

INDEPENDENT DEVELOPMENT TRUST

Annual Performance Plan for 2022/23 Financial Year

Date of Tabling



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ANNEXURE 1: SHAREHOLDER’S COMPACT	ERROR! BOOKMARK NOT DEFINED.

ACRONYMS

ACRONYMS	FULL DESCRIPTION
AAP	Audit Action Plan
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
Asidi	Accelerated Schools Infrastructure Delivery Initiative
B-BBEE	Broad-Based Black Economic Empowerment
BEPCS	Built Environment Professional Consulting Services
Capex	Capital Expenditure
CBE	Centre for Built Environment
CBO	Community-Based Organisation
CDP	Contractor Development Programme
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
Cidb	Construction Industry Development Board
COIDA	Compensation for Occupational Injuries and Diseases Act
DPW	Department of Public Works (National)
ECD	Early Childhood Development
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
HIPO	High Potential Individual
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information Communications Technology
IDMS	Infrastructure Delivery Management System
IDT	Independent Development Trust
ITM	Information Technology and Management Plan
JBCC	Joint Building Contracts Committee
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NHI	National Health Insurance
NPO	Non-Profit Organisation
NSS	Non-State Sector
NT	National Treasury
OD	Organisational Development
PFMA	Public Finance Management Act
PIMOs	Performance Information Management Officers
PMTE	Property Management Trading Entity
PPMIS	Programme Project Management Information System
PPPFA	Preferential Procurement Policy Framework Act
PROCSA	Professional Client/Consultant Services Agreements
SACAP	South African Council for the Architectural Profession and the
SACQSP	South African Council for the Quantity Surveying Profession
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SMART	Specific, Measurable, Attainable, Relevant and Timely
SMME	Small, Medium and Micro Enterprises
SONA	State of the Nation Address
UIF	Unemployment Insurance Fund

FOREWORD BY THE MINISTER (To be updated)

This 2022/23 Annual Performance Plan (APP) outlines the Independent Development Trust's (IDT) planned activities for the 2022/23 financial year, contextualised by the Medium-Term Strategic Framework. The APP operationalises how the IDT will implement its legislative mandate in fulfilling its function as an Implementing Agent under the auspices of the Department of Public Works and Infrastructure (DPWI). The APP is also informed by situations required to mitigate the Covid-19 Pandemic and in implementing government's Economic Reconstruction and Recovery Plan (ERRP).

With only eight years remaining to achieve our targets set in the National Development Plan 2030, we as a country need to acknowledge that we have all fallen significantly short in implementing them. We therefore need to step-up in our drive towards implementation, with specific reference to the Economic Reconstruction and Recovery Plan (ERRP). All interventions that are undertaken must tackle unemployment and poverty, in order to break the structural foundations of unemployment together with creating a cycle that supports growth.

IDT, as an Implementing Agent of government, manages the implementation of social infrastructure projects including the construction, renovation, upgrading and maintenance of infrastructure facilities such as schools, clinics and hospitals, correctional services facilities, amongst others. The provision and maintenance of these facilities enable the state, through relevant government departments, to achieve the progressive realisation of many of its socio-economic infrastructure targets.

Over the past ten years IDT has experienced major governance, financial and administrative problems. The end of 2021, however, saw the turning point for the Entity, with the appointment of the new Board of Trustees and the acting CEO. The Entity has a substantial way to go to reach a truly viable status, however, major progress has already been made and I trust that the 2022/23 financial year will result in further strides being made in becoming an Implementing Agent that:

1. Is fit-for-purpose to provide and maintain quality, value-for-money and targetted social infrastructure, for the benefit of the beneficiary communities.
2. Strives towards the empowerment of the disadvantaged sectors, with specific reference to B-BBEE, women, youth and persons with disabilities both internally to the Entity and within each of the social infrastructure projects (contractor development).
3. Ensures efficiencies are established through the use of technology, financial and risk management practices and innovations such as climate change practices, for the benefit of the end user and the government purse.

As the Executive Authority responsible for the IDT, I hold the newly appointed Board of Trustees, who is the Accounting Authority of this Entity, accountable for the achievement of the targets set in the 2022/23 Annual Performance Plan, and to pushing the boundaries towards implementation of its mandate, thereby not only realising the delivery targets that have been set by the Entity for social infrastructure but also to ensuring that each of them contribute to alleviating some of the problems that our country is facing, focusing on the alleviation of poverty and job creation. Starting in the 2022/23 Financial Year, I have also introduced a requirement, which is coupled to the IDT's Shareholder's Compact, for an annual Performance Assessment, whereby the IDT Board of Trustees will be evaluated on the achievement on its legislative mandate, in accordance with the seven National Priorities and the value-add of the Entity as a whole. There is a sense of urgency in our country, which is a call for us all to answer. With the above in mind, as the Executive Authority responsible for the IDT, I endorse the 2022/23 APP for the IDT and hereby commit to support the implementation of it. I thank the IDT Board of Trustees, the acting CEO and staff for their commitment to IDT. I urge that they robustly strive for the implementation of the mandate of IDT and in particular for the delivery of quality social infrastructure on time, within budget and scope. Focus must be on addressing poverty, unemployment and inequality.



Ms Patricia De Lille (MP)

MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE

STATEMENT BY THE CHAIRPERSON OF THE BOARD

I am pleased to introduce the IDT's Annual Performance Plan on behalf of the Board. The plan spells out the entity's contribution to the realisation of the priorities of the sixth administration. When we came into office as members of the Board of Trustees in August 2021, we were faced with the daunting task of stabilising and reviving an entity that had gone through months of uncertainty following the announcement that it would be dissolved by 31 March 2021. Staff morale was low; others had resigned while some clients, uncertain about the entity's future, were wary of allocating projects to the IDT.

Naturally, these challenges have had an adverse effect on the operations of the entity and have often expressed themselves through an inability to respond adequately to client needs and poor audit outcomes. In order to address some of these challenges, the Board of Trustees has had to put in place governance structures that will enable it to provide leadership and play its oversight role effectively. Board sub committees are in place and have since been working with management on a number of turnaround measures. Of greater significance to the Board is the reconfiguration of the IDT into an entity that is sustainable, fit for purpose and able to meet client expectations. The Board has made concrete proposals to the Shareholder and National Treasury on what it considers to be an ideal institutional form for the IDT. Significant progress has been made with respect to reconfiguration and the process is likely to be concluded during the 2022/23 financial year. Once concluded, the exercise will bring to an end years of uncertainty over the IDT's future and hopefully reassure staff and clients that the entity will continue to play a critical role in the delivery of social infrastructure in South Africa.

The tight fiscal environment and public sector budget cuts have implications for the IDT and call for a drastic change in the way the entity conducts its business. In response to some of the performance-related challenges identified by clients and the Shareholder, the board instructed management to identify legacy projects that continue to experience teething problems that have prevented them from reaching finality. The intention is to resolve the problems and regain the confidence of our clients.

The board has identified eight focus areas that were first articulated as critical success areas by the turnaround plan of 2017. Some of these include strengthening financial viability by improving billing and collection of management fees, improving system and process efficiency as well as developing and strengthening partnerships with clients and the Shareholder. It is our view that if implemented properly and with the necessary support, these measures could make the IDT continue to deliver on its mandate efficiently and to the satisfaction of its clients and the shareholder.

Customer satisfaction levels are an indicator of an entity's performance in the eyes of its clients. In some instances, disaffected clients terminated further project allocations to the IDT amid concerns over unsatisfactory performance. In order to address these challenges, management have made efforts to mend broken relations with clients and to obtain feedback on the IDT's performance against variables such as time, budget and quality. Although there has been improvement in some areas in the past two years, more still needs to be done to improve performance. The board has also been visiting regional offices to interact with staff for an appreciation of their regional portfolios and the environment in which they work.

In the next few months, the board will focus on the filling of vacant positions that are critical for the delivery of the IDT mandate and continue to lend its support to management in their efforts to rebuild the entity by improving governance systems, audit outcomes and other measures critical for the entity's success.

In conclusion, I wish to thank the Shareholder, staff and management of the IDT led by the Acting CEO for their support during the past few months that the board has been in office. It is my hope that in the 2022/23 financial year and beyond, we will have an *agile, fit for purpose* IDT that will take its rightful place in the infrastructure delivery value chain of the South African government.



Ms. Z Hill

INTERIM CHAIRPERSON: BOARD OF TRUSTEES

STATEMENT BY THE ACTING CHIEF EXECUTIVE OFFICER

The goals and objectives of the IDT as expressed in this Annual Performance Plan are an indication that the entity will continue to be part of South Africa's infrastructure delivery value chain. This reflects the reality that going into the future, IDT will continue to contribute to the realisation of the national development goals and the recently announced economic recovery and reconstruction plan aimed at reviving the economy after the devastation caused by Covid-19.

In order to deliver effectively on these goals, the entity has identified four outcome areas that are aligned to the goals of the Shareholder. Each of the outcomes is linked to targets and outputs that have been the focus area of the IDT for the past few years. Some of the targeted areas and outputs include the following:

- Implementation of public social infrastructure programmes to support the provision of health and education infrastructure e.g. refurbishment, replacement, upgrades and construction of new school infrastructure and health facilities;
- Delivery of quality social infrastructure on time, within budget and scope;
- Implementation of the Contractor Development Programme;
- Increase expenditure on BBBEE
- Implementing mass employment schemes such as the Expanded Public Works Programme.

The entity boasts several contractual agreements with client departments such as the national Departments of Basic Education; Correctional Services; and Justice and Constitutional Development as well as provincial Departments of Education. The contractual agreements are not only a reflection of the faith our clients still have in the IDT, but also an indication of the entity's accomplishments and proven track record to deliver on the roll-out of their infrastructure plans. They are aware of our entity's operational challenges but nonetheless still firmly believe in its ability to deliver their infrastructure on time, within budget and scope. Regular engagements with clients and efforts to measure client satisfaction levels have also been used to improve our services to our customers.

The IDT has come out of a difficult period following the announcement that it would be closed by the end of March 2021. Although the decision has since been reversed, its ramifications will continue to be felt for a while. A number of critical staff resigned and their positions are yet to be filled, making some clients to adopt a cautious approach in allocating projects to the IDT amid uncertainty about its future and or ability to fulfil its contractual obligations. In addition to this, the entity has not been spared the devastation caused by Covid-19 and the resultant work

stoppages during hard lockdown. Covid-19 has left in its wake a weak economy and shrinking budgetary allocations, which will have an impact on the size of the IDT's portfolio. Work stoppages on construction sites have also delayed the completion of some of the social infrastructure projects implemented by the entity.

The lack of adequate human resources also caused delays with the start of the audit process for both the 2019/20 and 20/21 financial years. The audit process for the 2019/20 financial year only began in September 2020 and was concluded in January 2021. Similarly, the 2020/21 audit process only started on 1 September 2021.

The IDT has had a number of negative audit outcomes in recent years and this has affected the IDT brand. The 2019/20 audit results marked a regrettable reversal of the positive turn that was witnessed with the audit outcome of the 2018/19 financial year. Some of the root causes of such poor audit results include the following:

- The entity's inability to recruit and retain the requisite critical staff in key business functional areas due to the reality of job insecurity and uncertainty about the future of the entity.
- The entity's accounting system does not have a maintenance plan as the contract of the accredited service provider has expired and the IDT was unable to procure the required services.

Similarly, office closure as a result of the lockdown meant that IDT staff who were working from home at the time could not adequately respond to audit queries within the required turnaround times set by the auditors. IT systems failures also compounded the problem as some of the information loaded on the system could not be traced. Once the entity's operations are stabilised and the outdated systems, financial and human resource constraints are addressed, the IDT will be able to effectively implement the audit action plan.

The new Board of Trustees started putting in place measures to stabilise the IDT by focusing on a number of key turnaround measures. Key among these measures is the reconfiguration of the IDT as part of efforts started by the Executive Authority when she appointed National Treasury to work on the most suitable institutional form for the IDT. Other measures taken by the board include a detailed assessment of all projects in our portfolio, with a focus on finding solutions for legacy projects that have taken long to reach completion stage. The filling of critical vacant positions is one of the success factors for a stable IDT. This annual plan, therefore, is a reflection of the confidence of the board that there is a future for the IDT in the infrastructure delivery value chain. It also reflects an appreciation of the obligation that the entity has to continue to meet the contractual agreements it currently has with several clients. It is a

reflection, too, of the board's and management team's belief that the entity has an inherent ability to generate adequate cash flow from its current and future projects and, in so doing, become self-sustainable. The generation of adequate cash flow is dependent on among others the following:

- Review of the existing organisational structure to ensure fit for purpose in line with implementation of the revised service model
- • Implementation of a focused client relationship strategy for each client segment to retain and attract new business (programme portfolio);
- • Recovery of project implementation direct costs (disbursement and legal fees)'
- • Implementation of adjusted management fee billing aligned to project process stage gates.
- Increase management fee rate to range between 10% and 12%; and
- • Development of new competency and expansion of service offering to include infrastructure planning and infrastructure procurement and implementation, and social infrastructure maintenance.

In conclusion, I would also like to extend heartfelt word of gratitude to the Board of Trustees, the Acting Director-General and his management team, the Minister and Deputy Minister of Public Works and Infrastructure and their respective support teams for the support and able leadership they continue to show in our efforts to transform the IDT.






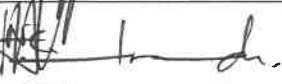



MS T MALAKA

ACTING CHIEF EXECUTIVE OFFICER

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Independent Development Trust and approved by the Board of Trustees under the guidance of the Minister of Public Works and Infrastructure;
- Takes into account all relevant policies, legislation and other mandates for which the IDT is responsible;
- Accurately reflects the Impact, Outcomes and Outputs which the Independent Development Trust will endeavour to achieve during the 2022/23 financial year

Name	Designation	Signature
Ms M. Moleko	Acting Executive: Corporate Services	
Mr. C Lombaard	Executive Head: Programme Management Office	
Ms. C Simpson	Chief Financial Officer	
Mr. C Mulaudzi	General Manager: Strategic Planning, Policy and Business Performance	
Ms. T Malaka	Acting Chief Executive Officer	
Ms. Z Hill	Interim Chairperson of the Board of Trustees	
Honourable Ms. P de Lille, MP	Minister of Public Works and Infrastructure	

PART A: STRATEGIC OVERVIEW

1. Constitutional mandate

The Independent Development Trust (IDT) is a programme management and implementation agency of the Department of Public Works and Infrastructure. The entity manages the implementation of social infrastructure projects on behalf of government in the construction, renovation, upgrading and maintenance of infrastructure facilities such as schools, clinics and hospitals, correctional services facilities, among others. The provision and maintenance of these facilities enable the state, through relevant government departments, to achieve the progressive realisation of the following socio-economic rights provided for in the Constitution of the Republic of South Africa, 1996.

Table 1: Constitutional Mandate

Provision of the Constitution	IDT's contribution towards progressive realisation of the constitutional right
Section 27 (1a): Everyone has the right to have access to health care services, including reproductive health care	The IDT supports health authorities to progressively meet the right of access to health by building of health facilities. In the period 2014 – 2020, the IDT managed the construction of 19 clinics and four community health centres. A further 22 hospitals were either renovated, rehabilitated, or upgraded.
Section 29 (1a): Everyone has the right to a basic education, including adult basic education	The IDT supports education authorities at both national and provincial level to provide appropriate education facilities and related infrastructure conducive for effecting teaching and learning thereby progressively achieving the right to basic education. More than 100 education facilities were built by the IDT during the period 2014-2021
Section 34 Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court	The IDT supports the Department of Justice Correctional services to provide court and correctional facilities to enable the state to deliver justice. In recent years, the entity has completed a number of Magistrate Courts in Gauteng, Kwazulu-Natal and Western Cape as well as Provincial Divisions of the High Court in Limpopo and Mpumalanga.
Section 35(1)(e)	The entity further supported the Department of Correctional Services in delivering on its mandate of safe, humane incarceration of offenders

The IDT Trust Deed sets the primary goal of the Trust as “...to use its resources, together with strategic partners in ways which in the opinion of the Trustees will best serve to enable poor communities in the Republic of South Africa to access resources and recognise and unlock their potential so as to continuously improve their quality of life”. In 2001, the Board of Trustees reached agreement with Government regarding certain amendments to the Trust Deed and redefined the relationship between the Trust and Government in terms of the management, integration and implementation of certain of Government’s development programmes.

