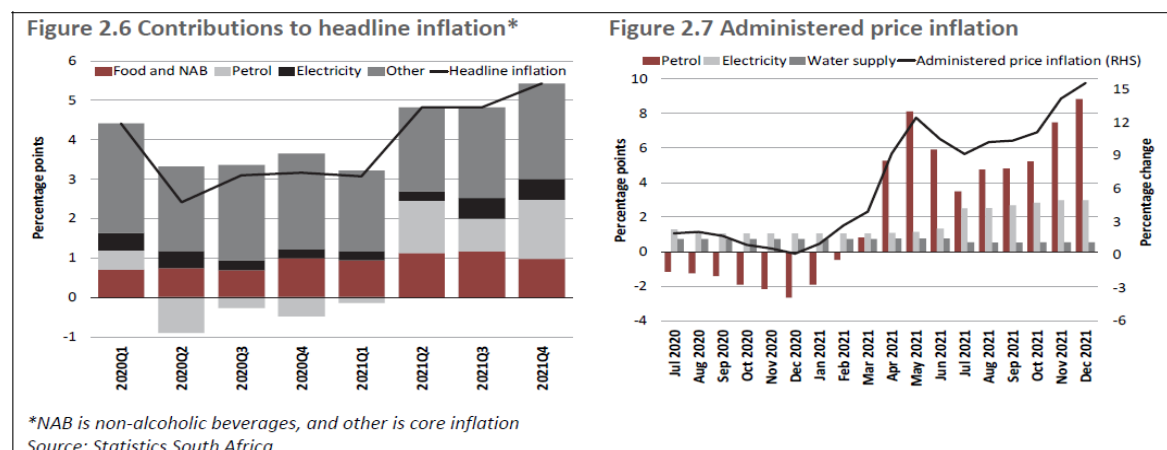
Household spending is estimated to have grown by 5.6 per cent in 2021, following a contraction of 6.5 per cent in 2020. Spending levels were recovering until July, but fell in response to the public violence, and remain below pre-pandemic levels. Consumer confidence declined, and retail operations and supply chains were severely affected.

Household consumption is expected to grow by 2.5 per cent in 2022. Over the next three years, it is supported by sustained growth in private-sector wages, growth in household credit extension and relatively low borrowing costs. Consumption is supported in the near term by the extension of the *special COVID-19 social relief of distress grant* in 2022/23, and a relatively mild fourth wave of infections followed by further easing of COVID-19 restrictions at the end of 2021. Nonetheless, a weak employment outlook and higher inflation are likely to limit the pace of recovery in 2022. Sustained GDP growth and job creation are needed for higher consumption.

Inflation

Headline inflation is projected at 4.8 per cent in 2022 and 4.4 per cent in 2023. Food and energy prices – especially municipal rates from rising electricity prices, high domestic food inflation and elevated fuel prices – are expected to be the key sources of inflationary pressure in 2022.

Fuel prices were up 40.4 per cent in the year to December 2021 owing to higher global crude oil prices. Fuel prices are expected to ease during 2022 but remain elevated and above the 2019 average price level. Global supply-demand imbalances triggered an acceleration in the price of raw materials and intermediate inputs, which will continue to put upward pressure on consumer inflation.



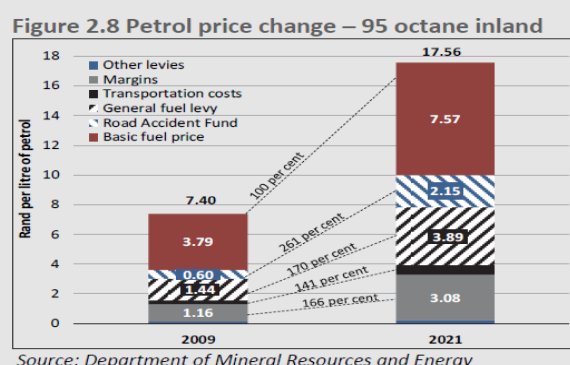
Medium-term risks to the inflation outlook are to the upside, primarily as a result of price pressures from food and non-alcoholic beverages, along with petrol, energy and other administered prices. Although the forecast assumes 2022 and 2023 electricity prices rise in line with Eskom's application for a tariff increase in 2022/23, there is a risk that electricity inflation may exceed the assumption due to increasing costs of ensuring electricity supply.

Administered price reviews

Government and regulators set many basic prices in South Africa. Rising prices affect the competitiveness of domestic firms and households' disposable income. The two largest components of administered price inflation – electricity and fuel prices – increased by an annual average of 8.2 per cent between 2011 and 2021, placing financial strain on households. Regular reviews of prices and their underlying methodologies help policy makers understand inefficiencies in pricing models and additional costs imposed on society, and create incentives for competitive outcomes.

The fuel price affects a broad swathe of the economy, from public transport to road freight – and in turn consumer goods. Research on fuel price regulation¹ has found that a combination of regulatory amendments can reduce the petrol price by 103.82 cents/litre, increasing GDP by 0.67 percentage points, by 2028. These include amendments to the international component of the basic fuel price as proposed by the Department of Mineral Resources and Energy in 2018² (but not yet implemented) and changes to the methodology underlying regulated margins.

Since 2012, taxes and related levies for fuel have on average more than doubled as a share of the total fuel price. The National Treasury is considering reviewing the Road Accident Fund levy, as changes in the operational model are expected to improve the Fund's cash position by 2024/25. A comprehensive review of the fuel price could significantly reduce costs in the economy.



1. Based on results from: Bohlmann, H. and Crompton, R. 2020. "The Impact on the South African Economy of Alternative Regulatory Arrangements in the Petroleum Sector". WIDER Working Paper 2020/153. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2020/910-5>.
2. Department of Mineral Resources and Energy. 2018. Discussion Document on the Review of the Basic Fuel Price (BFP) Structures for Petrol, Diesel and Illuminating Paraffin for Public Comment.