In terms of the redefined relationship, the IDT has a role to influence, support and add value to the national development agenda by deploying its resources in the initiation, planning and implementation of innovative and sustainable development programmes, which make a measurable difference in the levels of poverty, inequality, unemployment and underdevelopment.

This repurposing of the entity was underpinned by the 1997 government resolution to reconstitute the IDT as a development agency and public entity to support all spheres of government. It followed Cabinet endorsement of a recommendation of a Cabinet Advisory Committee that, inter alia, “*The IDT must be transformed into a government development agency that will implement projects which are commissioned by government departments. It must cease to be a civil society organisation, an independent agency or funding agency.*”¹ Building on its effectiveness as a civil society body and redistributive mechanism, the IDT was integrated into the public service delivery system in 1999 with the promulgation of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended, and listed as a Schedule 2 Major Public Entity. The 1997 mandate of the IDT is still in place

The IDT reports to Parliament through its Executive Authority, the Minister of Public Works and Infrastructure.

1.1 Strategic Repositioning of the IDT.

In recent years, the IDT has had to contend with operational and financial challenges that have resulted in a decline in its business portfolio. This triggered a number of transformation initiatives, some of which involved the revision of its operating model and organisational redesign. The aim was to formulate a strategy that would result in business growth and ensure long-term sustainability. Behind these initiatives was the realisation that since the change of mandate in 1997 and subsequent rescheduling as a Schedule 2 entity under the PFMA, the entity’s business model- under which it continued to deliver services to the state at no cost- was unsustainable. As the entity’s capital base shrank, it undertook a financial modelling exercise in 2006 that predicted that organisation’s initial endowment would be exhausted by the 2012/13 financial year. This triggered a number of initiatives

¹ *Structural Relationships between government and Civil Society Organisations.* A report by the Advisory Committee to the Deputy President, as adopted by Cabinet in March 1997. Page 3.

aimed at securing the IDT's long-term future. Some of the initiatives included the introduction of cost recovery mechanisms to a category of IDT services (i.e. programme management) as part of short-term intervention while the other intervention sought to develop a business case for the entity's long-term sustainability in line with its revised mandate. However, the implementation of cost recovery failed to generate sufficient revenue to make the entity financially viable, despite the introduction by National Treasury of Instruction Note 04 in 2014/15, which set an average management fees to be billed by the IDT at 5 percent. However, some clients ignored the Treasury Instruction and continued to pay management fees below the percentage recommended by National Treasury.

While the entity's portfolio continued to decline amid budgetary cuts and the withdrawal of business by clients, the IDT Board and management, in November 2017, approved a turnaround plan aimed at repositioning the entity to be financially viable and self-sustaining. However, this strategy has not been successful largely because of lack of support from the shareholder, which means that the entity could not secure the necessary financial resources to implement some of the key critical success factors of the turnaround plan. In October 2019, The IDT interim Board adopted a new strategic intent for the entity, which if approved, would have transformed the IDT into a fit-for-purpose entity operating with a commercial mind-set. However, the strategic repositioning could not be implemented following the Shareholder's announcement that the IDT would be dissolved by 31 March 2021.

The Shareholder has since rescinded the decision to dissolve the IDT and a new Board of Trustees took office in August 2021. Since coming into office, the board developed a 100 days plan of action that seeks to find solutions to some of the entity's teething problems. Some of the notable milestones in the regard include among others the following:

- Investigating the best institutional shape and form for the IDT as part of the reconfiguration process initiated by the shareholder;
- Identifying and resolving performance related problems as they relate to some of the projects managed by the entity;
- Identifying the most suitable management fee rate regime to enable the entity to generate enough revenue for long-term sustainability; and
- Identifying and filling critical vacant positions in order to turn the IDT into a high performance organisation that is able to deliver on its mandate and meet the expectations of its clients.

As part of its plan, the Board has interacted with management, the Shareholder, National Treasury and IDT clients. The outcome of these interactions will be a long-term solution to some of the challenges faced by the entity in recent years.

1.2 The Case for a Transformed, Commercially-driven IDT

The repositioning of the IDT into a financially sustainable entity that contributes to the realisation of the goals of the National Development Plan will depend on among others, the following factors, which are largely within the entity's control:

- Unlock cash flow through programme execution and reduce reliance on the fiscus for operational expenditure: Review programme implementation billing to align with construction project approval stage gates;
- Introduce disbursement billing to recover direct project operational cost;
- Bill client departments on a time/cost basis for work undertaken as part of the planning process prior to receiving an instruction for the client department to execute the projects and the budget thereto;
- Increase management fees from the current average of 5% to a minimum 6% and a maximum of 10% as per the current industry norm;
- Recover legal costs from client departments that have resulted in litigation against the IDT informed by inadequate client performance in terms of the Agreement with the IDT.
- Continue to offer client services to prevent a potential collapse in the delivery of planned and needed social infrastructure.
- Allocation of projects by DPWI to the value of more than R1billion during 2022/23.

The challenge facing the IDT now and beyond is how to transform it into an agile, competitive organisation able to deliver quality infrastructure on time and cost. In order to achieve this, there is a need to revise and implement the existing operations improvement plan. Being able to deliver infrastructure to the satisfaction of our clients also hinges on our ability fully understand and implement what it is that we are better at delivering.

2. Legislative and Policy Mandates

The IDT Deed of Trust mandates the IDT to influence, support and add value to the national development agenda by deploying its resources in ways that deliver impact, eradicate poverty and promote sustainable livelihoods. This development approach emanates from a Cabinet resolution of 1997, which said, "*The IDT must be transformed into a government development agency that will implement projects which are commissioned by government departments.*"

*It must cease to be a civil society organisation, an independent agency or funding agency.*²

Emanating from that Cabinet decision, the IDT has operated as a Schedule Two (2) public entity.

The implementation of the IDT's mandate is governed by the relevant Government legislative, regulatory and policy frameworks. Based on the analysis of the current business environment, the following are some of the key pieces of legislation and regulatory instruments that are applicable to the IDT:

Table 2: Legislation and regulations informing the IDT

Item	Short title of the Act	Purpose of the Act/Regulation
1	Constitution of the Republic of South Africa: Act of 1996	The constitution of Republic of South Africa sets out rights and duties of citizens and defines the structure of government.
2	Public Finance Management Act (PFMA, Act 1 of 1999)	The PFMA regulates the management of finances in the national, the provincial government and the state-owned entities. It sets out the procedures for efficient and effective management of revenue, expenditure, assets and liabilities.
3	Construction Industry Development Board (CIDB) Act (Act 38 of 2000)	To provide for establishment of the Construction Industry Development Board (CIDB) to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.
4	Preferential Procurement Policy Framework Act (Act 5 of 2000)	The Preferential Procurement Policy Framework Act among other things seeks to promote socio-economic transformation, small enterprises, cooperatives, rural and township enterprises development and local industrial development.
5	National Treasury Regulations	The purpose of the Treasury regulations, among other things is to institute good financial governance including ensuring that government departments and State-Owned Entities (SOEs) efficiently and effectively manage public resources and corruption is prevented and detected.
6	Prevention and Combating of Corrupt Activities Act (Act 12 of 2004)	To provide the strengthening of measures to prevent and combat corruption and corrupt activities. In addition, to place a duty on certain persons holding position of authority to report certain corrupt activities.
7	Labour Relations Act (Act 66 of 1995)	Aims to promote economic development, social justice, labour peace and democracy in the workplace. It applies to all employers, workers, trade unions and employers' organisations.

² *Structural relationships between government and civil society organisations.* A report by the Advisory Committee to the Deputy President, as adopted by Cabinet in March 1997. Page 3.

Item	Short title of the Act	Purpose of the Act/Regulation
8	Occupational Health and Safety Act (Act 85 of 1993)	To protect workers from health and safety hazards on the job. It sets out duties for all workplace parties and rights for workers.
9	Employment Equity Act (Act 55 of 1998)	To achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups.
10	Pension Funds Act (Act 24 of 1996)	To provide for the registration, incorporation, regulation and dissolution of pension funds and for matters incidental thereto.
11	Companies Act (Act 71 of 2009, as amended)	Regulates the workings of business entities and provides stipulations relating to allowable legal form.

3. Institutional Policies and Strategies over the five-year planning period

The IDT plays a major role in ensuring that the Department of Public Works and Infrastructure delivers on its mandate of building and maintaining government immovable assets in the form of social infrastructure across the country. The entity contributes to the national socio-economic development imperatives such as the eradication of poverty, job creation and localisation through enterprise development. Its strategy is aligned to the government's Medium-Term Strategic Framework (MTSF) and its strategic themes of poverty eradication and stimulating economic growth.

The IDT takes a special interest in policy positions that are relevant to its mandate. Currently, the most pertinent policy directive is the National Development Plan (NDP): Vision 2030, which is the country's blueprint for national development. Furthermore, the entity seeks to contribute to the aspirations of the Sustainable Development Goals (SDGs) and also takes cognisance of, and actively aligns its work to the National Infrastructure Plan (NIP) approved by Cabinet in 2012 as well as the more than 50 Strategic Infrastructure Projects announced by the Minister of Public Works and Infrastructure in July 2020. The IDT's mandate directly contributes to the following Strategic Infrastructure Plans (SIPs) under the NIP:

- SIP 6: Integrated Municipal Infrastructure Project
- SIP 12: Revitalisation of Public Hospitals and other Health Facilities
- SIP 13: National School Build Programme.
- SIP 14: Higher Education Infrastructure.

Both the NDP and the NIP enjoin the IDT to contribute to the national agenda 2030 by:

- Fostering balanced economic development;

- Unlocking economic opportunities;
- Promoting mineral extraction and beneficiation;
- Promoting job creation; and
- Facilitating the integration of human settlements and economic development.

As part of realising these goals, the entity will focus on the realisation of four outcomes, namely:

- Increased access to quality social infrastructure
- A transformed built environment
- Decent employment through public employment programmes
- A financially sustainable entity

Table 3: IDT's contribution to National Development Goals/ MTSF Priorities

MTSF PRIORITIES	DPWI OUTCOMES	IDT OUTCOMES	IDT OUTCOME INDICATORS	IDT OUTPUT INDICATORS	IDT INTERVENTIONS
<p>Education, Skills and Health</p>	<ul style="list-style-type: none"> Sustainable Infrastructure Investment Productive Assets 	<ul style="list-style-type: none"> Increased access to quality social infrastructure 	<ul style="list-style-type: none"> Percentage of infrastructure projects that meet client expectations 	<ul style="list-style-type: none"> % projects completed on time. % projects completed within budget. Number of new or replacement facilities that comply with infrastructure norms completed. Number of non-greenfield social infrastructure facilities that comply with infrastructure norms completed. 	<ul style="list-style-type: none"> Implementation of public social infrastructure programmes to support provision of health and education infrastructure e.g. refurbishment, replacement, upgrades and construction of new school infrastructure and health facilities Deliver quality social infrastructure on time, within budget and scope Incorporation of community mobilisation and empowerment in development programmes through social facilitation and other interventions
<p>Economic transformation and job creation</p>	<ul style="list-style-type: none"> Transformed Built Environment 	<ul style="list-style-type: none"> Transformed built environment 	<ul style="list-style-type: none"> Percentage increase in BBBEE expenditure. Number of contractors who graduate from CDP (inclusive of designated groups) 	<ul style="list-style-type: none"> Percentage of weighted B-BBEE Spend (Based on total programme spend). Number of CDP participants (CDP contractor panel) Number of CDP contractors graduated from the IDT CDP. Percentage of women contractors graduated from the IDT CDP. Percentage of youth contractors graduated from the IDT CDP. 	<ul style="list-style-type: none"> Implementation of public social infrastructure programmes to contribute to economic development, growth and support to SMMEs, women and youth owned enterprises Increase expenditure on BBBEE Implementation of the Contractor Development Programme Award contracts to youth, women and people with disabilities Contribute to the creation of a reservoir of skills in the built environment profession Implement social infrastructure programmes that contribute to economic development, growth and support to SMMEs, women, youth owned enterprises and other categories of

MTSF PRIORITIES	DPWI OUTCOMES	IDT OUTCOMES	IDT OUTCOME INDICATORS	IDT OUTPUT INDICATORS	IDT INTERVENTIONS
<p>A capable, ethical and developmental state</p>	<ul style="list-style-type: none"> Optimised Job Opportunities 	<ul style="list-style-type: none"> Optimised job opportunities (through public employment Programmes) 	<ul style="list-style-type: none"> Percentage increase in work opportunities created through public employment programmes. 	<ul style="list-style-type: none"> Number of construction work opportunities created (IDT Portfolio). Number of work opportunity created through EPWP (EPWP-NSS excluding IDT programme portfolio). 	<p>designated groups (people with disabilities, etc.)</p> <ul style="list-style-type: none"> Implement public employment initiatives / programmes to alleviate poverty as well as stimulating economic growth Public employment programmes includes the EPWP and construction work opportunities created through the IDT portfolio. The goal is to empower participants with skills that could eventually lead to sustainable employment Increase the skills base by ensuring a 70:30 split between technical and non-technical staff
	<ul style="list-style-type: none"> A resilient, ethical and capable DPWI 	<ul style="list-style-type: none"> A Compliant, Fit for Purpose Entity 	<ul style="list-style-type: none"> Percentage increase in operating surplus ratio. 	<ul style="list-style-type: none"> Value of programme portfolio Value of new business (national and regional programme portfolio) Value of programme spend. Management fee collection ratio. 	<ul style="list-style-type: none"> Grow / increase the size of the IDT portfolio Grow / increase the value of programme spend Building the IDT into a sustainable organisation operating on sound commercial principles and maintaining a clean administration committed to the efficient application of resources; that is accountable and complies with legislation
			<ul style="list-style-type: none"> Percentage of compliant invoices paid within prescribed period 	<ul style="list-style-type: none"> Percentage of compliant programme invoices paid within 30 days of receipt. Percentage of compliant overheads invoices paid within 30 days of receipt 	<ul style="list-style-type: none"> Engage National Treasury and Clients to facilitate tranche payment of programme funds Upgrade and digitize project finance management system

4. Relevant Court Rulings

The construction industry is highly litigious. As a result, the IDT has a number of legal claims for and against it emanating from matters related to programme delivery. To curb the flurry of litigation, the IDT introduced a new contracting model during the course of 2018/19 financial year. The contracting model distributes risk proportionately between the IDT and clients with performance obligations on all parties. At the time of writing this plan, the IDT had ninety-eight (98) litigation cases. Sixteen (16) of these were claims by the IDT fifty-seven (57) were claims against the IDT and Twenty-five (25) were dormant matters against the IDT.

In November 2020, the Supreme Court of Appeal declared invalid and inconsistent with the Preferential Procurement Policy Framework Act, No 5 of 2000 and Section 217 Of the Constitution, tenders that are advertised with the Pre-qualifying criteria with bias towards entities that are 51 percent owned by black women, black youth, people with disabilities and war veterans:

Supreme Court of Appeal of SA: Matter between Afribusiness NPC and Minister of Finance (09 Sep 2020)

- Exercise of power by Minister under section 5 of the Preferential Procurement Policy Framework Act 5 of 2000 to make Preferential Procurement Regulations 2017 – Minister exceeding powers – Regulations declared invalid and set aside – order of declaration of invalidity suspended for 12 months
- It is declared that the Preferential Procurement Regulations 2017 are inconsistent with the Preferential Procurement Policy Framework Act 5 of 2000 and are invalid
- The SCA stated that any pre-qualification criteria to be imposed must have as its objective the advancement of Section 217 (1) of the Constitution which enjoins organs of state to contract goods or services in accordance with a system which *is fair, equitable, transparent and cost-effective*, and held that the discretionary pre-qualification criteria in the 2017 Regulations constitutes a deviation from such requirement.

In compliance with the Court ruling, the IDT has revised the targets that require (d) some work to be set aside for the affected designated groups.

PART B: OUR STRATEGIC FOCUS

The IDT undertakes as part of its core ideology to contribute to building a capable, ethical and developmental state, to play a transformational and developmental role in realising its strategic vision into 2024. The IDT is committed to being accountable, transparent and fair in all its work undertakings.

5. Mission

The IDT is a Built Environment project management agency which manages and delivers integrated public infrastructure programmes.

6. Vision

A commercially driven public sector built environment project management enterprise

7. Brand Promise

Assured efficient infrastructure delivery

8. Values and Operating Principles

Our Approach

The IDT's approach to social infrastructure development entails the necessary measures and networks required to prepare communities to receive, participate in, own and sustain their own development.

The organisation espouses six core values that also inform its operating principles as outlined in Table 4 below.

Table 4: Values and Operating Principles

VALUES	OPERATING PRINCIPLES
Thinking like our clients	<ul style="list-style-type: none">• Our services are regulatory compliant• Our client's value chain is our concern• We are committed to sustainable development.
Continuous active visibility	<ul style="list-style-type: none">• We are physically visible on site• Continuous honest reporting
Commercially minded	<ul style="list-style-type: none">• We create value for our clients and shareholders• We are cost conscious in delivering services to our clients• We do more with less
Competitive and collaborative	<ul style="list-style-type: none">• We believe in working together with like-minded business partners, including our competitors for the good of our clients
Innovative and proactive	<ul style="list-style-type: none">• We constantly anticipate different scenarios and find solutions for problems before they escalate
Zero tolerance for corruption	<ul style="list-style-type: none">• We conduct our business in a lawful, honest, ethical and corrupt free manner.• We mean what we say and say what we mean

9. Situational Analysis

9.1 External Environment Analysis

As part of the annual environmental scanning exercise, the IDT has identified a number of external factors that have an impact on its business operations. The critical external factors that have been identified cover the geopolitical and national political environments, economic and fiscal dynamics, social and development issues as well as technology and infrastructure trends. All these external factors have an impact on the country and, to a certain degree, on the operations of the IDT. This is informed by the realisation that the world is confronted with many challenges that could affect the well-being and happiness of society. Emerging challenges include the novel corona virus, which has caused untold harm to national economies, including that of South Africa, raising rates of unemployment and poverty to levels not seen in recent years. Moreover, as ever larger numbers of people move from rural to urban areas in search of a better life, the need for better infrastructure has become increasingly acute. As an implementing agent that plays a critical role in the infrastructure delivery value chain of the state, the IDT has become ever more relevant. As such, the extent to which the state addresses the ever-increasing needs for social infrastructure amid budgetary cuts caused by anaemic economic growth has implications on the future of implementing agents such as the IDT.

9.1.1 Political environment perspective

The IDT's success in securing business portfolio and effectively deliver on current programmes is directly and indirectly influenced by the level of stability in the political environment. For example, changes in governance and administrative structures of the State influence decisions on public investment in social infrastructure. It also affects networks and stakeholder relations invaluable for business generation. As part of the infrastructure delivery mechanism of the state, the entity constantly works on expanding its footprint in parts of the country where its portfolio was negligible and new business opportunities are emerging in some of the regions. However, the extent to which the entity succeeds in growing its portfolio is not only determined by the quality of its work, but also by the political currents which often have an impact on business decisions which may either be in favour of or against the entity. In some instances, client departments withdrew projects already allocated to the IDT due a combination of changes in the political leadership in certain provincial departments and concerns about the ability of the entity to deliver amid capacity challenges. As part of the turnaround initiatives, IDT leadership has been working on strategies to mend broken relations with clients and increase the entity's footprint in regions where the entity had a limited presence.

Economic disparities, inequality and unemployment, particularly among young people, remain pervasive in South Africa. These challenges manifest in lack of access to educational opportunities, services and inadequate living conditions affecting people's quality of life, health and well-being. Most South African regard unemployment as the single most pressing issue facing them. As a result of this, more and more people migrate to urban areas where they hope to get a better life. Furthermore, South Africa continues to attract immigrants because of the perceived economic opportunities it provides as well as a conducive human rights culture, which guarantees peace and stability, especially for asylum seekers fleeing persecution in their home countries. A sizable number of migrants are illegal immigrants, and they often find themselves having to compete for jobs with locals, which often result in violent clashes, which are often characterised as xenophobic. This continuous migration to the urban centres puts enormous pressure on existing infrastructure, including facilities such as schools, clinics and other social infrastructure. The situation makes it increasingly difficult for a most people to access education, healthcare and employment. Amid rising levels of unemployment, frustrated communities have often expressed their disquiet through violent service delivery protests, which often leads to extensive damage to public facilities such as clinics, schools and municipal offices. Service delivery protests are a symptom of a growing frustration with the low levels of service delivery and a lack of confidence in the state. Clashes between migrants and locals often thwart efforts at building social cohesion.

These challenges have implications for a public entity such as the IDT, especially as it relates to building and obtaining community buy-in for the social infrastructure it builds. This calls for innovative ways to maximise community participation in and ownership of local development initiatives. Social facilitation remains the IDT's main differentiator and tool for securing community buy-in and ownership of development projects. This, alongside interventions such as the implementation of the provisions of PPPFA to promote localisation in the procurement of services can be an effective tool for achieving the goals of building social cohesion and building an inclusive economy.

9.1.2 Economic environment perspective

Towards the end of 2021 and the beginning of 2020, the novel corona virus struck many countries around the world. In order to contain the impact of the virus on its health system, South Africa, like the rest of the world, implemented a national lockdown, which has had a devastating impact on the economy. South Africa has the highest number of Covid-19 cases in sub-Saharan Africa. Covid-19 and the resultant disruptions of the global supply chains, exacerbated an already declining economy which was affected by a number of structural constraints, rising debt levels, leaving government with little fiscal space or resources to spend on mitigating the impact of the pandemic.

According to National Treasury, the South African economy is hobbled by among others, spending patterns skewed towards consumption instead of investment, low levels of innovation and productivity. Real GDP per person has been in decline since 2013/14, leaving the average South African poorer. Fiscal deficits have been rising and levels of public and private investment have been the lowest since 2005. In addition to this, the inability to rein-in debt has been further hindered by an expected sharp contraction in tax revenue associated with the COVID-19 pandemic. Concerns over weak growth and rising fiscal deficits have already led to credit rating downgrades. The pandemic has worsened South Africa's decades-long problems of inequality, unemployment and poverty, leaving the poor ever more vulnerable to further hardships. It is estimated that in 2020 the economy contracted by 7.2 percent. Following economic growth of 4.8 percent in 2021, lingering financial distress, weak labour market and a fragile business environment and the emergence of new variants of Covid-19, the GDP is forecast to grow by an average of 1.8 percent over the MTEF period. Rising unemployment and diminishing incomes have entrenched existing inequalities³. Other challenges which have an impact on levels of economic growth include the violent unrest in Kwazulu-Natal and Gauteng in July 2021 as well as industrial action in the manufacturing industry as well as load shedding⁴. Similarly, the war in Ukraine is likely to lead to rising food and fuel prices.

The pandemic and the subsequent economic lockdown have had a devastating effect on employment because of large-scale business closures. According to the Quarterly Labour Force Survey (QLFS) for the third quarter of 2021 (July-September 2021) the number of employed individuals went down by 660 000 to 14, 3 million, from 14, 9 million in the second quarter. As a result of these changes, the unemployment rate increased by 0.5 percent, from 34.4 percent in the second quarter to 34.9 percent in the third quarter, the highest since 2008. The unemployment rate according to the expanded definition of unemployment increased by 2, 2 percentage points to 46, 6% in the third quarter 2021 compared to the second quarter 2021. Job losses were more prevalent in the formal sector, with 571 000 people losing their jobs, with Trade recording the highest number (309 000), followed by Community and social services (210 00), construction (65 000) and private households 65 000 jobs as well⁵.

The economic recovery of the economy faces a number of threats. These include lack of private investment as a result of low levels of structural reforms and rising public debt. This, combined with a further deterioration of the Rand against major currencies, raises the cost of borrowing and

³ <http://www.treasury.gov.za/documents/national%20budget/2022/Estimates.aspx>

⁴ <http://www.treasury.gov.za/documents/national%20budget/2022/speech/speech.pdf>

⁵ <http://www.statssa.gov.za/?p=14957#:~:text=The%20results%20of%20the%20Quarterly,the%20second%20quarter%20of%202021.>

leads to further credit rating downgrades⁶. The cumulative effect of these challenges is a reduction in the levels of government spending on critical items such as public infrastructure.

The objective of the National Development Plan as regards infrastructure is to ensure that public infrastructure investment should be at 10% of GDP by 2030. However, due to the current fiscal pressures, the target is unlikely to be met, as expenditure remains lower than the target.⁷

The Economic Reconstruction and Recovery Plan announced by the president in October 2020 puts job creation, especially in new infrastructure investment and large-scale public employment programmes as the centre of efforts to revive the economy. According to the President, government seeks to “unlock more than R1 trillion in infrastructure investment over the next four years. Infrastructure has immense potential for stimulate investment and growth, to develop other economic sectors and create sustainable employment both directly and indirectly”⁸.

Slow economic growth has forced government to pronounce further cutbacks on [the] budgetary allocations to government departments. The resultant under-investment in social infrastructure has negatively affected the size of the IDT’s portfolio. Given the fact that the construction industry is labour intensive, this hobbles the entity’s ability to contribute significantly to the creation of decent employment for marginalised groups.

Construction sector outlook: According to the World Economic Forum, the construction industry accounts for 6 % of global GDP and employs more than 100 million people.⁹. As at the end of June 2021, the share of the South African construction industry to the country’s nominal GDP was 3.1, down from 3.5 percent in 2020. It also employed over 1.3 million individuals, down from 1.4 million at the beginning of 2020¹⁰. Infrastructure spend stimulates economic activity and creates jobs. However, without the high levels of public expenditure last seen around 2010, the construction industry has been in decline and contracted by 20 percent as a result of Covid-19 in 2020. The outlook remains uncertain given the low levels of investment in infrastructure and the low levels of confidence. However, as government implements high impact infrastructure projects, the sector is expected to register annual growth rates of 3.4% during the period 2022-2025¹¹.

⁶ For details see <http://www.treasury.gov.za/documents/National%20Budget/2021/review/FullBR.pdf>

⁷ <https://constructioncomputersoftware.com/blog/view/focus-on-infrastructure-spend-in-the-2019-sa-budget>

⁸ <https://www.gov.za/speeches/president-cyril-ramaphosa-south-africa%E2%80%99s-economic-reconstruction-and-recovery-plan-15-oct#>

⁹ <https://www.weforum.org/reports/future-scenarios-and-implications-for-the-industry>

¹⁰ See for example, http://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q2_2021.pdf and Creamer’s Engineering News, www.creamermedia.co.za

¹¹ <https://www.researchandmarkets.com/reports/5402880/construction-in-south-africa-key-trends->

Performance of the Construction Sector: According to the British Magazine, *The Economist*, the construction industry is inefficient, with more than 90% of the world's infrastructure projects completed late or over-budget partly because of defects that need to be fixed¹². Because of this, the industry suffers of a negative public image, which in turn makes it difficult to attract the right talent and fill the skills gap¹³. This is common in South Africa too, where the construction industry faces a skills shortage, especially project managers and highly skilled engineers and other technical staff. In October 2018, the Association of South African Quantity Surveyors reported that there were too few quantity surveyors in government to oversee contractual and accounting budget, which often results in cost overruns in projects. The same year, 110 engineers were reported to have left the country as a result of the low-growth environment and increasing violence on construction sites¹⁴.

A comprehensive study conducted by the National Planning Commission (NPC) on the delivery of public infrastructure and construction sector dynamism in the South African economy confirms some of the findings of the Economist Magazine. The study suggests that government is largely unable to spend its infrastructure budget, leading to disappointing outcomes in the delivery of infrastructure targets that are critical to the delivery of infrastructure-led economic growth. According to this study, the root causes of this poor performance include among others the following:

- Defects in the identification, assessment and preparation of projects;
- Poor structuring, management of tender processes, contract management and drafting of contracts;
- Poor procurement practices and poor management of outsourced infrastructure-related functions;
- Inappropriate procurement practices that are often reflected in the initiation, creation and fulfilment of contracts and the inability of clients to plan, specify, and procure and deliver infrastructure projects efficiently and effectively.
- Political interference, political rush and unrealistic time scales
- A general lack of appropriate skills, capability, capacity and experience amongst those responsible for planning, specifying, procuring and overseeing the delivery of infrastructure

¹² <https://www.economist.com/business/2017/08/17/efficiency-eludes-the-construction-industry>

¹³ <https://www.weforum.org/reports/future-scenarios-and-implications-for-the-industry> (WEF March 2018)

¹⁴ <https://www.engineeringnews.co.za/article/construction-industry-in-rapid-decline-as-work-wanes-mafia-takes-over-warns-safcec-2019-04-08/searchString:Webster+Mfebe>

as well as those involved in the formulation of legislative instruments and the enforcement thereof;

- Lack of management capacity, continuity / frequent changes in the project team and proper quality control mechanism¹⁵

In order to address these challenges, in February 2019, National Treasury allocated R625million towards addressing challenges with project preparations.¹⁶ Government plans to work closely with private partners in order to deepen responses to infrastructure delivery gaps. The idea is to ensure that the planning, design, construction and operation of infrastructure projects are undertaken using the best expertise available.

Overview of Provincial Infrastructure Expenditure

In September 2020, a comparative study conducted by Statistics South Africa on provincial government expenditure trends for the 2017/18 and 2018/19 financial years found that:

- There were widespread delays and interruptions in the delivery of social and economic infrastructure in a number of provinces, with Kwazulu-Natal, Limpopo and North West recording the largest decline in expenditure (KZN R R458 million, Limpopo: R447 million, and North West: R486 million).
- This affected mainly the construction of schools and the rehabilitation of roads. During the 2018/19 financial year South Africa's 123 provincial government departments recorded a 5,4% decrease in infrastructure spending, which amounted to R1,88 billion compared with 2017/18
- The North West Department of Education, recorded a cut of R398 million which was set aside for the construction of schools in the province¹⁷.
- Data covering the entire public sector shows an 8, 2% fall in infrastructure investment in 2018. This was on the back of a 4, 0% decline in 2017. With these decreases, public sector capital spending slipped to a level last seen in 2014. The general fall in infrastructure investment mirrors the long-term stagnation in the construction industry.¹⁸
- A recent study by the National Planning Commission has revealed that after an average annual expenditure growth of 4.3 in public infrastructure growth between 1998/99 and 2017/18 -during which time the public sector spent R3 trillion on infrastructure - public infrastructure expenditure

¹⁵ National Planning Commission (NPC), Public Infrastructure delivery and construction sector dynamism in the South African economy, 12 April 2020, online,

<https://www.nationalplanningcommission.org.za/assets/Documents/Public%20infrastructure%20delivery%20and%20construction%20sector%20dynamism%20in%20the%20South%20African%20economy.pdf>

¹⁶ <https://www.engineeringnews.co.za/article/lack-of-quantity-surveyors-in-govt-depts-the-root-of-infrastructure-budget-missspending-2019-10-29>

¹⁷ <http://www.statssa.gov.za/?p=13662#:~:text=In%20June%202020%2C%20government%20announced.55%20projects%20across%20six%20sectors.&text=Delays%20and%20interruptions%20hampered%20infrastructure.the%202018%2F19%20fiscal%20year>

¹⁸ Ibid

has been in decline since. Thus, total reduction in infrastructure spend since 2017 was R303bn¹⁹.