Investment

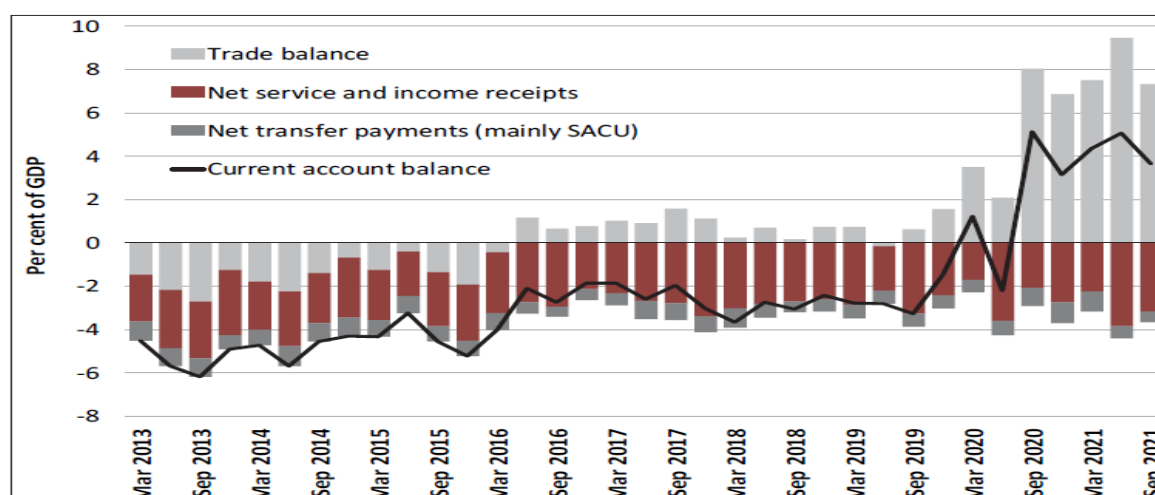
Gross fixed capital formation contracted in the third quarter of 2021. As a result, investment remains about R84.6 billion below pre-pandemic levels – with private investment, the largest component of fixed-capital formation, accounting for 84 per cent of the shortfall. Renewed investment in fixed capital is vital to economic recovery and growth. Higher and more effective public-sector investment, specifically in network industries such as transport and energy, is needed to catalyse a sustained recovery.

Structural constraints, weak demand and low confidence are expected to weigh on private investment prospects in the short to medium term. As government stabilises and reduces its debt, real interest rates are likely to decline, creating more space for private investment. The rollout of energy infrastructure planned through the REIPPP, embedded generation projects and investment in bulk infrastructure will support both public and private investment over the medium term.

Balance of payments

The current account surplus as a share of GDP is expected to remain unchanged at 3.8 per cent in 2021, supported by a robust trade surplus, as the value of merchandise exports grew faster than imports. This was mainly due to a strong performance in mining, which accounts for just over 60 per cent of total exports – particularly iron ore, rhodium and coal. These net trade gains are expected to dissipate in 2022 as the prices of South African commodities ease over the short term and import volumes recover more substantially. The current account is expected to moderate to a marginal surplus in 2022 before moving into a deficit of 1.2 per cent and 1.5 per cent of GDP in 2023 and 2024, respectively.

Figure 2.9 Current account balance



Source: Reserve Bank

The balance on the financial account has been declining since 2019 due to diminished portfolio inflows. The deficit on the financial account narrowed to 2.1 per cent in September 2021.

Macroeconomic assumptions

Table 2.3 shows the macroeconomic assumptions underlying the forecast. The global demand index has been revised down in 2022, in line with the easing global growth outlook. The export commodity price index rose further in 2021 but at a slower pace than in 2020, due to some major commodity prices have eased in the second half of the year. The risk premium remains unchanged in 2021 before increasing marginally to 3.6 per cent in 2022 and 2023.

Table 2.3 Assumptions informing the macroeconomic forecast

Percentage change	2019 Actual	2020 Actual	2021 Estimate	2022 Forecast	2023 Forecast	2024 Forecast
Global demand ¹	2.3	-3.5	5.5	4.4	4.2	3.3
International commodity prices ²						
Oil	64.3	41.8	70.7	81.0	75.2	71.2
Gold	1 392.2	1 769.5	1 800.4	1 828.5	1 845.2	1 874.3
Platinum	863.6	883.3	1 091.5	1 036.9	1 046.2	1 058.2
Coal	71.3	65.2	125.6	146.1	120.2	113.2
Iron ore	93.6	108.1	157.6	119.3	119.0	117.6
Palladium	1 539.0	2 192.7	2 400.1	1 967.1	1 977.8	1 984.3
Food inflation	3.4	4.5	6.1	5.1	4.4	4.5
Sovereign risk premium	3.2	4.9	3.5	3.6	3.6	3.5
Public corporation investment	-19.5	-11.9	7.3	6.8	6.9	7.4

1. Combined growth index of South Africa's top 15 trading partners (IMF World Economic Outlook, January 2022)

2. Bloomberg futures prices as of 26 January 2022

Source: National Treasury, Bloomberg and Statistics South Africa

Risks to the domestic growth outlook

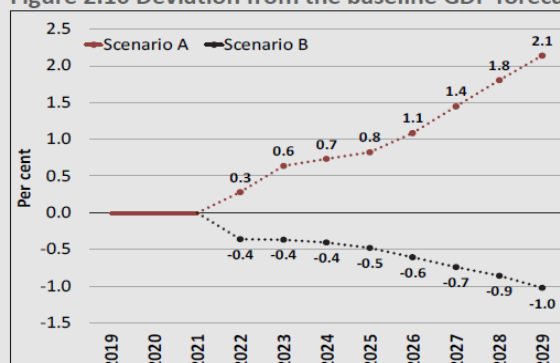
There are significant risks to the global and domestic outlook over the medium term. The evolution of the COVID-19 pandemic and slow progress in global vaccine rollout is a risk to the economic recovery, although the successful navigation of the fourth wave in South Africa has eased uncertainty. Global growth could slow more rapidly if supply-chain bottlenecks persist, leading to sustained price pressures and rising inflation expectations, or if Chinese growth slows. Faster interest rate increases could tighten financial market conditions and increase market volatility.

Economic scenarios

Scenario A: Economic reform. This upside scenario assumes that the fiscal consolidation is complemented by accelerated economic reforms. These include ensuring energy security, reducing red tape and lowering the cost of doing business through improved transport and communication infrastructure. These reforms help create an enabling environment for improved private-sector participation. Confidence levels improve, supporting a marked easing of sovereign risk and lowering economy-wide borrowing costs. These changes bolster private investment levels and consumer demand. GDP increases above the baseline forecast and is 0.7 percentage points higher by 2024 (Figure 2.10). The cumulative effect of these gains is compounded over the long term, raising potential growth.