- A recent National Treasury review of government spending concluded that the outcomes of expenditure on high-spending procurement areas such as infrastructure suggests that high expenditure is not matched by the delivery of high quality infrastructure or efficiency, and that government is overpaying for goods and services²⁰.

Facilitating skills development in the Construction Industry: To improve the delivery of infrastructure in the public works sector, the Department of Public Works and Infrastructure has a skills pipeline strategy through which it plans to provide bursaries, internships, learner ships, artisanal development to an estimated 3 500 young built environment professionals over the MTEF period. An amount of R95.5 million has been set aside for this purpose over the medium term.²¹

Other efforts to build a skills pipeline include Structured Candidacy Programme of the Council for the Built Environment (CBE). Through this programme, candidates working towards professional registration as built environment professionals are assigned mentors in their workplaces. The IDT participates in the programme as part of its skills development programme. These challenges also provide an opportunity for the IDT to use its capability and experience to be at the centre of the delivery of public infrastructure in the country.

Infrastructure Investment and Opportunities for the IDT: The roll out of education infrastructure remains a priority for the Department of Basic Education and its provincial Departments of Education. Highlights of some of the plans include the following:

- An allocation of R38.8bn for the *education infrastructure* grant including an additional R470.5 m for the repair of school infrastructure damaged by storms in Kwazulu Natal for the roll out of the school infrastructure and the maintenance of existing infrastructure in the 2022/23-24/25 MTEF period.
- Allocation to the school infrastructure backlogs grant is R6.7 billion to build 30 new schools, provide water to 50 schools, and provide safe sanitation to 450 schools. The school infrastructure backlogs grant is intended to provide schools with water, sanitation and electricity, and to replace schools constructed from inappropriate material, including mud.²²

¹⁹ NPC, Public Infrastructure delivery and construction sector dynamism in the South African economy, 12 April 2020, online, <https://www.nationalplanningcommission.org.za/assets/Documents/Public%20infrastructure%20delivery%20and%20construction%20sector%20dynamism%20in%20the%20South%20African%20economy.pdf>

²⁰ <http://www.treasury.gov.za/documents/mtbps/2020/aene/FullAENE.pdf>

²¹ <http://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2013%20Public%20Works%20and%20Infrastructure.pdf>

²² <http://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2016%20Basic%20Education.pdf>

Following completion of these project during the 2022/23 financial year, the school infrastructure backlogs grant will be incorporated into the education infrastructure grant.

Table 5 below shows Public-sector infrastructure expenditure and estimates. It illustrates that over the medium-term, learning and culture, which includes basic education, will be among those allocated a relatively large share of funds.

Table 5: Public-sector infrastructure expenditure and estimates

R billion	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	MTEF
	Outcomes			Revised estimate	Medium-term estimates			total
Energy	39.9	26.2	30.0	34.5	35.4	45.2	44.1	124.8
Water and sanitation	27.1	22.5	29.5	33.9	41.4	43.9	45.7	131.1
Transport and logistics	74.4	70.5	58.6	73.8	88.6	106.1	117.1	311.8
Other economic services	13.5	5.7	6.9	23.6	21.9	20.3	20.3	62.6
Health	11.3	12.2	14.7	13.8	14.1	13.4	12.9	40.4
Education	17.2	17.4	14.2	16.4	19.4	18.4	19.1	56.9
Human settlements ¹	15.0	20.9	13.3	13.4	14.3	14.9	15.1	44.3
Other social services	10.1	4.7	4.1	2.2	2.1	1.9	2.0	6.0
Administration services ²	7.7	7.4	12.1	12.0	12.3	11.2	11.2	34.7
Total	216.2	187.4	183.4	223.6	249.6	275.4	287.5	812.5
National departments	13.6	13.8	11.4	14.4	17.5	17.3	17.2	52.0
Provincial departments	59.5	61.0	51.8	60.1	61.0	61.2	63.3	185.5
Local government	61.0	41.2	55.6	62.1	63.0	64.3	67.2	194.4
Public entities ³	9.6	14.5	8.8	21.6	27.3	37.4	43.7	108.4
Public-private partnerships	4.9	5.6	4.9	6.8	7.1	6.6	6.7	20.4
State-owned companies ³	67.5	51.2	50.8	58.6	73.6	88.6	89.5	251.7
Total	216.2	187.4	183.4	223.6	249.6	275.4	287.5	812.5

1. Human settlements includes public housing amounting to R44.3 billion over the MTEF period

2. Administration services includes infrastructure spending by the departments of International Relations and Cooperation, Home Affairs, and Public Works and Infrastructure, Statistics South Africa and their entities

3. Public entities are financed by capital transfers from the fiscus and state-owned companies are financed from a combination of own revenue and borrowings

Source: National Treasury

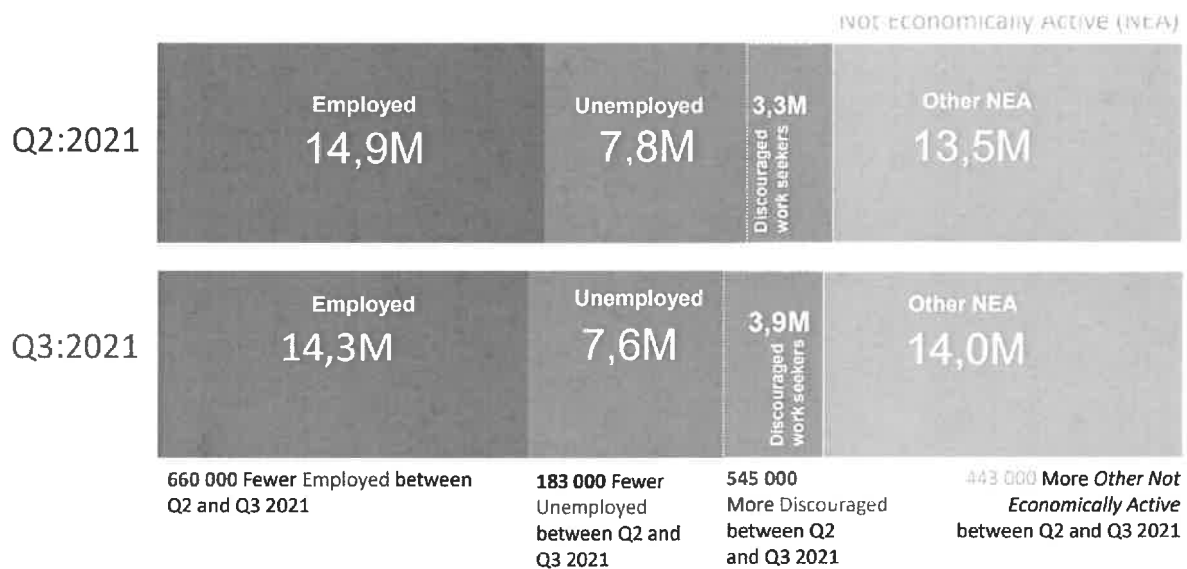
9.1.3 Social environment perspective

Although South Africa has made considerable strides in improving the quality of life for its citizens since the transition to democracy in 1994, the gains have since witnessed a reversal. Levels of poverty remain stubbornly high while unemployment remains rife, especially among the youth. According to the quarterly labour force survey (QLFS) for the third quarter (July-September 2021), the official unemployment rate stood at 34.4, the highest recorded since the survey began in 2008. The percentage of youth aged 15-34 years who were not in employment, education or training (NEET) increased from 43 percent in the second quarter to 46 percent during the third quarter of 2021. Similarly, the percentage of youths aged 15-24 years who were not in employment, education

and training stood at 33,5 percent during the same period²³. According to a report released by the World Bank in March 2022, South Africa is the most unequal society in the world. Despite the implementation of redistributive policies such as social spending, levels of inequality remain stubbornly high. Some of the contributing factors include inherited circumstances such as location, gender, age, parental background and race. These factors impose limitations contribute to and perpetuate. Lack of tertiary education also hobbles access to jobs and better wages. Similarly, lack of access to land also perpetuates the historically high levels of income inequality.²⁴

A sizable portion of the black population, particularly those living in rural and township settlements, continue to suffer from lack of adequate skills and decent jobs and live in areas where they have limited access to government services.

Labour force participation: Comparison between Q2 and Q3



Source: StatsSA Quarterly Labour Force Survey, Q3

http://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3_2021.pdf

The socio-economic factors driving the demand for social and basic services infrastructure include:

- High demand for jobs and economic opportunities especially communities in townships, rural areas, and in informal urban, peri-urban and mining settlements.
- Community demand for localisation of development benefits e.g. emphasis on local procurement of supplies, use of local suppliers, and the creation of job opportunities for local communities; and

²³ <http://www.statssa.gov.za/?p=14957#:~:text=The%20results%20of%20the%20Quarterly,the%20second%20quarter%20of%202021.> See also, World Bank, Economic Outlook for SA, 2019.

²⁴ <https://documents1.worldbank.org/curated/en/099125303072236903/pdf/P1649270c02a1f06b0a3ae02e57eadd7a82.pdf> (Inequality in Southern Africa: An assessment of the Southern African Customs Union, World Bank, March 2022)

- Demand for mainstreaming of participation by women, youth and people with disabilities in development programmes as vehicles for promoting inclusive development.

Almost 3 million South Africans lost their jobs as a result of Covid-19. The creation of jobs through the rollout of infrastructure is the centrepiece of the Economic Reconstruction and Recovery Plan (ERRP) announced by the President in October 2020. Phase 1 of the plan created 550 000-job opportunities with the overall target being 694 000-job opportunities. An additional R11 bn has been allocated to Phase 2, which will include skills development for as part of the Presidential Youth Employment Interventions.

The Expanded Public Works Programme, EPWP, remains the single biggest contributor to the creation of work opportunities for unemployed South Africans and one through which the Department of Public Works has been able to contribute to the ERRP. As one of the implementing agents of the programme, the IDT remains uniquely placed to contribute to the economic stimulus plan.

The implementation of IDT programmes has at times been derailed by rising demands for localisation in the rollout of infrastructure programmes in the country. The birth of the *construction mafia* and the attendant criminal activity is arguably the most notable consequence of rising unemployment and feelings of exclusion from economic activity. Although the full extent of the impact of mafia activity on IDT construction sites is yet to be determined, the risk of disruptions remains relatively high and will need to be factored into the entity's approach to the delivery of social infrastructure.

9.1.4 Technological perspective

Digital technologies have launched the Fourth Industrial Revolution, transforming entire industries. However, the Infrastructure industry has not kept up with recent changes. Most companies in the industry's many sectors still use manual methods, offer traditional products and services and operate according to established practices and business models. Productivity has lagged as a result.²⁵ Some of the benefits of 4IR include the development of sustainable buildings, better communication among construction professionals and the elimination of construction project delays in the form of cost and time overruns. Construction project delays in the form of cost and time overruns have been a major factor in the South African construction industry and 4IR could significantly reduce these risks²⁶.

²⁵ http://www3.weforum.org/docs/Future_Scenarios_Implications_Industry_report_2018.pdf (Executive Summary)

²⁶ Temidayo. O. Osunsanmi, Clinton Aigbavboa, Ayodeji Oke; Construction 4.0: The Future of the Construction Industry in South Africa, in World Academy of Science, Engineering and Technology International Journal of Civil and Environmental Engineering, Vol:12, No:3, 2018, online, <https://publications.waset.org/10008621/pdf>, accessed 29 October 2019.

The South African construction industry lags behind countries such as the United Kingdom in the adoption of new technologies and better ways of doing things, especially in shifting towards collaborative procurement practices, resulting in delays, cost overruns and poor quality outcomes. Despite the failure to collaborate, the industry seems reluctant to embrace modern technology and its procurement practices appear to be driven by a heavy focus on low cost. Given these challenges, it will take a while for the industry to train its workforce to appreciate the value of 4IR to its work²⁷.

Thus, in the next few years the IDT, along with the rest of the construction industry, will have to grapple with the challenge of embracing 4IR as part of the delivery of infrastructure.

9.1.5 Ecological perspectives

The past three decades have seen an increase in average global temperatures, leading to more intense rains, storms and rising sea levels. Extreme weather damages infrastructure, leading to a need for more expenditure in refurbishment and construction infrastructure to replaced damages facilities²⁸. Climate-related risks and events have risen in frequency and intensity, especially in the Southern Africa region since 2016. There is a percentage increase in temperatures and the European Union Joint Research Centre (JRC) declared 2018 the fourth warmest year since records began in the 1800s and that every year of the 21st century has been warmer than the 1981-2010 global average. The global mean surface temperature has increased by 0.86% since the 19th century.²⁹ As a result, Southern African Development Community (SADC) will in future experience extreme weather, leading to chronic drought, flash floods, hail and strong winds. Furthermore, there will be seismic activity that will result in earthquakes and landslides.

²⁷ X. Kamudyariwa and D. Root, Barriers top Construction Procurement Change in Higher Education Institution, in, C. Aigbavboa and W Thwala. The construction Industry in the Fourth Industrial Revolution, proceedings of the 11th Construction Industry Development Board (CIDB) post graduate Research Conference, July 2019, Johannesburg. Springer International Publishing, Switzerland, 2020

²⁸ Purwanti Sri Pudyastuti, and Nurmuntaha Agung Nugraha, Climate Change Risks to Infrastructures: A General Perspective, AIP Conference Proceedings 1977, 040030 (2018)

²⁹ <https://ec.europa.eu/jrc/en/science-update/state-climate-2018-fourth-warmest-year-record>

Climate change, and the resultant rise in natural disasters such as floods, has implications for the construction industry. In view of the frequency of natural disasters, the building of quality, reliable, sustainable and resilient infrastructure to support human wellbeing and economic development has become ever more critical. In response to this, National Treasury has introduced a programme to support cities with technical expertise to build resilient infrastructure by supporting them with assistance to strengthen project design, packaging and preparation. The programme will also strengthen cities' capability to manage climate-resilient assets by integrating climate-change considerations into their planning tools, including the Infrastructure Delivery Management System³⁰.

9.1.6 Legal Perspective (Relevant Court Rulings)

The construction industry is highly litigious. As a result, the IDT has a number of legal claims for and against it emanating from matters related to programme delivery. To curb the flurry of litigation, the IDT introduced a new contracting model during the course of 2018/19 financial year. The contracting model distributes risk proportionately between the IDT and clients with performance obligations on all parties. Although the contracting model is only applicable to all new projects, and will as such not address legacy problems, its implementation in the next five years and beyond will significantly reduce the risk of litigation against the entity.

In November 2020, the Supreme Court of Appeal declared Regulations of the Preferential Procurement Policy Framework Act as invalid and inconsistent with the Preferential Procurement Policy Framework Act, No 5 of 2000 and Section 217 of the Constitution. This has implications on the promotion of BBBEE through the procurement of services from BEE companies that are 51 percent owned by women, youth and military veterans and people with disabilities. In order to comply with the Court ruling, the entity has had to revise some of its targets.

9.2 Internal Environment Analysis

The newly inaugurated board, through the Reconfiguration and Transformation Committee, has identified and reconfirmed eight medium term goals that are critical for the entity's long-term sustainability. The eight medium term activities, which are part of the Revised Operating Model and Turnaround Plan of 2017, are:

- Service expansion and market growth
- Competency development and skills acquisition
- Systems and process efficacy
- Governance and regulatory compliance
- Strengthening financial viability and organisational sustainability

³⁰ <http://www.treasury.gov.za/documents/National%20Budget/2020/review/Annexure%20D.pdf>

- Strengthening leadership and culture change
- Collaboration and partnership building
- Trust, image and reputation rebuilding

The targets will form part of a number of initiatives and focus areas for the entity during the 2022/23 financial year and beyond.