Scenario B: Weaker global growth and more persistent global inflation. This scenario quantifies the impact of slower global growth and persistent inflationary pressures. Higher global inflation leads to a rapid tightening of monetary policy. Mounting risk aversion takes its toll, as South Africa's risk premium and borrowing costs increase and feed into economy-wide borrowing costs. This in turn reduces local business investment and erodes consumer purchasing power. As weaker global demand depresses exports and commodity prices, GDP averages 0.4 percentage points below the baseline between 2022 and 2024. The delayed recovery entrenches scarring from the pandemic and reduces long-term potential growth. The weaker exchange rate, higher input costs and imported inflation push CPI inflation to 5.1 per cent in 2022, moderating to 4.5 per cent by 2024.

Figure 2.10 Deviation from the baseline GDP forecast



Source: National Treasury calculations

In South Africa, supply constraints linked to raw material shortages, disruptions in global supply chains and elevated production costs could lead to higher consumer inflation. Unreliable electricity supply remains a serious constraint on domestic growth. The implementation of revised licensing thresholds and energy reforms may raise fixed investment and the economic outlook over the medium term.

A further deterioration in the public finances due to spending pressures and the materialisation of contingent liabilities could trigger additional credit rating downgrades, increasing borrowing costs and crowding out both private and public investment.

Sector performance and outlook

Transport and communications

In the first three quarters of 2021, gross value added in the transport, storage and communication sector grew by 5.1 per cent relative to the same period in 2020. The sector's recovery was supported by improved freight transportation and passenger traffic and, in communications, continued demand for digital services for remote work. The communications regulator's decision to extend the provisional spectrum assignment will continue to support demand. Poor rail infrastructure and Transnet's logistical challenges – including locomotive availability, cable theft, rail vandalism and port delays – continue to weigh on the sector.

Over the medium term, initiatives to improve port efficiencies and expand rail capacity such as third-party access, as well as the auction of the spectrum should create positive gains for the sector.

4.1. EXTERNAL ENVIRONMENT ANALYSIS

The global shock prompted by the COVID-19 pandemic, and unprecedented restrictions designed to protect public health, have led to a sharp contraction in the domestic economy. Government interventions have cushioned the impact on workers and businesses, but have not offset the full decline. South Africa's economic growth is forecast to fall by 7.2 per cent in 2020 as a result of the crisis, the March and April 2020 credit rating downgrades, and the compounding effects of weak investor confidence. Internal Environment Analysis

The Universal Service and Access Fund (USAF) is established in terms of the Electronic Communications Act 36 of 2005 (ECA) which came into operation on 19 July 2006. Further new amendments to the ECA, which have a direct bearing on governance of the Universal Service and Access Agency of South Africa (USAASA) - which manages the Fund, came into effect on 21 May 2014.

In terms of the ECA Act, USAASA manages the Universal Service and Access Fund (USAF), which is classified as a separate public entity in terms of the Public Finance Management Act, and so must have its separate annual report, separate from the Agency, on the performance information and state of its financial affairs.

In terms of the ECA, read together with the National Integrated Information and Communication Technologies Policy White Paper (September 2016) and related Ministerial directives, the mandate of the USAF is to:

- Provide connectivity to primary health facilities, educational institutions and needy communities;

- Provide incentives to network licensees to construct, operate and maintain networks in under-served areas;
- Provide access to digital broadcasting services

In terms of the Act and its establishment, USAF is a public entity, listed in terms of Schedule 3A of the Public Finance Management Act 1 of 1999 (PFMA). In this regard, the Board of the USAF is the Accounting Authority in terms of the PFMA.

The Agency is currently led by the Administrator who plays both the role of the Board and Chief Executive Officer that provides leadership and oversees the strategic direction, to enhance shareholder value and ensure the USAF's long-term sustainable development and growth. In fulfilling its responsibilities, the Administrator is supported by the USAASA executive team, in implementing the approved strategic and corporate plans and policies, which are aligned to the key national policies and action plans.

Lastly, in finalising its Strategic Plan and Annual Performance Plan, the Fund through the Agency took into consideration the limited resources available, both financial and human, which negatively impacted its capacity to execute and deliver on some of its 2020/21 planned targets.

Above content for Parts A and B appears as per the 2020-2025 Strategic Plan, as the 2021/22 APP is tabled in the same year, hence there are no updates.

4.2. SUMMARY OF CRITICAL ISSUES INFORMING THE 2020/21 ANNUAL PERFORMANCE PLAN

USAF's reflection on its organisational environment, in particular, the administrative functions, its operations and the business intelligence component of the Agency resulted in identifying its strength, weakness, opportunities and threats (SWOT). The SWOT analysis was located within strategic imperatives. The key issues arising from the analysis are reflected below, as they inform this 2021/22 Annual Performance Plan:

1. In the area of continuous effective implementation of its core business, the USAF must:
 - a) Ensure that the service providers it appoints are not only reliable and competent but also that they are duly monitored; and
 - b) Strengthen, monitor and sustain strong relations and partnerships with sister entities such as BBI, SITA, ICASA, NEMISA (iNeSI), ZADNA, and Sentech; and strengthen relationships with identified municipalities and provinces where there is a service offering by the Agency;
2. In the area of development and management of internal business processes and systems (including technology), USAF must:
 - a) Adopt and rigorously implement enabling internal supporting systems and technologies:
 - Implement a project management framework, policies and technology;
 - Have a reliable management information system;
 - Have an in-house network monitoring system; and
 - Have an in-house service desk/call centre to field problems

PART C:

MEASURING OUR PERFORMANCE

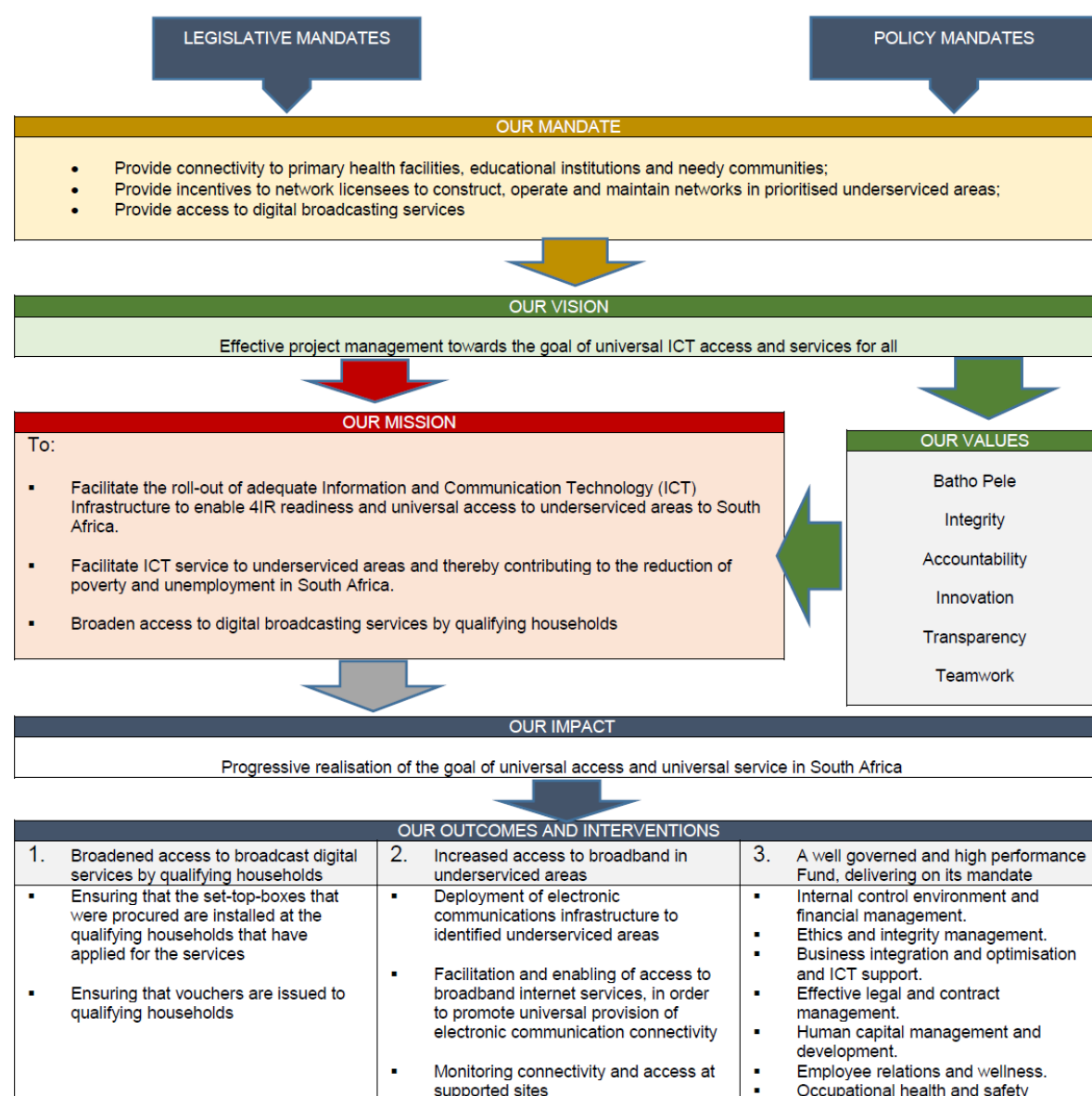
PART C: MEASURING OUR PERFORMANCE

The Universal Service and Access Fund of South Africa (USAF) Impact and Outcomes reflected in the 2020/2025 Strategic Plan are then unpacked into the Annual Performance Plan for 2021/22 in the sections below.

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The Universal Service and Access Fund of South Africa strategic focus for the period 2020-2025 is presented below:

The USAF strategic focus to 2025:



The Universal Service and Access Fund is constituted by the following programmes and aligned business functions, which informs the packaging of this Annual Performance Plan:

Programme N ^o .	Programme Name	Sub-Programmes
Programme 1	Business Operations	<ul style="list-style-type: none"> ▪ <i>Broadband infrastructure in underserved areas</i> ▪ <i>Rapid deployment and connectivity</i> ▪ <i>Broadcasting digital migration programme</i>

The APP deliberately reflects data positioned at a higher level to aid clear and strategic reporting and excludes more operational processes and activities, which will be reflected in the relevant sub-programme operational plans for the period; which are aligned to internal working documents, and which inform the performance agreements of the relevant managers and employees.

5.1. PROGRAMME 1: BUSINESS OPERATIONS

Programme Purpose

The purpose of Programme 1: Business Operations, as per Section 82 of the ECA, can be summarised as that of a facilitator and playing a monitoring role to improve research capacity on universal service and access. It has the mandate to provide accurate and credible information on universal service and access gaps.

Despite this clear mandate, growth in the South African ICT sector has not been accompanied by a realisation of the primary policy objectives of affordable access for all, to the full range of communications services that characterise modern economies.

Key objectives and outputs detailed in this APP have been drawn from and aligned to the Universal Services and Access Strategy, and focus in the main on following sub-programmes detailed in the Universal Services and Access Strategy:

- **Community and Institutional Broadband Access** - the greatest need and opportunity for South Africans to take full advantage of ICT is to ensure widespread access to high-quality broadband networks and services in all towns and villages. This will be done by the establishment of high-capacity broadband points-of-presence within currently unserved towns and villages, with last-mile broadband connections to local schools, post offices, health clinics and government offices. This includes collaborative development of ICT facilities within each institution to ensure maximum public usage and benefit.
- **Universal Access to Broadcasting** - will support the transformation and expansion of the broadcasting sector, to complement the provision of universal access to multimedia forms of communication and information.

In contributing towards the Universal Service and Access Fund of South Africa (USAASA) desired impact of “**Enhanced access to ICT and digital broadcasting services in identified underserved areas**”, the Business Operations Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: Broadened access to broadcast digital services by qualifying households

Outcome 2: Increased access to broadband in underserved areas

Outcome 3: A well-governed and high-performance organisation and fund, delivering on its mandate

The 2021/22 performance plan of Programme 1 is then reflected in the log frame tables below:

Programme 1 - Business Operations: Outcomes, Outputs Indicators and Annual Targets:

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1: Broadened access to broadcast digital services by qualifying households	The current inventory of set-top boxes kits installed at qualifying households	Number of the subsidised set-top-box kits installed at qualifying households	New = 259 396 (299 384)	New = 209 689 (509 073)	New = 4 387 (513 460)	New = 10400 (523 860)	¹ 810 000 subsidised set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)	-	-
	Qualifying households migrated to digital terrestrial television	Number of DTT qualifying households migrated to digital terrestrial television through a voucher system	-	-	-	-	² 2 266 474 DTT subsidised digital television installations coordinated and monitored	-	-
		Number of DTH qualifying households migrated to digital terrestrial television through a voucher system	-	-	-	-	³ 289 058 DTH subsidised digital television installations coordinated and monitored	-	-
		Implemented registration and awareness conducted in support of the	-	-	-	-	A report on registration and awareness conducted in	-	-

¹ The 810 000 set-top-boxes inventory is subjected to possible write off due to theft, losses and damages.