9.2.1 Governance and regulatory compliance

The entity has dedicated time and resources to addressing challenges identified in the area of governance and regulatory compliance, including the exercise of board oversight on corporate performance and regulatory compliance. With the IDT performance consistently declining for over the years while obtaining negative audit outcomes, focus will continue to be on strengthening internal controls to improve audit outcomes. Board oversight on performance will also be strengthened. There have been significant developments in corporate governance, which necessitates a review of the Deed of Trust to align it with recent developments in legislation and governance. An important milestone to be considered in turning the IDT around in its current form is its corporatisation: that is, converting the entity into a company under the shareholding of government (Department of Public works and Infrastructure).

9.2.2 Strengthening financial viability and organisational sustainability

The current IDT service model and its supporting funding model have not been able to make it self-sustainable, despite the implementation of National Treasury Instruction 04 of 2014/15. Since the change in the entity's mandate in 1997 and its categorisation into a Schedule 2 of the PMFA, there was an expansion of the entity's services, which were offered to the state at no cost. This business model was unsustainable and quickly depleted the entity's capital base. The increasing overheads associated with a growing programme portfolio and decreasing interest also contributed to the shrinking capital base. As the capital base shrank, the entity undertook a financial modelling exercise in 2006 which indicated that the entity's initial endowment would be exhausted by the 2012/13 financial year. This triggered a number of initiatives aimed at securing the entity's long-term future. The interventions were twofold. One was to introduce a cost recovery mechanism to a category of IDT services (i.e. programme management) as part of a short-term intervention while the other sought to develop a business case for the long-term sustainability in line with the revised mandate of the entity.

It is therefore necessary that both the IDT service model and the funding model be revised for the IDT to be self-sustainable. The turnaround plan identifies the investment required to transform the IDT and provides a long-term financial plan outlining the IDT revenue inflows and expenditure. The proposed repositioning of the entity with a bias towards becoming a *fit for purpose* entity should go a long way towards making the IDT financially viable and sustainable in the long run.

9.2.3 Culture change, leadership development and partnership building

The turnaround plan introduces change and improvements in a variety of areas. Some of the areas for improvement include the introduction of a change management programme that is intended to build an inclusive performance-driven culture and work ethos. This will entail collaborations and partnerships with organisations that positively affect the work of the IDT, and investing in rebuilding the trust that has been lost between the IDT and its clients. These efforts shall also target the rebuilding of the tarnished IDT image and reputation through corporate communication, client relations, and stakeholder management.

9.2.4 The status of the institution regarding compliance with the BBBEE Act.

The IDT fully supports and complies with BBBEE legislation and has been at the forefront of promoting BBBEE for many years. In 2017, the entity completed an empowerment strategy. Anchored on the goals of “procure to empower” and “transform the industry”, the strategy seeks to promote the participation of previously disadvantaged individuals in the construction industry. This is reflected in some of its performance targets, which focus on expenditure on BBBEE companies, the implementation of the Contractor Development Programme, among others. Of greater significance is the fact that the IDT subscribes to the implementation of the PPPFA and its provision. However, the ruling by the Supreme Court of Appeal, which rendered regulations of the PPPFA invalid, is set to derail the transformation of the built environment and the economy.

9.2.5 The status of the institution regarding women, youth and people with disabilities.

The entity supports the promotion and participation of women, youth and people with disabilities in the built-environment industry. The entity has entered into collaborative efforts and partnerships with the Advisory Councils on the Empowerment of people with disabilities, youth and women. The collaboration agreements seek to deepen the representation and participation of these designated groups in the construction sector. This will promote and facilitate their active empowerment in the delivery of social infrastructure.

9.3 Key issue from the Environment Analysis

The table hereunder provide a synopsis of key issues from the internal and external environment that form the basis for strategy options. The strengths and weaknesses of the internal environment will be addressed in the plan through key interventions aimed at building a commercial mind-set among the entity's personnel and ensure that the entity is led and managed along sound commercial principles. The plan will present three key focus areas to address these challenges: Services render by the entity; the entity's capability to deliver on its brand promise; and the entity's revenue to safe guard its financial sustainability

The impact of the entity is depended on access to sizable portfolio of business (value of programme portfolio). The external environment opportunities and threat are summarised in the table hereunder as well as intervention aligned with the strategic objective of the entity for the duration of the MTEF period.

Table 6: Key issue from the Environment Analysis

	Key Issues	Interventions
Internal Environment	<p>Strength</p> <ul style="list-style-type: none"> Organisational agility and decision making response time on operational matters A mixture of personnel with infrastructure and social development outlook (orientation) able to serve the interests of communities the entity works with – commitment to the development agenda of the country Geographic location in all provinces which facilitate accessibility of the entity's services <p>Weaknesses</p> <ul style="list-style-type: none"> Declining delivery capacity following uncertainty about the protracted transformation of the entity (start-stop-start-hold approach to implementation of the turnaround and transformation project) Corporate governance challenges associated with the entity's transformation agenda Obsolete technology infrastructure and enabling technology for effective and efficient services delivery Financial unsustainability threatening the going-concern status of the entity 	<ul style="list-style-type: none"> Build the entity's capability to deliver on its promise (fit for purpose capability – in respect of people, technology, and business process aligned to deliver on clients' perception of excellent service) Refocus and streamline client service offering Drive a client centric operation culture in line with the proposed brand promise and operating values of the entity Build the entity's capability to deliver on its promise (fit for purpose capability – in respect of people, technology, and business process aligned to deliver on clients' perception of excellent service) Resolve corporate governance and leadership gaps (conclusion of the reconfiguration process)
External Environment	<ul style="list-style-type: none"> Under expenditure on infrastructure budget (leading to reduction in infrastructure grants and infrastructure allocation) Inadequate capacity and skills to plan and implement infrastructure projects on time and within budget leading to erosion of infrastructure budgets Plans to accelerate infrastructure delivery in health and education sectors Government reform in the delivery of infrastructure (to provide infrastructure faster, manage/control cost, share risk with private sector and integration of climate change response for resilient infrastructure facilities) 	<ul style="list-style-type: none"> Refocus and streamline client service offering Redesign the entity to operate fully on commercial principles – a commercially oriented organisation design Grow the entity's current and new revenue stream Consider delivery innovation in respect, infrastructure status assessment and project planning and packaging

	Key Issues	Interventions
Threats	<ul style="list-style-type: none"> • Declining trend in infrastructure spending as a percentage of GDP (2% average real growth decline) • Negative perception about the IDT as a brand following consecutive years of audit disclaimer • Competition with other implementing agents over a diminishing supply of infrastructure projects. 	<ul style="list-style-type: none"> • Refocus and streamline client service offering • Drive a client centric operating culture in line with the proposed brand promise and values of the entity • Establish working relationships with other state owned agencies operating within the infrastructure delivery value chain for value maximisation and timeous delivery of infrastructure (cost and budget overruns reductions and delivery on time) • Resolve corporate governance gaps that besieged the entity over the year – entity transformation programme (conclusion of the reconfiguration process)

PART C: MEASURING OUR PERFORMANCE

10. Institutional Programme Performance Information

IDT Impact Statement

Quality, Accessible Public Infrastructure that Contributes to National Priorities

The impact statement and outcomes in this Annual Performance Plan align to the goals of government, the Department of Public Works and Infrastructure and reflect the IDT's contribution to the realisation thereof.

The IDT is part of the service delivery machinery of the state and its targets are informed by, and contribute to the realisation of some of the key delivery targets set by government in the National Development Plan as expressed through the plans of the Department of Public Works and Infrastructure as well as other government departments. Of particular relevance to the IDT, is the reduction of infrastructure backlogs, building resilient infrastructure, creating work opportunities through public employment schemes and transforming the build environment. Table 3 in PART A provides linkages between IDT targets and its contribution to specific government-wide outcomes and goals. Similarly, some of the targets reflect the entity's turnaround plan, which seeks to make the entity self-sustaining. This in turn dovetails with the government goals to make public entities less dependent on the fiscus to sustain themselves.

The achievement of the targets in this plan will depend on among others the following enablers:

- Allocation of programme portfolio budget by clients
- Implementation of the envisaged delivery capacity improvement critical for the entity to fulfil its mandate
- Quality and capacity of the delivery partners in the infrastructure delivery value chain.

Through its diversified business portfolio and service offering, the IDT will contribute to the following outcomes:

- Increased Access to Quality Social Infrastructure
- A Transformed Built Environment
- Optimised job opportunities (through public employment programmes)
- A compliant, fit for purpose entity

Figure 2 below illustrates link and alignment between the IDT outcomes with those of the DPWI and the seven national priorities of the sixth administration.

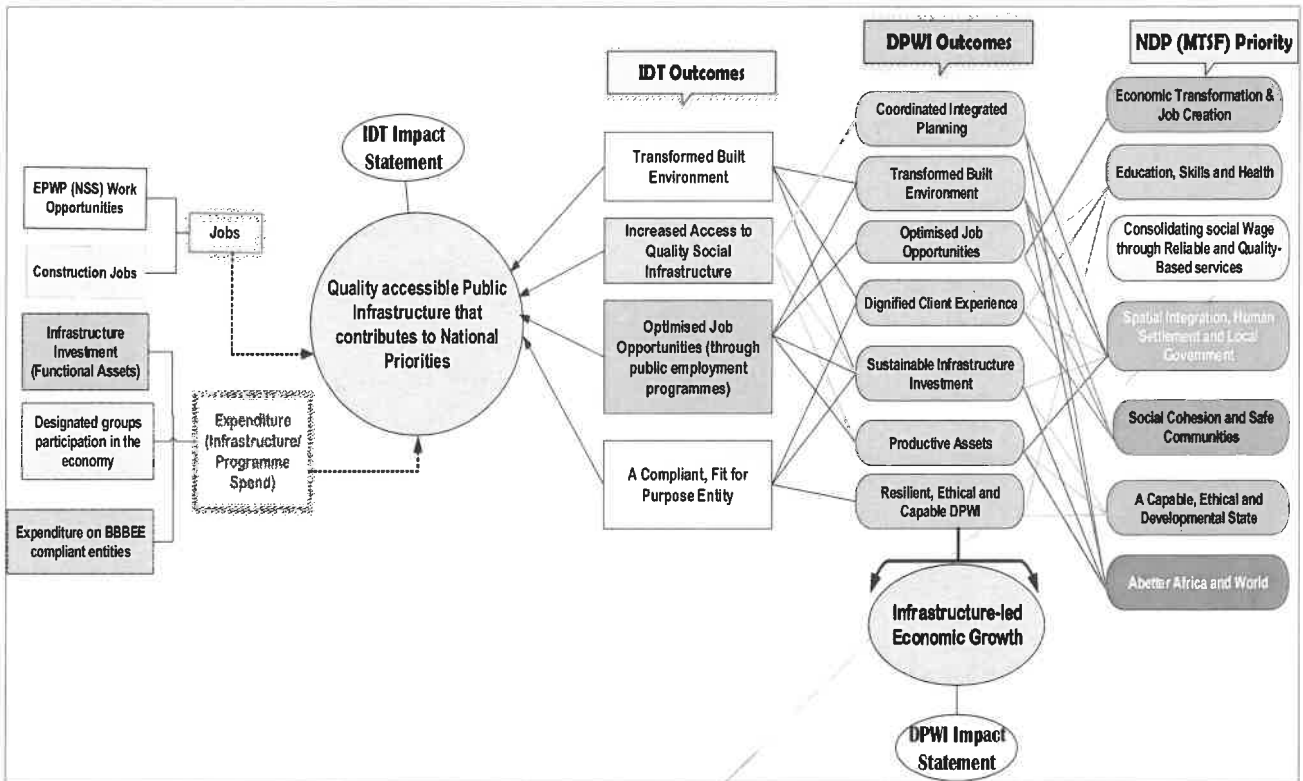


Figure 1: Impact, Outcomes and MTSF priorities alignment

10.1 Programme 1: Integrated Service Delivery

The purpose of this programme is to ensure provision of efficient, effective and integrated public social infrastructure delivery management services to satisfy client requirements and impact positively on government development agenda. It ensures that the entity delivers on its core mandate and contributes to the reduction of infrastructure backlogs through construction of public infrastructure, creating work opportunities through public employment schemes and transforming the built environment.

10.1.1 Outcomes #1: Increased access to quality social infrastructure

- Delivery of quality social infrastructure is directly related to the services the IDT offers to clients. It is in this context that the entity will ensure the delivery of quality social infrastructure on time, within budget and scope. Table 7 presents outputs, indicators and MTEF targets under this outcome whilst Table 8 present output indicators and annual targets.
- This outcome is linked to one of the three pillars of the IDT turnaround plan *Increased market share through programme portfolio diversification*, and is also linked to a number of targets that contribute to the realisation of two outcomes among others: *Decent employment through inclusive economic growth and Increased access to quality social infrastructure*.

- The rationale for choosing the targets under this outcome is to ensure that the IDT not only continues to delivery infrastructure but it also widens the nature and scope of its services in order to contribute to the state’s capacity to reduce the infrastructure backlog. Areas of interest include among others the maintenance of buildings and the construction of Early Childhood Development facilities.

This will not only create decent employment for more South Africans but it will also ensure that end users of such infrastructure feel that they are treated with dignity. Decent employment empowers the citizenry, increasing levels of public expenditure, which in turn contributes to the realisation of the goal of inclusive economic growth. Similarly, the ability to deliver infrastructure on time, at cost and to the right quality demonstrates the entity’s agility and ability to respond to customer needs ahead of any competitor. In turn, this has potential to make the IDT the implementing agent of choice with client departments.

Table 7: Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Increased access to quality social infrastructure	1.1 Projects completed on time	1.1.1 % projects completed on time	Actual: 40%	61%	26%	70%	75%	80%	80%
	1.2 Projects completed within budget	1.2.1 % projects completed within budget	Actual: 89%	77%	94%	70%	75%	80%	80%
	1.3 New or replaced facilities	1.3.1 Number of new or replacement facilities that comply with infrastructure norms completed	23	10	10	15	21	25	30
	1.4 Non-greenfield social infrastructure facilities	1.4.1 Number of non-greenfield social infrastructure facilities that comply with infrastructure norms completed	139	60	25	25	25	35	40

Table 8: Output Indicators - Annual and Quarterly Targets

#	Output indicators	Annual target	Q1	Q2	Q3	Q4
1.1.1	Percentage of projects completed on time	75%	75%	75%	75%	75%
1.2.1	Percentage of projects completed within budget	75%	75%	75%	75%	75%
1.3.1	Number of new or replacement facilities that comply with infrastructure norms completed	21	6	11	15	21
1.4.1	Number of non-greenfield social infrastructure facilities that comply with infrastructure norms completed	25	9	11	17	25

10.1.2 Outcomes #2: A transformed built environment

This outcome contributes towards the empowerment of previously disadvantaged groups and inclusive economic growth through the implementation of targeted contracting and skills development within built environment. The IDT will leverage the value of its programme portfolio to influence transformation within the built environment. The entity's strategic intent aligned to this outcome is to *increase ownership and participation by designated groups in the built environment industry*. The following are key interventions:

- Implement targeted procurement in line with applicable regulations in the implementation of infrastructure projects;
- Implement Contractor Development Programme (CDP)
- Implement planned infrastructure projects within allocated budget(s) and on time

The entity implements the Contractor Development Programme, which is a key component of attempts to transform the built environment industry and make it more inclusive by increasing the ownership and participation of historically disadvantaged individuals in the construction industry. A transformed built-environment industry not only contributes to social cohesion but it creates a strong foundation for an inclusive economy. This programme offer opportunity for women, youth and other designated groups to participate in the industry within a supportive environment. To this, increased expenditure on BBBEEE companies can be added, which also not only adds to the transformation of the built environment but also stimulates the goal of infrastructure-led economic growth.