² The DTT voucher is costed at R770 per household and the budget allocation is R1 745 184 840,00

³The DTH voucher is costed at R1 150 per household and the budget allocation is R332 416 160,00
The remainder of the vouchers of 3,2 million households will be issued once the funding is secured

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Analogue Switch Off by 31 March 2022					support of the Analogue Switch Off by 31 March 2021 developed		
	Revised Analogue Switch Off Plan	Implemented conceptual framework on funding model to support the revised Analogue Switch Off Plan	-	-	-	-	Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved by Board	-	-
		Implemented procurement strategy from National Treasury on the appointment of multiple service providers to support the revised Analogue Switch Off Plan	-	-	-	-	Procurement strategy on the appointment of multiple service providers to support the revised Analogue Switch Off Plan approved by the National Treasury	-	-
2: Increased access to broadband in underserved areas	Broadband internet connectivity to new broadband-connected sites in 2 municipal areas	Number of sites with broadband internet connectivity to new sites in identified municipal areas	275 (unaudited)	200	0	280	Provision of broadband internet connectivity to 280 sites to identified 2 (two) ⁴ local municipalities	-	-
	Revised SA Connect model	Implemented conceptual framework on funding model to support the approved revised SA Connect Phase 2 model	-	-	-	-	Conceptual framework on funding model to support the revised SA Connect Phase 2	-	-

⁴ The two local municipalities where the Agency will be rolling out broadband connectivity for 2021-22 Financial Year are Kareeberg and Renosteberg Local Municipalities in Pixley Ka Seme District Municipality, Northern Cape

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
3: A well-governed and high-performance organisation, delivering on its mandate							model approved by Board		
		Implemented procurement strategy from National Treasury on the appointment of a service provider to support the revised SA Connect Phase 2 model	-	-	-	-	Procurement strategy on the appointment of a service provider to support the revised SA Connect Phase 2 model approved by the National Treasury	-	-
	Compliance, sound financial management and internal controls	Percentage (%) of valid invoices paid within 30 days from date of receipts	-	New indicator	100% of valid invoices paid within 30 days from date of receipt	-	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt
	Eliminated wasteful and fruitless expenditure	Percentage (%) of the elimination of wasteful and fruitless expenditure	-	-	-	-	Reduction of wasteful and fruitless expenditure to 20 % of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 50% of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 100% of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
	Reduced irregular expenditure	Percentage % reduction of irregular expenditure	-	-	-	-	Reduction of irregular expenditure to 15% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 50% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 75% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024

Programme 1 - Business Operations: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
Number of the subsidised set-top-box kits installed at qualifying households	810 000 subsidized set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)	Distribution and installation of 330 000 set-top-boxes coordinated and monitored in Free State, Northern Cape, North West and Limpopo	Distribution and installation of 480 000 set-top-boxes coordinated and monitored in Free State, Northern Cape, North West and Limpopo	-	-
Number of DTT qualifying households migrated to digital terrestrial television through a voucher system	2 266 474 DTT subsidised digital television installations coordinated and monitored	Appointment of the panel of service providers of devices finalized	Contracting the panel of service providers and placement of orders 466 474 DTT vouchers issued to qualifying households for subsidized digital television installation	-	-
Number of DTH qualifying households migrated to digital terrestrial television through a voucher system	289 058 DTH subsidised digital television installations coordinated and monitored	Appointment of the panel of service providers of devices finalized	Contracting the panel of service providers and placement of orders 70 058 DTH vouchers issued to qualifying households for subsidized digital television installation	-	-
Implemented registration and awareness conducted in support of the Analogue Switch Off by 31 March 2022	A report on registration and awareness conducted in support of the Analogue Switch Off by 31 March 2021 developed	-	-	Report on registration and awareness conducted in support of the Analogue Switch Off by 31 March 2021 developed	Consolidated report on registration and awareness conducted in support of the Analogue Switch Off by 31 March 2021 developed
Implemented conceptual framework on funding model to support the revised Analogue Switch Off Plan	Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved by Board	-	-	Conceptual framework on funding model to support the revised Analogue Switch Off Plan approved by Board	Monitoring report on the implementation of the approved conceptualise framework on funding model to support the revised Analogue Switch Off Plan developed

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
Implemented procurement strategy from National Treasury on the appointment of multiple service providers to support the revised Analogue Switch Off Plan	Procurement strategy on the appointment of multiple service providers to support the revised Analogue Switch Off Plan approved by the National Treasury	-	-	Initiate a procurement strategy to National Treasury for approval in support of the revised Analogue Switch Off Plan	Monitoring report on the implementation of the approved procurement strategy in support of the revised Analogue Switch Off Plan developed
Number of sites with broadband internet connectivity to new sites in identified municipal areas	Provision of broadband internet connectivity sites to 280 sites to identified 2 (two) ⁵ local municipalities	Initiate bid processes for the appointment of the service provider	Conclude bid processes and contracting of a service provider Provision of internet connectivity to 80 sites identified in local municipalities ensured	-	-
		Stakeholder consultations and sites identification conducted	-	-	-
Implemented conceptual framework on funding model to support the approved revised SA Connect Phase 2 model	Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved by Board	-	-	Initiate administrative processes for approval of the conceptual framework on funding model by the Board in support of the revised SA Connect Phase 2 model	Submission of the conceptual framework on funding model to support the revised SA Connect Phase 2 model approved by Board
Implemented procurement strategy from National Treasury on the appointment of a service provider to support the revised SA Connect Phase 2 model	Procurement strategy on the appointment of a service provider to support the revised SA Connect Phase 2 model approved by the National Treasury	-	-	Initiate a procurement strategy administrative processes for the appointment of a service provider in support of the revised SA Connect Phase 2 model approved by the National Treasury	Submission of the procurement strategy to National Treasury for approval in support of the approved revised SA Connect Phase 2 model
Percentage (%) of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from the date of receipts	100% of valid invoices paid within 30 days from the date of receipts	100% of valid invoices paid within 30 days from the date of receipts	100% of valid invoices paid within 30 days from the date of receipts
Percentage (%) of the elimination of wasteful and fruitless expenditure	Reduction of wasteful and fruitless expenditure to 20 % of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	5% reduction of wasteful and fruitless expenditure	8% reduction of wasteful and fruitless expenditure	12% reduction of wasteful and fruitless expenditure	20% reduction of wasteful and fruitless expenditure

⁵ The two local municipalities where the Agency will be rolling out broadband connectivity for 2021-22 Financial Year are Kareeberg and Renosteberg Local Municipalities in Pixley Ka Seme District Municipality, Northern Cape

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
Percentage % reduction of irregular expenditure	Reduction of irregular expenditure to 15% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	3% reduction of irregular expenditure	5% reduction of irregular expenditure	9% reduction of irregular expenditure	15% reduction of irregular expenditure

Explanation of planned performance over the medium term period:

The USAF Operations Division, which is one of the main directorates within USAASA is mainly responsible for the following 3 (three) outcomes:

- Outcome 1: Broadened access to broadcast digital services by qualifying households
- Outcome 2: Increased access to broadband in underserved areas
- Outcome 3: A well-governed and high-performance organisation and the Fund delivering on its mandate

In fulfilling its purpose, the Business Operations Programme will continue to enhance its project management capacity and capability to realise 2 key pillars of work, namely:

- 1) Roll-out of adequate Information and Communication Technology (ICT) infrastructure and services to enable universal access in underserved areas, with a focus on:
 - a) Deployment of electronic communication infrastructure is crucial to delivering broadband services to South Africans, and to overcoming the so-called "digital divide" between connected urban citizens and those living in rural areas. To mitigate these issues, it is critical that electronic communication infrastructure is delivered and thereafter monitored; and
 - b) Facilitation and enabling of access to broadband internet services to identified municipalities and areas, to promote the universal provision of electronic communications connectivity.
- 2) Broaden universal access to Digital Broadcasting Services for needy households in South Africa, with a focus on:
 - a) Ensuring that vouchers are issued to qualifying households through the Universal Service and Access Fund, as part of the assigned responsibility to enable qualifying needy households to receive set-top boxes free.

The USAF undertaking in 2021/22 is two key infrastructure projects in form of Broadband roll-out and Broadcasting Digital Migration.

The planned outputs are aligned to the National Development Plan and Revised Medium-Term Strategy Framework 2019-2024 Priority 2: Economic transformation and job creation and the Outcome of the Improve competitiveness through ICT adoption and Priority 3: Education, Skills and Health. The Fund is administered and controlled by the Agency. The human capital employed by the Agency under operations is responsible for day to day operational running of the Fund.

5.1.3 UPDATED KEY RISKS

Outcomes	Annual Targets	Risk Description	Mitigation Plan
Broadened access to broadcast digital services by qualifying households	810 000 subsidized set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)	810 000 subsidized digital television installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo, or failure thereof	Proactive registrations Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet
	2 266 474 DTT subsidised digital television installations coordinated and monitored	2 266 474 DTT subsidised digital television installations coordinated and monitored, or failure thereof	Proactive registrations Allocation by National Treasury to cover the budget deficit Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet Voucher system framework roll-out strategy Determination of voucher value
	289 058 DTH subsidised digital television installations coordinated and monitored	289 058 DTH subsidised digital television installations coordinated and monitored, or failure thereof	Proactive registrations Allocation by National Treasury to cover the budget deficit Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet Voucher system framework roll-out strategy Determination of voucher value

	A report on registration and awareness conducted in support of the Analogue Switch Off by 31 March 2021 developed	A report on registration and awareness conducted in support of the Analogue Switch Off by 31 March 2021 developed, or failure thereof	Proactive registrations Database of the qualifying households Stakeholder engagements at all various structures of government
	Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved by Board Procurement strategy on the appointment of multiple service providers to support the revised Analogue Switch Off Plan approved by the National Treasury	Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved, or failure thereof Procurement strategy on the appointment of multiple service providers to support the revised Analogue Switch Off Plan approved by National Treasury or failure thereof	Improve governance structure to ensure effective coordination, monitoring and reporting of the project. Develop an integrated implementation plan to guide the execution of the program end to end. Finalise review of the awareness plan and commence with the awareness campaigns. Engagement with NT to secure the current and additional funding
Outcome	Annual Targets	Risk Description	Mitigation Plan
Increased access to broadband in underserved areas	Provision of broadband internet connectivity to 280 sites to be identified	Provision of broadband internet connectivity to 280 sites to identified, or failure thereof	Identification of the target local municipality (DCDT dependence) Stakeholder engagements at all various structures of government Sustainability Secure a service provider through supply chain management processes The reliable choice of technology to deliver a service and needs analysis of the communities Remote monitoring tool
	Procurement strategy on the appointment of a service provider to support the revised SA Connect Phase 2 model approved by the National Treasury Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved by Board	Procurement strategy on the appointment of a service provider to support the revised SA Connect Phase 2 model approved by the National Treasury, or failure thereof Conceptual framework on the funding model to support the revised Analogue Switch Off Plan approved, or failure thereof	Development and implementation of a structured approach to engage DFI (funding) and industry (strategic alignment). Appointment of sufficient Project Managers/ Coordinators to manage SA Connect implementation. Consideration of relevant expertise from the SOEs within the DCDT Portfolio that will be used as necessary to boost the capacity constraints within the mandated Entities. Effective governance and monitoring systems and processes (appropriately capacitated PMO, project plan, monitoring software/tools, etc.) to monitor and guide the implementation of SA Connect phase two(2).
Outcome	Annual Targets	Risk Description	Mitigation Plan

A well-governed and high-performance Fund delivering on its mandate	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt, or failure thereof	Dedicate personnel to monitor payment value chain Invoice register that encapsulates all the control on invoice payment protocols
	Reduction of wasteful and fruitless expenditure to 20 % of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 20 % of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024, or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and losses committee Regular meetings of the theft and losses committee
	Reduction of irregular expenditure to 15% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 15% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024 or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and losses committee Regular meetings of the theft and losses committee

5.1.4 PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Not applicable – however relevant SOEs will be consulted on rollout broadband infrastructure and services to be deployed in underserved areas.			