Client capacity to complete projects on time and within budget through improved delivery capacity is critical. The IDT will deliver its services to its clients on time, within budget and the right quality. By meeting client expectations, the entity contributes to building a capable, ethical developmental state and a dignified customer experience. This requires the entity to improve its delivery capacity, expanding the built environment skills base. Inherent in the delivery of infrastructure is the assumption that this also expands the skills-base and contributes to the goal of transforming the built- environment industry.

Table 9: Outcomes, Outputs, Performance Indicators and Targets (MTEF)

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Actual Performance		Estimated Performance		MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2. A transformed built environment	2.1 BBBEE expenditure	2.1.1 Percentage of weighted B-BBEE Spend (Based on total programme spend)	40%	76%	37%	70%	75%	80%	80%
		2.2.1 Number of contractors participating in the IDT Contractor Development Programme(CDP) (CDP Panel)	52	52	50	50	60	60	60
	2.2 CDP Contractors' panel	2.2.2 Percentage of women contractors participating in the IDT Contractor Development Programme	45%	45%	45%	45%	40%	40%	40%
		2.2.3 Percentage of youth contractors participating in the IDT Contractor Development Programme	N/A	N/A	N/A	N/A	30%	30%	30%
		2.2.4 Percentage of Persons with Disability participating in the IDT Contractor Development Programme	N/A	N/A	N/A	N/A	2%	2%	2%

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Actual Performance				Estimated Performance		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
2.3 Projects allocated to the CDP		2.3.1 Number of construction projects allocated to the IDT CDP	N/A	N/A	N/A	N/A	0	40	30
		2.3.2 Percentage of construction projects awarded to women contractors participating in the IDT CDP	N/A	N/A	N/A	N/A	0%	40%	40%
		2.3.3 Percentage of construction projects awarded to youth participating in the IDT CDP	N/A	N/A	N/A	N/A	0%	30%	30%
		2.3.4 Percentage of construction projects awarded to persons with disability participating in the IDT CDP	N/A	N/A	N/A	N/A	0%	2%	2%
2.4 CDP Contractors graduated from the CDP (CIDB higher grades designation)		2.4.1 Number of CDP contractors graduated from the IDT CDP	N/A	N/A	N/A	N/A	0	0	40
		2.4.2 Percentage of women contractors graduated from the IDT CDP	N/A	N/A	N/A	N/A	0%	0%	40%
		2.4.3 Percentage of youth contractors graduated from the IDT CDP	N/A	N/A	N/A	N/A	0%	0%	30%
		2.4.4 Percentage of people with disability graduated from the IDT CDP	N/A	N/A	N/A	N/A	0%	0%	2%

Table 10 hereunder presents outputs, output indicators and targets (annual and quarterly targets) for the outcomes: **A transformed built environment.**

Table 10: Output Indicators - Annual and Quarterly Targets

#	Output indicators	Annual target	Q1	Q2	Q3	Q4
2.1.1	Percentage of weighted B-BBEE Spend (Based on total programme spend)	75%	75%	75%	75%	75%
2.2.1	Number of contractors participating in the IDT Contractor Development Programme(CDP) – (CDP Panel)	60	0	0	60	60
2.2.2	Percentage of women contractors participating in the IDT Contractor Development Programme	40%	0%	0%	40%	40%
2.2.3	Percentage of youth contractors participating in the IDT Contractor Development Programme.	20%	0%	0%	30%	30%
2.2.4	Percentage of People with Disability participating in the IDT Contractor Development Programme	2%	0%	0%	2%	2%

10.1.2.1 Planned Performance over the MTEF Period

10.1.3 Outcomes #3: Optimised job opportunities (through public employment programmes)

The creation of work opportunities is one of the key elements of the Economic Reconstruction and Recovery Plan, and is the single most notable contribution to the plan by the Department of Public Works and Infrastructure, including its entities. IDT contributes to the creation of employment opportunities through the implementation of its infrastructure programmes and significantly, the implementation of Expanded Public Works Programme – Non-State Sector. More than half a million job opportunities have been created since the IDT started implementing the programme. Thus, the entity will continue to play a significant role in the creation of employment opportunities to revive the post covid-19 economy.

It is widely acknowledged that market forces alone cannot reduce the high rate of unemployment. The EPWP provides temporary employment and training to its beneficiaries through skills programmes, learner-ship and artisan development. The skills and training provided are to enhance the participants' chances of being employable on other projects after exiting the EPWP.

Table 11 presents the outputs, performance indicators (output) and targets for the MTEF period under this outcome and table 12 presents output indicators as well as annual and quarterly targets.

Table 11: Outcomes, Outputs, Performance Indicators and Targets (MTEF)

Outcome	Outputs	Outputs Indicators	Annual Targets								
			Audited Actual Performance		Estimated Performance		MTEF Period				
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
3. Optimised job opportunities (through public employment programmes)	3.1 Construction work opportunities created	3.1.1 Number of construction work opportunities created (IDT Portfolio)	5 920	3 830	2 780	4 572	5 100	6 000	6 500		
	3.2 EPWP Work opportunities created	3.2.1 Number of work opportunity created through EPWP (EPWP-NSS excluding IDT programme portfolio)	63 119	71 374	35 937	42 868	64 000	64 000	64 000	64 000	

Table 12: Indicators, Annual and Quarterly Targets

#	Output indicators	Annual target	Q1	Q2	Q3	Q4
3.1.1	Number of construction work opportunities created (IDT Portfolio)	5 100	2 487	3 000	4 200	5 100
3.2.1	Number of work opportunity created through EPWP (EPWP-NSS excluding IDT programme portfolio)	64 000	-	64 000	64 000	64 000

10.2 Programme 2: Administration

The purpose of this programme is to ensure that the Independent Development Trust is a financially viable, complaint, results based, efficient and focused organisation. Its targets address the entity's delivery capacity, corporate governance and financial suitability. Indicators and targets under this programme are aligned with the expectations of clients as well as enabling the entity to contribute towards building a capable state and transformation of the built environment by expanding and strengthening its delivery capacity.

10.2.1 Outcomes #4:A compliant and fit for purpose entity

The success of the IDT depends on its ability to transform itself and adopt commercially sound operating principles. This is based on the assumption that the shareholder believes that the IDT remains part of the infrastructure delivery value chain. It also assumes that the entity should and can be financially sustainable, continue to play a significant role in delivering infrastructure on time and within budget and desired quality.

The financial sustainability of state-owned entities is critical to achieving the goal of creating a capable, ethical developmental state. This plan is centred on the idea that the IDT can be financially sustainable given the portfolio of social infrastructure government plans to deliver during the MTEF period. In the past two financial years, the entity depended on grants from the shareholder following a significant decline in operations as a result of its shrinking portfolio and the cloud of uncertainty about its future. Under the current scenario, a portfolio value of above R5 billion is sufficient to ensure the entity achieves a financial break-even. Implementation of interventions for this outcome can accelerate progression towards financial sustainability. The following are some of the interventions to turn the IDT into **a financially sustainable entity**:

- Grow revenue streams (procurement service cost)/asset register assessment and maintenance
- Adapt SCM processes to align with customer revenue streams
- Introduce performance based, time/cost & project value based management fees
- Monitor and adjust cost to sustain long term viability
- Develop alternative funding models
- Expand customer service offering
- Continuous market research into emerging trends in the built environment industry

One of the critical success factors for the implementation of the IDT turnaround is its ability to garner and manage the knowledge, tools, talent, people, resources, systems, and capital at its disposal to translate the turnaround strategy into the desired results. The recruitment of professionals with technical expertise will not only address the shortage of built environment professionals in the country, but it will also contribute to the transformation of the built environment.

Similarly, a transformational leadership is essential to transform the entity into an organisation fit for purpose - capable of delivering on its promise to clients and other stakeholder. This in turn will contribute to the building of a capable, ethical developmental state.

Improved revenue management: this is a significant part of building an efficient, agile organisation that is able to augment the state's capacity to manage resources efficiently. Key components of this are to improve billing systems, collection of fees and processing payments for contractors within the 30-day payment turnaround time. This builds an effective and efficient administration, which in turn makes the IDT a key contributor to the building of a capable, ethical state.

Compliant governance: good governance is a critical success factor in building public confidence. Proper internal controls and the implementation of risk mitigation strategies builds public confidence and contributes to the goal of building a capable, ethical, developmental state.

A financially sustainable entity: financial sustainability is one of the most important focus areas for the transformation of the IDT into a financially stable entity known for efficiency and effectiveness. Part of this effort will be to grow the portfolio, generate an operating surplus and ensure that the entity charges and receives management fees that are competitive. Similarly, the payment of compliant invoices within the required 30-day period speaks to efficiency, which in turn contributes to the realisation of the goal of financial sustainability and growing revenue. This dovetails with the wider government goal of building a capable state.

The tables under this section present outcomes, outputs, performance indicators and targets as well as output indicators and related annual and quarterly targets.

Table 13: Outcomes, Outputs, Performance Indicators and Targets (MTEF)

Outcome	Outputs	Outputs Indicators	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
4.1 Business generated	4.1 Business generated	4.1.1 Value of business portfolio (confirmed programmes)	N/A	N/A	N/A	N/A	R3,535bn	R 3,329bn	R3,057m
		4.1.2 Value of new business generated (Provincial Programmes)	N/A	N/A	N/A	N/A	R 965m	R 1,500bn	R 2,00bn
		4.1.3 Value of new business generated (National Programmes) ³¹	N/A	N/A	N/A	N/A	R 1,700bn	R 2,000bn	R2,500bn
4.2 Operating Surplus	4.2 Operating Surplus	4.2.1 Value of programme spend	R3,775bn	R2,525bn	R2,122bn	R2,634bn	R5,270bn	R 5,500bn	R 5,600bn
		4.2.2 Management fee collection ratio	N/A	87% annual management fee collection ratio	80 % annual management fee collection ratio	85% annual management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio
4.3 Compliance with legislative requirements and King IV	4.3 Compliance with legislative requirements and King IV	4.3.1 Percentage of compliant programme invoices paid within 30 days of receipt	N/A	82%	35% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days

³¹ Value of New Business (National Programmes) relates to total programme allocation from DPWI (Shareholder) in the current financial year

Outcome	Outputs	Outputs Indicators	Annual Targets							
			Audited Actual Performance			Estimated Performance	MTEF Period			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
		4.3.2 Percentage of compliant overheads invoices paid within 30 days of receipt	N/A	84%	65% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days

Table 14: Indicators, Annual and Quarterly Targets

#	Output indicators	Annual target	Q1	Q2	Q3	Q4
4.1.1	Value of business generated	R 3,535bn	R 753m	R1,227bn	R1,931bn	R 3,535bn
4.1.2	Value of new business generated (Provincial Programmes)	R 1,365m	R95m	R500m	R 850bn	R 1,365m
4.1.3	Value of new business generated (National Programmes) ³²	R 1,700bn	R 500m	R 800m	R 1,200m	R 1,700bn
4.2.1	Value of programme spend	R5,270bn	R 1,146bn	R 2,148bn	R 3,384bn	R 5,270bn
4.2.2	Management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio	90 % annual management fee collection ratio
4.3.1	Percentage of compliant programme invoices paid within 30 days of receipt	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days	100% compliant programme invoices paid within 30 days
4.3.2	Percentage of compliant overheads invoices paid within 30 days of receipt	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days	100% compliant overheads invoices paid within 30 days

³² Value of New Business (National Programmes) relates to total programme allocation from DPWI (Shareholder) in the current financial year

11. Programme Resource Consideration

MTEF 2022 Estimates

Details	BUDGET 2022/23 R'000	ENE 2023/24 R'000	ENE 2024/25 R'000	ENE 2025/26 R'000	Notes
Programmes	4 505 000	4 955 907	5 451 000	7 187 546	
Expenditure: Confirmed Programme Contracts	2 486 000	1 414 000	-	-	Note 1
Required Additional Programmes - Social Infrastructure	955 422	2 431 000	4 290 213	5 974 640	Note 1
Required Additional Programmes - EPWP NSS	1 063 578	1 110 907	1 160 787	1 212 906	Note 1
Staffing requirements	247	247	247	247	
Staff Numbers	247	247	247	247	Note 2
Average Gross Management Fee Rate	5%	5%	5%	5%	
Revenue	267 475	289 177	314 178	402 829	
Bank Balance brought forward from previous year					Note 33
Revenue: Confirmed Programmes	172 071	192 250	214 511	298 732	Note 3
Revenue: EPWP NSS	90 404	94 427	98 667	103 097	Note 3
Other Income	5 000	2 500	1 000	1 000	Note 5
Grant Funding					Note 4
Operational Expenditure	358 749	361 100	376 564	395 329	
Employment costs	131 225	207 543	217 920	228 816	Note 6
New recruitment due to lifting of moratorium	56 435				Note 6
Recruitment of Project Managers	10 000				Note 6
Staff Training	3 953	4 151	4 358	4 576	Note 7
Internship programme	10 944	11 491	12 066	12 669	Note 6
Restructuring costs	5 000				Note 8
Non-Employment:					
Travel - Projects	6 894	7 200	7 524	7 862	Note 9
Travel - Administration	4 596	4 800	5 016	5 241	Note 9
Litigation fees	13 000	13 579	14 188	14 825	Note 10
Consultants fees	8 404	5 000	3 000	3 000	Note 11
External Audit Fees	10 777	11 256	11 762	12 290	Note 13
IT Cost (Maintenance and support costs)	7 818	8 166	8 533	8 916	Note 14
Communication	3 371	3 521	3 679	3 844	Note 15
Facilities	14 772	15 429	16 122	16 845	Note 16
Leases: Office rental including rent parking	12 965	14 261	15 687	17 256	Note 17
Partnerships and Initiatives - Contractor Development Programme	1 500	1 500	1 500	1 500	Note 18
Other Operating expenses	23 009	24 033	25 112	26 240	Note 19
Centralised Cost	34 087	29 170	30 098	31 449	
Telephone	5 000	5 223	5 457	5 702	Note 20
Rent photocopiers	1 000	1 000	1 000	1 045	Note 21
Insurance	1 500	1 567	1 637	1 711	Note 22
Software Licences and Subscriptions	4 692	4 901	5 121	5 351	Note 23
Network Data	3 786	3 954	4 132	4 318	Note 24
Depreciation - Non Cash item	4 811	5 025	5 251	5 486	Note 12
Server Virtualisation / Hosting (19 servers)	2 500	2 500	2 500	2 612	Note 26
Copper to Fibre IT Project including Telephony	5 000	5 000	5 000	5 225	Note 27
Security access control refurbishment	98	-	-	-	Note 31
Certificate of Compliance - Electrical (Occupational Health and Safety)	3 000	-	-	-	Note 32
Repairs to Boundary walls (Including electric fencing) - Office Park	2 700	-	-	-	Note 32
Net Operating Surplus / (deficit) for the year before Capex Items	-91 273	-71 923	-62 386	7 500	
Capex Items	15 825	12 000	9 500	7 500	
Generator	1 500				Note 29
Uninterrupted Power Supply	250				Note 29
Project Management System	5 000	5 000	2 000		Note 30
CCTV Equipment upgrade	75				Note 32
IT and other equipment	4 000	4 000	4 500	4 500	Note 25
Head Office - Maintenance and Green Building	5 000	3 000	3 000	3 000	Note 32
Net Operating Surplus / (deficit) for the year after Capex Items	-107 098	-83 923	-71 886	0	Note 33
Required Additional Critical mass projects to break even	2 141 966	1 678 456	1 437 726	0	Note 1

Notes:

1. Programme expenditure is based on estimated contracted work to be carried out on behalf client departments. Required additional programme infrastructure work represents contracts that are still to be secured from client departments (business generation). EPWP NSS annual allocation still to be concluded at the beginning of each financial year. Required critical mass programmes refer to required programme portfolios for the organisation to implement to achieve a break even financial result. If this work is not allocated, this will result in the organisation requiring grant funding to fund operational costs.
2. Budgeted staff numbers are indicative of the current payroll and expected recruitment in the financial year.
3. Management fee revenue is based on an average of 5% of programme work carried out. The rate for EPWP NSS is 8.5% that is chargeable for implementation of the programme.
4. Grant funding is dependent on the amount of programme work to be implemented. If programme contracts are not received, this will result in the deficit / shortfall requiring grant funding.
5. Other income comprises of interest income and tender deposit income.
6. Employee costs are based on the current payroll and new staff recruits identified for 2022/23 FY. Employee costs are adjusted by 5% inflation rate over the MTEF period. The Public Service Act is not applicable to the IDT in its current legal form and as such, DPSA salary agreements cannot be implemented in the organisation. Staff recruitment based on the OD structure and recruitment of project managers based on portfolio of work generated from client departments. The IDT will start implement its internship programme from January 2022. It is expected that 72 interns will be contracted at a cost of R12k per intern per month.
7. Staff training is based on 2% of employee costs over the ENE budget cycle.
8. Restructure costs are limited to the use of an outsourced function to assist with the restructure of IDT. No other costs are factored in, as these costs are currently unknown and cannot be quantified.
9. Project related travel accounts for 60% of budget and 40% relates to administration.
10. The organisation has a high litigation list emanating mostly from the programme work carried out on behalf of client departments.
11. Consultant costs include work that is to be done as identified by each unit business plan, which is initiated by the board Strategy session held recently.
12. This is a non-cash item. Depreciation is based on the organisation's assets over its useful life.
13. The external audit fee takes in account the Auditor General's view of IDT as a high-risk client and as such, a high level of substantive testing procedures will be utilised.
14. IT costs comprises mainly of IT support and maintenance costs.
15. Communications include stakeholder management, branding, publication and event coordination activities.
16. Facility costs include cleaning, electricity, facility maintenance and repairs, national office property management fees and security. Facility costs associated with Northern Cape, Mpumalanga and Western Cape have been excluded, as these offices will be accommodated in DPWI buildings.
17. Lease costs pertain to office and parking rental. This amount has been adjusted by 10% in the outer years. Lease costs relate to KZN, Limpopo, Eastern Cape and North West. Other offices are currently accommodated at DPWI provincial offices.
18. Partnership and initiative cost is based on the contractor development programme.
19. Other overhead expenses include bank charges, catering, recruitment fees, resources costs (internal audit), forensic audit fees, stationery and printing costs, storage and trustees remuneration.
20. Telephone costs are based on previous years actual adjusted by NT guideline rates. The IDT telephone policy needs to be implemented and cost recovery on excessive calls are to be tightly managed. The investment in telephony capex is critical if this process is to be successful.

Notes:

21. Photocopier rentals are contractually determined i.e. R3m over three years.
22. Insurance includes asset cover for buildings, office contents, electronic equipment, motor vehicles, employment practice infringements, Board and committee cover, commercial crimes, third party claims and Sasria related cover. The organisation currently does not have directors cover. It is expected that due to the organisation's high-risk profile, the cost of cover will be at a premium.
23. Software licences and subscription include all IT related software required for the organisation to carry out its function. The following licences are utilised by the organisation: Microsoft EAS, Kaspersky, Symantec, Mimecast, Websense, SSL Certificate, AD Audit Plus, TeamViewer, Quantum iScalar Tape Library, Microsoft Dynamics Great Plains and Sage.
24. 24. Network data is the IT costs pertaining to the IT infrastructure required to support the organisation. Data costs are split according to the following items: VPN Supreme (voice and data), hosting, LAN management and firewall services.
25. 25. Capex expenditure is limited to the acquisition and replacement of old computer equipment, which has passed its useful life.
26. 26. Server virtualisation / hosting fee based on hosting 19 servers.
27. 27. Copper to Fibre costs include a full IT solution in modernising the IT infrastructure for the organisation. Telephony system includes an upgrade from the current obsolete system. It is expected that the improved system will allow for improved management of staff calls as well as call billing to clients.
28. 29. The generator will assist the organisation in dealing with the Eskom load shedding challenges and ensure consistent staff productivity. UPS to assist with the controlled shutdown of servers when load shedding is being implemented.
29. 30. The project management system will improve effectiveness and efficiency related to the core business. The organisation currently does not have a dedicated project management system.
- 30.
31. Security access refurbishment include new CCTV servers.
32. Head Office Building capex include critical items for remedial work to the building structure as well as safety compliance on electrical installations in the building.
33. There is a funding requirement of R107.1 million (2022/23), R83.9 million (2023/24), R71.9 million (2024/25) and R nil (2025/26). It assumed that the entity will have surplus funds to bring forward from 2021/22 FY. This amount will only be quantified on 31 March 2022. The allocation of programme portfolios to be implemented from 01 April in each financial year will assist in reducing the grant funding required by IDT. These contracts must be finalised six months before the beginning of the financial year to allow for planning, procurement and the billing of management fees from April month going forward. Also, refer note 1.

12. Key Risks

Table 15: Key Risks and Mitigation

Outcome	Key Risks	Mitigation
Increased access to quality social infrastructure	Litigation	<ul style="list-style-type: none"> Adherence to turn-around times (internal process-10 days to capture. Verify and submit payment request to Head Office) Adhere to contract clauses, standard operating procedures, policies and laws Enforcement of the agreement with Service Providers) apply penalty clause).

Outcome	Key Risks	Mitigation
		<ul style="list-style-type: none"> • Legal Services & PMSU to conduct workshops to Improve Contract Management and programme implementation. • Engage National Treasury on client institutionalisation of tranche transfer of programme funds
A transformed built environment	Lack of B-BBEE level 1&2, women, youth and people with disabilities owned companies that are well capacitated and meet procurement requirements	<p>Collaborate with CIDB to access contractor database and DPWI to implement Contractor Development Programme.</p> <p>Advertise in construction and project management publication</p>
A Compliant, Fit for Purpose Entity	Declining business portfolio.	Implement stakeholder engagement strategy and profiling of the IDT
	<p>Lack of capacity and capability to deliver projects on time and within budget (improved delivery capacity)</p> <ul style="list-style-type: none"> • Over-runs on programme/project implementation delivery and budgets • Quality of programmes/project not aligned to industry norms and standards 	<ul style="list-style-type: none"> • Attraction and retaining of appropriate technical personnel • Training and development of current personnel • Procure and implement PMIS • Ensure compliance with IDMS and FIDPM
	<ul style="list-style-type: none"> • Reduced portfolio (by departments), consequently programme expenditure and management fees • Ineffective cost management • Delayed payments by clients 	<ul style="list-style-type: none"> • Business development and stakeholder engagement • Monthly report to the EXCO on IDT's liquidity. • Project Mitigation Plans • Improve billing and collection system, through monthly monitoring and reporting of debts. • Overhead cost containment on a project-to-project basis. • Track project budget (capex and overheads) to ensure cost/return effectiveness • Recapitalise project management with supporting staff to augment project capability. (45% core and 55% supporting staff. • Use previous data on projects to work a cost v benefit analysis to contain costs. • Explore and use efficiencies on projects, i.e. digital and technology to lower costs. • Implementation and close monitoring of Internal Audit Plan.
	<p>Inadequate processes, procedures and policies</p> <ul style="list-style-type: none"> • Nonresponsive SCM policies and processes 	<ul style="list-style-type: none"> • Update all company policies and procedures and publish on IDT portal. • Improve SCM through introduction of a procurement committee to evaluate and approve all future supply chain contracts. • Potential acquisition of an integrated / customised project management system. • Develop a 5-year ITC Strategic Framework.

Outcome	Key Risks	Mitigation
		<ul style="list-style-type: none"> • Development a new project pricing model and processes. • Align new project pricing model with finance APP and budget. • Improving billing and collections system. • Strengthening of governance, financial management and supply chain procedures. • Reviewing relevant policies and procedures to ensure adherence and control. • Improve oversight monitoring and reports.

13. Infrastructure Projects

The list of infrastructure projects hereunder reflect commitment made by different client department whose projects the IDT is a designated implementing agent. The table reflect selected project valued at R5 million and above.

Table 16: Infrastructure Project

#	Region	Programme	Client	Description	Outputs	Start Date	Completion Date	2022 / 2023 Expenditure Target ³³ R
1	Eastern Cape	Industrial Kitchen Programme	CATHSEETA	Building of kitchen to FETs	Kitchen buildings	01-Dec-20	31-Mar-23	R 18 700 000
2		ASIDI - W&S	DBE	Provision of water and sanitation to schools	Water and sanitations	03-Dec-12	31-Mar-23	R 36 009 611
3		ASIDI ACT	DBE	Refurbishment, Construction and upgrades of Schools	Upgraded and replacement schools	21-Jun-13	31-Mar-22	R 16 532 294
4		DCS FENCING	DCS	Provision of security fencing and renovations to existing Prison	Security fencing and upgraded Prison buildings	16 Aug. 11	31 Mar- 2023	R 32 070 404
5		DCS ISS	DCS	Integrated Security Systems	Integrated Security Systems in Prison Kitchens	16-Aug-11	31-Mar-23	R 201 372 629
6		DOE	DOE	Refurbishment, Construction and upgrades of Schools	Upgraded and replacement schools	2008/2009	31-Mar-26	R 303 046 872
7		DPW	NDPWI	Refurbishment, Construction and upgrades of Schools	Upgraded and replacement schools	03-Nov-14	31-Mar-23	R 15 144 173
8		School Surmiture and Desludging	DOE	Provision of school furniture and desludging	School furniture and desludged ablutions	12 Jan 2021	31-Mar-23	R 128 200 000
9		ULM	Umzimvubu Municipality	Refurbishment and construction of new offices and related siteworks	Upgraded offices and new buildings	19-May-09	31-Mar-23	R 17 626 780

³³

These figures remain preliminary until confirmed by clients following tabling of annual budget in respective legislatures. Budget presented are as per previous year MTEF allocation.

#	Region	Programme	Client	Description	Outputs	Start Date	Completion Date	2022 / 2023 Expenditure Target ³³ R
10	Gauteng	Access Control Phase 1	DCS	Installation of Security systems	New Security systems in prison	10/03/2023	10 March 2028	R 6 219 720
11		DPWI Infrastructure Programme	NDPWI	Rehabilitation of dolomite sinkhole and civil works in the Waterkloof Air Force Base	Upgrade of civil works	23/07/2019	11 Sep. 2022	R 101 070 185
12		DPWI Infrastructure Programme	NDPWI	Demolitions and upgrading of buildings in the Minnaar Street Workshop	Upgraded public works workshop	09/12/2022	12 Dec. 2025	R 178 162 498
13		DPWI Infrastructure Programme	NDPWI	Rehabilitation of dolomite sinkhole and civil works	Upgrade of civil works	09/12/2022		R 31 562 035
14	Kwa-Zulu-Natal	Operation Vula Fund	DED&T	Supporting and Empowering small business enterprises	Supported Communities	01/07/2020	31 May 2022	R 60 000 000
15		Maintenance and Repairs	DOE	Maintenance of school infrastructure	Functional Service Facilities	01/09/2020	31 March 2024	R 619 949 547
16		Upgrades and Additions	DOE	Upgrades and Additions of learning facilities for existing schools	Classrooms	19/07/2021	02 Oct. 2024	R 120 818 000
17	Limpopo	DPWP Infra-structure	NDPWI	Upgrading and Renovations of government buildings	Renovated Buildings	01/04/2016	20/02/2023	R 61 529 182
18		LDOE Programme 1 - 8	DOE	New, Upgrades, Rehabilitations, Emergency, Storm damaged Programs	Secondary, Primary and Grade R School Facilities - Admin Blocks, Classrooms, Laboratories, Computer Fac, etc	2012/13	March 2023	R 41 900 000
19		LDOE Programme 9	DOE	New, Upgrades & Rehabilitations	Secondary, Primary and Grade R School Facilities - Admin Blocks, Classrooms, Laboratories, Computer Fac, etc	2020/21	March 2026	R 517 675 566

#	Region	Programme	Client	Description	Outputs	Start Date	Completion Date	2022 / 2023 Expenditure Target ⁴³³ R
20		DBE Water & Sanitation Phase 2	DBE	Water and sanitation programme	Water and sanitation(Toilets;Boreholes;Water storage)	-	March 2023	R 15 750 000
21	Mpumalanga	Construction of New Offices	NDPWI	Construction of New Offices	1 Facility	2022/03/04	30 October 2023	R 34 595 000
22		Upgrades and Refurbishment	DCS	Replacement of Perimeter Security Fence	1 Facility	2021/07/12	31 august 2022	R 17 472 757
23	Cape	NC School Infra 2015 / 2016	DOE	Refurbishments and new schools	Seven Schools	-	22 January 2023	R 309 758 510
24	Northern	NC Health Infrastructure Programme	DOH	Refurbishments	Clinics	2016/02/08	15 December 2022	R 8 317 585
25		NW Department of Tourism Infra	DOT	Construction of Taung Hotel School	Construction of palisade fence, Gate house, Admin Block, student Res, Kitchen, Library and Renovation of Staff Village	01 March 2015	31 March 2023	R 34 400 000
26	North West	NW Department of Education	DOE	Construction of new school, additions and upgrades, renovations, Grade R classrooms and full-service.	Upgraded and replacement Schools	04 January 2015	Apr-23	R 7 000 000
27		NW Department OF Tourism and Conservation	DEDECT	Restoration of Taung School) Infrastructure	Renovated Buildings	12 April 2021	Nov-24	R35 000 000
28	Western	Integrated Security System	DCS	Installation of Security systems	New Security systems in prison	2022/23	31 March 2024	R 140 930 078
29	Cape	Brandvlei Correctional Centre Refurbishment	DCS	Refurbishment of the Correctional Centre	Upgraded Correctional Centre	2021/22	31 March 2025	R 35 908 652

Part D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

Programme 1: Infrastructure Programme Management Services

1. Outcome # 1: Increased access to quality social infrastructure

Indicator title(#1.1.1)	1.1.1 Percentage of projects completed on time
Definition	The indicator describes percentage of projects completed on approved timeframe out of total completed projects in a financial year. Approved project time frame refers to time frame approved by the principal agent per the latest project plan, inclusive of the variation order (VO) and extension of time (EoT)
Source of data	Practical completion certificate (designates project completion). VO/EoT register (approved time extension and Variation Orders)
Method of calculation / Assessment	Total number of projects completed on time / total number of projects completed in a reporting period X100. The total number of projects that constitute the "population" for calculation are the completed new or replacement facilities and non-greenfield facilities (as per APP target)
Means of verification	Practical completion certificates. VO/EoT Register
Assumptions	Conclusive identification of an approved project plan (e.g. no disputed and /or unauthorised approval of variation orders by principal agent).
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	At least 75% of projects are completed on time in a given year.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: PFM/RGM.

Indicator title (1.2.1)	1.2.1 Percentage of projects completed within budget
Definition	The indicator describes percentage of projects completed within budget out of total completed projects in a financial year based on the approved project budget. Approved project budget include variation order (VO).
Source of data	Final completion certificate designates project completion inclusive of cost report. Final Account Project VO register.
Method of calculation / Assessment	Total number of projects completed within budget /total number of projects reached final account in a reporting period X100.
Means of verification	Final Completion Certificate Final Account Project VO Register
Assumptions	Conclusive identification of an approved project plan (e.g. no disputed and /or unauthorised approval of variation orders by principal agent).
Unit of measure	Percentage.
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.

Indicator title (1.2.1)	1.2.1 Percentage of projects completed within budget
Desired performance	At least 75% of projects are completed on within budget in a given year.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: Pfm/RGM.