5.1.5 INFRASTRUCTURE PROJECTS

No.	Project Name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Current Year Expenditure
Not Applicable								

5.1.6 PUBLIC-PRIVATE PARTNERSHIP

PPP	Purpose	Output	Current Value of Agreement	End Date of Agreement
Not Applicable				

6 THE USAF FINANCIAL PLAN AND ANNUAL BUDGET FOR 2021/22 AND THE MTEF

PROJECTED BALANCE SHEET FOR 2021/2022

Financial position	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Inventory	450 000	400 000	350 000	365 750
Accrued Interest	–	–	103 500	108 158
Receivables and prepayments	4 000	3 500	3 000	3 135
Cash and cash equivalents	1 000 000	950 000	850 000	888 250
Total assets	1 454 000	1 353 500	1 306 500	1 365 293
Accumulated surplus/(deficit)	1 444 500	1 346 500	1 300 500	1 359 023
Trade and other payables	9 500	7 000	6 000	6 270
Provisions	–	–	–	–
Total equity and liabilities	1 454 000	1 353 500	1 306 500	1 365 293
Contingent liabilities	–	–	–	–

PROJECTED INCOME STATEMENT FOR 2021/2022

Statement of financial performance R thousand	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Revenue				
Tax revenue	–	–	–	–
Non-tax revenue	100 000	–	–	–
<i>Other non-tax revenue</i>	100 000	–	–	–
Interest, dividends and rent on land	100 000	–	–	–
Transfers received	641 807	1 137 531	126 183	127 397
Tax benefit	–	–	–	–
Outside shareholders Interest	–	–	–	–
Total revenue	741 807	1 137 531	126 183	127 397
Expenses				
Current expenses	4 152	3 000	3 000	3 000
Compensation of employees	–	–	–	–
Goods and services	4 152	3 000	3 000	3 000
Transfers and subsidies	737 655	1 134 531	123 183	124 397
Total expenses	741 807	1 137 531	126 183	127 397
Surplus/(Deficit)	–	–	–	–

OPERATIONAL BUDGET PROJECTIONS FOR 2021/2022

R thousand	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Administration	4 152	3 000	3 000	3 000
Broadband infrastructure and connectivity	158 934	61 165	63 777	64 419
Broadcasting Digital Migration	500 421	1 073 366	59 406	59 978
Total expense	663 507	1 137 531	126 183	127 397

PART D:

TECHNICAL INDICATOR DESCRIPTION

PART D: TECHNICAL INDICATOR DESCRIPTIONS

7 PROGRAMME 1: BUSINESS OPERATIONS

Indicator Title	Number of the subsidised set-top-box kits installed at qualifying households
Definition	This indicator measures the total number of set-top boxes installed at qualifying households
Source of data	Distribution schedule compiled by South African Post Office Installation report
Method of Calculation / Assessment	A simple count of the total number of set-top boxes installed
Means of verification	Distribution schedule compiled by South African Post Office Installation report
Assumptions	Systems and processes to track inventory and installations have been strengthened
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly and Annually
Desired Performance	Installation of 810 000 set-top boxes to qualifying households
Indicator Responsibility	Executive Operations

Indicator Title	Number of DTT qualifying households migrated to digital terrestrial television through a voucher system
Definition	This indicator measures the number of DTT vouchers issued to qualifying households
Source of data	<ul style="list-style-type: none"> Installation report Installation vouchers List of qualified households
Method of Calculation / Assessment	A simple count of the number of vouchers issued, installations conducted and list of qualified households
Means of verification	<ul style="list-style-type: none"> Installation report Installation vouchers

	<ul style="list-style-type: none"> List of qualified households
Assumptions	The cost per voucher is yet to be determined and the voucher amount is not fully funding the acquisition of the Set-Top-Box or Integrated Digital Television (IDTV)
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Finalise the model and approach to the roll-out of the voucher system in 2020/21 Thereafter, issuance of 2 266 474 DTT vouchers to qualifying households
Indicator Responsibility	Executive Operations

Indicator Title	Number of DTH qualifying households migrated to digital terrestrial television through a voucher system
Definition	This indicator measures the number of DTH vouchers issued to qualifying households
Source of data	<ul style="list-style-type: none"> Installation report Installation vouchers List of qualified households
Method of Calculation / Assessment	A simple count of the number of vouchers issued, installations conducted and list of qualified households
Means of verification	<ul style="list-style-type: none"> Installation report Installation vouchers List of qualified households
Assumptions	The amount voucher is yet to be determined and the voucher amount is not fully funding the acquisition of the Set-Top-Box or Integrated Digital Television (IDTV)
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Finalise the model and approach to the roll-out of the voucher system in 2020/21

	Thereafter, issuance of 289 058 DTH vouchers to qualifying households
Indicator Responsibility	Executive Operations

Indicator Title	Implemented registration and awareness conducted in support of the Analogue Switch Off by 31 March 2022
Definition	To monitor and track the activities implemented on registration and awareness to ensure the targeted households are registered to enable the Analogue Switch off to take place in prioritise provinces.
Source of data	Reports on proactive registrations from identified provinces and activities employed on awareness campaigns conducted. Progress reports with regards to progressive switch-off of analogue transmitters in the identified provinces.
Method of Calculation / Assessment	Simple count
Means of verification	Registration records
Assumptions	Cooperation from identified qualifying households
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	A consolidated report on proactive registrations from identified provinces and activities employed on awareness campaigns conducted developed
Indicator Responsibility	Executive Operations

Indicator Title	Implemented conceptual framework on funding model to support the revised Analogue Switch Off Plan
Definition	To monitor the funding activities on identified service providers in the revised Analogue Switch Off Plan
Source of data	Approved funding model to support the revised Analogue Switch off Plan by Board
Method of Calculation / Assessment	Analysis of the funding model
Means of verification	Report of the approved funding model to support the revised Analogue Switch off Plan by Board

Assumptions	Cooperation from the identified stakeholders
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Non - Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Report on the approved funding model by Board to support the revised Analogue Switch Off Plan developed
Indicator Responsibility	Executive Operations

Indicator Title	Implemented procurement strategy from National Treasury on the appointment of multiple service providers to support the revised Analogue Switch Off Plan
Definition	To monitor and report progress on the approval by the National Treasury on the proposed procurement strategy initiated on the appointment of multiple service providers to support the revised Analogue Switch Off Plan
Source of data	Approved submission from National Treasury on the appointment of multiple service providers to support the revised Analogue Switch Off Plan
Method of Calculation / Assessment	Analysis of progress reports
Means of verification	Report of approved National Treasury proposed procurement strategy initiated on the appointment of multiple service providers to support the revised Analogue Switch Off Plan
Assumptions	Cooperation from the identified stakeholders
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Non - Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Report of on National Treasury proposed procurement strategy initiated on the appointment of multiple service providers to support the revised Analogue Switch Off Plan developed
Indicator Responsibility	Executive Operations

Indicator Title	Number of sites with broadband internet connectivity to new sites in identified municipal areas
Definition	The number of sites with broadband internet connectivity in targeted local municipal areas.
Source of data	<ul style="list-style-type: none"> ▪ Infrastructure Rollout Project Plan ▪ Quarterly update Report from the appointed services ▪ Infrastructure sign off sheets ▪ Connectivity Reports
Method of Calculation / Assessment	<p><u>Calculation:</u></p> <p>A simple count of the total number of connected sites on the built infrastructure</p>
Means of verification	<ul style="list-style-type: none"> ▪ Infrastructure Rollout Project Plan ▪ Quarterly update Report from the appointed services ▪ Infrastructure sign off sheets ▪ Connectivity Reports
Assumptions	<ul style="list-style-type: none"> ▪ The Agency intends to roll out more than 280 sites based on the budget available in the 2021/22 financial year.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Targets and sequence are defined by the districts identified at the national level (PDAs), as reflected in the Master List.
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	280 sites (in 2 local municipal areas) connected in Kareeberg and Renosteberg Local Municipalities in Pixley Ka Seme District Municipality, Northern Cape
Indicator Responsibility	Executive Manager – USAF

Indicator Title	Implemented conceptual framework on funding model to support the approved revised SA Connect Phase 2 model
Definition	To monitor the funding activities on the identified service provider to support the approved revised SA Connect Phase 2 model implementation
Source of data	Approved funding model by Board to support the revised approved SA Connect Phase 2 model implementation
Method of Calculation / Assessment	Analysis of progress reports
Means of verification	Report of the approved funding model by Board to support the approved revised SA Connect Phase 2 model implementation
Assumptions	Cooperation from the identified stakeholders

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Non - Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Report on approved funding model by Board to support the approved revised SA Connect Phase 2 model implementation developed
Indicator Responsibility	Executive Operations

Indicator Title	Implemented procurement strategy from National Treasury on the appointment of a service provider to support the revised SA Connect Phase 2 model
Definition	To monitor and report progress on the approval by the National Treasury on the proposed procurement strategy initiated on the appointment of a service provider to support the revised SA Connect Phase 2 model
Source of data	Approved submission from National Treasury on the appointment of a service provider to support approved the revised SA Connect Phase 2 model
Method of Calculation / Assessment	Analysis of progress reports
Means of verification	Report of approved National Treasury proposed procurement strategy initiated on the appointment of a service provider to support the revised SA Connect Phase 2 model
Assumptions	Cooperation from the identified stakeholders
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Non - Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Report on National Treasury proposed procurement strategy initiated on the appointment of a service provider to support the revised SA Connect Phase 2 model develop
Indicator Responsibility	Executive Operations

Indicator Title	Percentage (%) of valid invoices paid within 30 days from date of receipts
Definition	To track the number of calendar days it takes the USAF to effect legitimate payments that are due to its creditors for goods and services provided through approved internal procurement processes; calculated from the day of the receipt of the valid invoice, and that these are within the maximum 30 days prescribed by Treasury.
Source of data	<ul style="list-style-type: none"> Register of valid invoices due for payment, and reflect the date of invoice receipt. Register of payments made against a valid invoice, and reflect payment date. Bank Statement Invoices
Method of Calculation / Assessment	<p>Calculation:</p> <ul style="list-style-type: none"> Numerator – total number of valid invoices paid within 30 days of the date of receipt of invoice. Denominator – total number of valid invoices for the 30 days in question.
Means of verification	<p>Register of valid invoices due for payment, and reflect the date of invoice receipt.</p> <p>Register of payments made against a valid invoice, and reflect payment date.</p> <ul style="list-style-type: none"> <u>A "valid" invoice is defined as</u> <i>an invoice that is compliant to the SARS checklist for valid invoices, consistent with the Purchase Order Number provided, and accurate and consistent with the goods and services provided in terms of the Service Level Agreement/contract.</i>
Assumptions	Accuracy and completeness of data on an internal payment tracking system
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative and Annually
Reporting Cycle	Quarterly
Desired Performance	100% of valid invoices paid within 30 days from date of receipt in 2019/20.
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage (%) of the elimination of wasteful and fruitless expenditure
Definition	To track and monitor the extent of compliance to expenditure by the entity on wasteful and fruitless expenditure and improvement of the year and audit outcomes on supply chain management processes
Source of data	Wasteful and Fruitless Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures
Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Numerator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report resolved incidences. i.e.(N/D) *100 ▪ Denominator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report
Means of verification	Wasteful and Fruitless Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	Fruitless and wasteful expenditure will be reduced by 20% of the figure in the fruitless and wasteful expenditure register
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of wasteful and fruitless expenditure to 20 % of R 4 009 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage % reduction of irregular expenditure
Definition	To track and monitor the percentage the extent of compliance by the entity on irregular expenditure and improvement of the end year audit outcomes on supply chain management processes
Source of data	Irregular Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures
Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Numerator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report resolved incidences. i.e.(N/D) *100 ▪ Denominator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report

Means of verification	Irregular Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	Irregular expenditure will be reduced by 15% of the identified figure in the irregular expenditure register
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of irregular expenditure to 15% of R63 520 000 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

Not applicable for 2021/22, as the second year of the 2020/21 – 2024/25 Strategic Plan.

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Universal Service and Access Fund of South Africa.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Universal Service and Access Fund of South Africa.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Not applicable to the Universal Service and Access Fund of South Africa.

ACRONYMS AND ABBREVIATIONS

ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BDM	Broadcasting Digital Migration
DCDT	Department of Communications and Digital Technologies
DDF	Digital Development Fund
DPME	Department of Planning, Monitoring and Evaluation
ECA	Electronic Communications Act
Exco	Executive Committee / Executive Council
GDP	Gross Domestic Product
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
Mbps	Megabits Per Second
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NT	National Treasury
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SMME	Small, Medium and Micro Enterprise
STB(s)	Set-Top Box(es)
TV	Television
UN	United Nations
USAASA	Universal Service and Access Agency South Africa
USAF	Universal Service and Access Fund