Indicator title (1.3.1)	1.3.1 Number of new or replacement infrastructure facilities that comply with infrastructure norms completed
Definition	<p>Total number of new, replacement or restored facilities for which a practical completion certificate or related instrument certifying completion has been issued as per the applicable contract</p> <p>New infrastructure asset: A unit/suite of physical structures erected for a particular purpose on a greenfield site.</p> <p>Replacement: A unit/suite of physical structures that has been substantially rebuilt or substituted with new structure/s. A facility is substantially rebuilt if over 50% of its area is affected</p> <p>Completed: A physical structure(s) which has been newly built or replaced, and for which a practical completion certificate has been issued as per the applicable contract.</p> <p>Infrastructure norms: Infrastructure standards applicable in the design of infrastructure approved by client – practical completion certificate is regarded as certification that the completed facilities was constructed according to the approved designed standard and scope approved by client.</p>
Source of data	Assessment Report or List of Projects or Implementation Plan
Source documentation originator	PIM or PM
Method of calculation	Simple count of the number of projects completed based on practical completion certificates received
Means of verification	Practical completion certificate. Scope of work completed (technical progress report).
Assumptions	<p>Project structured in phases thereby resulting in multiple practical completion certificates are counted as project completed at the respective phase. This shall not constitute over reporting or double counting when subsequent phases comes online.</p> <p>Incidences of exceptional circumstance where for an example a client decrease or increase the number of facilities to be completed based on available funding or terminate the agreement will have no impact on the final number of facilities completed.</p>
Spatial Transformation	Dependent on the location of the facility completed within the municipal area.
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or target over-achieved. Higher figures indicate good progress towards IDT's contribution towards eradication of backlogs and improvements in service delivery.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: Pfm/RGM.

Indicator title (1.4.1)	1.4.1 Number of non-greenfield social infrastructure facilities that comply with infrastructure norms completed
Definition	<p>Non-greenfield facilities include all social infrastructure facilities completed other than new or replacements facilities. These includes renovations, rehabilitations, maintenance and upgrades (including additions) {{RRMUs}}. The indicator describes a unit/suite of physical structure(s) or a facility that has been restored to an original condition through repairs or remodelling and existing within its original site</p> <p>Renovations, Rehabilitations, Maintenance and Upgrades (including additions, e.g. an ECDC facility in existing school): A unit/suite of physical structure(s) that has been restored to an original condition through repairs or remodelling and existing within its original site</p> <p>Completed: A physical structure(s) which has been newly built or replaced, and for which a practical completion certificate has been issued as per the applicable contract.</p> <p>Infrastructure norms: Infrastructure standards applicable in the design of infrastructure approved by client – practical completion certificate is regarded as certification that the completed facilities was constructed according to the approved designed standard and scope approved by client.</p>
Source of data	List of Projects or Implementation Plan Scope of work
Method of calculation / Assessment	Simple count of the number of projects completed based on practical completion certificates received
Means of verification	Practical completion certificate. Scope of work completed (technical progress report).
Assumptions	<p>Project structured in phases thereby resulting in multiple practical completion certificates are counted as project completed at the respective phase. This shall not constitute over reporting or double counting when subsequent phases comes online.</p> <p>Incidences of exceptional circumstance where for an example a client decrease or increase the number of facilities to be completed based on available funding or terminate the agreement will have no impact on the final number of facilities completed.</p>
Spatial Transformation	Dependent on the location of the facility completed within the municipal area.
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.
New indicator	No.
Desired performance	Target achieved or target over-achieved. Higher figures indicate good progress towards IDT's contribution towards eradication of backlogs and improvements in service delivery.5bn or more (value of programme spend).
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: PFM/RGM.

2. Outcome # 2: A transformed built environment

Indicator title (2.1.1)	2.1.1 Percentage of weighted B-BBEE Spend (based on total Infrastructure programme spend)
Definition	<p>This indicator describes the percentage of weighted B-BBEE spend out of the total infrastructure programme spend for a given period.</p> <p>NB: Weighted B-BBEE calculation is based on the service provider's valid B-BBEE certification level.</p>

Indicator title (2.1.1)	2.1.1 Percentage of weighted B-BBEE Spend (based on total Infrastructure programme spend)
Source of data	Report on B-BBEE expenditure compiled by the Performance Information Manager based on information drawn from the payment system and the Vendor Management System and/or Central Supplier Database.
Method of calculation	Vendor expenditure x % level of B-BBEE= Weighted B-BBEE expenditure. Sum of weighted B-BBEE/value of programme spend x 100 % of weighted B-BBEE spend.
Means of verification	Expenditure report. Valid BBBEE Certificate. Central Supplier Database.
Assumptions	Expired B-BBEE certificates are replaced Total compliance with relevant prescripts
Disaggregation of beneficiaries	Black owned or managed companies
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	75% of total programme spend is on B-BBEE.
Indicator Responsibility	National office: General Manager - Supply Chain management Regional office: Regional Finance Manager and PIMO.

Indicator title (2.2.1)	2.2.1 Number of contractors participating in the IDT Contractor Development Programme (CDP) – CDP Panel.
Definition	This indicator describes the desired number of CDP participants (Panel of CDP Contractors) drawn from the designated groups to participate in the IDT Contractor Development Programme (CDP). Contractors are selected through a defined process and specified criteria as participants in the IDT CDP and client-initiated emerging contractor empowerment programmes. An entity with 50%+ equity ownership of specific designated group is considered fully owned that designated designed group. Designated group means, black people, women, people living with disabilities and small enterprises, as defined in section 1 of the National Small Enterprise Act (Act 102 of 1996). It includes Women, Youth (as defined in the National Youth Commission Act 19 of 1996), People with disability, Military Veterans, etc. as defined in the Codes of Good Practice in the Broad -Based Black Economic Empowerment
Source of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Performance Information Management System Description and CDP Manual.
Method of calculation/ Assessment	Simple count of the number of designated groups participating in the CDP.
Means of verification	A contract with CDP participants Service provider training reports and attendance register (where training was provided or

Indicator title (2.2.1)	2.2.1 Number of contractors participating in the IDT Contractor Development Programme (CDP) – CDP Panel.
	Service provider mentorship reports (where mentoring was provided).
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time) Service provider reports and/or attendance registers reflect accurate/complete information such as ID numbers
Disaggregation of beneficiaries	Women, Youth, People with disability and Military Veterans
Spatial Transformation	N/A
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or target over-achieved: 60 CDP participants.
Indicator Responsibility	National Office: Development Planning Specialist. Regional Office: RGM/PM.

Indicator title (2.3.1)	2.2.2 Percentage of women contractors participating in the IDT Contractor Development Programme
Short description	This indicator describes the proportion of women contractors participating in the CDP as at a given period out of the total number of CDP participants. An entity with 50%+ equity ownership by women is considered fully owned women Designated groups refers to women and Youth
Source/collection of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Dashboard report
Method of calculation (formula)	Number of women participating in the CDP / Number of CDP participants x 100. = % of women contractors participating in the CDP
Means of verification	CDP functional area reports.
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time)
Disaggregation of beneficiaries	Women (40%)
Spatial Transformation	N/A
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	No.
Desired performance	Target achieved or target over-achieved (40 % of CDP participants drawn from women)
Indicator Responsibility	National office: GM: Portfolio Management. Regional Office: Pfm/RGM

Indicator title (2.3.1)	2.2.3 Percentage of youth contractors participating in the IDT Contractor Development Programme
Short description	This indicator describes the proportion of youth contractors participating in the CDP as at a given period out of the total number of CDP participants. An entity with 50%+ equity ownership by youth is considered fully owned by youth. A contractor will be considered youth owned for the duration of the programme window even if their status change during the period ³⁴ .
Source/collection of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Dashboard report
Method of calculation (formula)	Number of youth participating in the CDP / Number of CDP participants x 100. = % of youth contractors participating in the CDP
Means of verification	CDP functional area reports.
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time)
Disaggregation of beneficiaries	Youth (30%)
Spatial Transformation	N/A
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	No.
Desired performance	Target achieved or target over-achieved (30% of CDP participants drawn from youth)
Indicator Responsibility	National office: GM: Portfolio Management. Regional Office: PfM/RGM

Indicator title (2.3.1)	2.2.1 Percentage of People with Disability participating in the IDT Contractor Development Programme
Short description	This indicator describes the proportion of people living with disability participating in the CDP as at a given period out of the total number of CDP participants. An entity with 50%+ equity ownership by People with Disability (PwD) is considered fully owned by PwD.
Source/collection of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client

³⁴ In cases where the status of a participant as a youth change during the period of participating in the programme (3 years programme window), such a contractor (participant) will be considered as a youth owned for the duration of the programme, provided such status is confirmed (as a youth participant) at the time of recruitment to participate in the IDT CDP.

Indicator title (2.3.1)	2.2.1 Percentage of People with Disability participating in the IDT Contractor Development Programme
	<p>participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register.</p> <p>Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or</p> <p>Dashboard report</p>
Method of calculation (formula)	$\text{Number of PwD participating in the CDP} / \text{Number of CDP participants} \times 100.$ $= \% \text{ of PwD contractors participating in the CDP}$
Means of verification	CDP functional area reports.
Assumptions	<p>Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment)</p> <p>The IDT has work and ability to monitor contractor performance (time)</p>
Disaggregation of beneficiaries	People with Disability (2%)
Spatial Transformation	N/A
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	No.
Desired performance	Target achieved or target over-achieved (2 % of CDP participants drawn from PwD contractors)
Indicator Responsibility	<p>National office: GM: Portfolio Management.</p> <p>Regional Office: PFM/RGM</p>

Indicator title (2.3.1)	2.3.1 Number of construction projects allocated to the IDT Contractor Development Programme
Definition	<p>This indicator describes the desired number of construction projects allocated to the Contractor Development Programme to ensure CDP participants get opportunity to implement projects to meet quality and expenditure specification for CIDB grading.</p> <p>Participating contractors access opportunity to implement construction projects through a defined process and specified criteria as panel of contractors in the IDT CDP.</p> <p>Projects are allocated to the CDP with the concurrency of the client departments (client-initiated emerging contractor empowerment programmes).</p>
Source of data	<p>Programme / Project PIA or MOAs</p> <p>PIA, Programme Contract, MOA</p> <p>Client confirmation letter / correspondence</p> <p>Project implementation plan</p>
Method of calculation/ Assessment	Simple count of the number of construction project allocated to the CDP.
Means of verification	PIA, Programme Contract, MOA, Letter from the client, Project implementation plan
Assumptions	<p>Clients will be keen to for construction project to be implemented through the Contractor Development Programme</p> <p>IDT will be able to access and influence portfolio planning and budgeting decisions</p> <p>An automated system will be available to manage performance information</p> <p>New programmes and projects are updated on continuous basis</p>

Indicator title (2.3.1)	2.3.1 Number of construction projects allocated to the IDT Contractor Development Programme
	The responsible PM will inform systems and support once the programme and projects has been loaded on Great Plains
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or target over-achieved (60 projects allocated to the CDP).
Indicator Responsibility	National Office: Development Planning Specialist. Regional Office: RGM/PM.

Indicator title (2.3.2)	2.3.2 Percentage of construction projects awarded to women contractors participating in the IDT Contractor Development Programme (CDP).
Definition	This indicator describes the proportion of construction projects (contracts) awarded (allocated) to women contractors participating in the CDP during a reporting period. An entity with equity ownership above 50% by women is regarded as women-owned
Source of data	List of CDP Contractors and report on contracts awarded to companies owned by women participating in CDP. Supplementary sources of information include CIPC/CIPRO Certificate or Shareholder Certificate/Memorandum of Association and RSA identity document (ID).
Method of calculation	Sum of construction projects awarded to women / Total number of construction projects allocated to the Contractor Development Programme x 100 = % of construction projects awarded to women contractors.
Means of verification	List of Contracts awarded within CDP CIPC/CIPRO Certificate or Shareholder certificate/Memorandum of Association and RSA ID.
Assumptions	Projects will be identified for implementation through the CDP and client departments will give concurrence to the utilisation of the IDT CDP Panel. Changes on member shareholding, either a percentage ownership change, resignation or addition during the implementation of the project will not be considered valid for the purpose of reporting
Disaggregation of beneficiaries	Women: 40%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	40% of the total number of construction project allocated to the Contractor Development Programme (CDP) awarded to women.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: Pfm/RGM.

Indicator title (2.3.3)	2.3.3 Percentage of construction projects awarded to youth contractors participating in Contractor Development Programme (CDP).
Definition	This indicator describes the proportion of construction projects (contracts) awarded (allocated) to youth contractors participating in the CDP during a reporting period.

Indicator title (2.3.3)	2.3.3 Percentage of construction projects awarded to youth contractors participating in Contractor Development Programme (CDP).
	An entity with equity ownership above 50% by youth is regarded as youth-owned. A contractor will be considered youth owned for the duration of the programme window even if their status change during the period ³⁵ .
Source of data	List of CDP Contractors and report on contracts awarded to companies owned by women participating in CDP. Supplementary sources of information include CIPC/CIPRO Certificate or Shareholder Certificate/Memorandum of Association and RSA identity document (ID).
Method of calculation	Sum of construction projects awarded to youth / Total number of construction projects allocated to the Contractor Development Programme x 100 = % of construction projects awarded to youth contractors.
Means of verification	List of Contracts awarded within CDP CIPC/CIPRO Certificate or Shareholder certificate/Memorandum of Association and RSA ID.
Assumptions	Projects will be identified for implementation through the CDP and client departments will give concurrence to the utilisation of the IDT CDP Panel. Changes on member shareholding, either a percentage ownership change, resignation or addition during the implementation of the project will not be considered valid for the purpose of reporting
Disaggregation of beneficiaries	Youth: 30%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	30% of the total number of construction project allocated to the Contractor Development Programme (CDP) awarded to youth.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: PfM/RGM.

Indicator title (2.3.4)	2.3.4 Percentage of construction projects awarded to PwD contractors participating in Contractor Development Programme (CDP).
Definition	This indicator describes the proportion of construction projects (contracts) awarded (allocated) to people with disability (contractors) participating in the CDP during a reporting period. An entity with equity ownership above 50% by PwD is regarded as owned by People with Disability.
Source of data	List of CDP Contractors and report on contracts awarded to companies owned by women participating in CDP. Supplementary sources of information include CIPC/CIPRO Certificate or Shareholder Certificate/Memorandum of Association and RSA identity document (ID).
Method of calculation	Sum of construction projects awarded to PwD / Total number of construction projects allocated to the Contractor Development Programme x 100 = % of construction projects awarded to PwD contractors.
Means of verification	List of Contracts awarded within CDP CIPC/CIPRO Certificate or Shareholder certificate/Memorandum of Association and RSA ID.

³⁵ In cases where the status of a participant as a youth change during the period of participating in the programme (3 years programme window), such a contractor (participant) will be considered as a youth owned for the duration of the programme, provided such status is confirmed (as a youth participant) at the time of recruitment to participate in the IDT CDP.

Indicator title (2.3.4)	2.3.4 Percentage of construction projects awarded to PwD contractors participating in Contractor Development Programme (CDP).
Assumptions	Projects will be identified for implementation through the CDP and client departments will give concurrence to the utilisation of the IDT CDP Panel. Changes on member shareholding, either a percentage ownership change, resignation or addition during the implementation of the project will not be considered valid for the purpose of reporting
Disaggregation of beneficiaries	People with Disability: 2%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	2% of the total number of construction project allocated to the Contractor Development Programme (CDP) awarded to PwD.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: Pfm/RGM.

Indicator title (2.4.1)	2.4.1 Number of contractors graduated from the IDT Contractor Development Programme
Definition	This indicator describes the desired number of CDP participants (Panel of CDP Contractors) who graduate from the IDT Contractor Development Programme (CDP). It measure CDP participants movement or potential movement up the CIDB grading (CIDB grading from grade 1 to 6).
Source of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Performance Information Management System Description and CDP Manual List of completed project / scope of construction project completed Expenditure on construction project completed
Method of calculation/ Assessment	Simple count of the number of contractors graduated from the CDP.
Means of verification	A contract with CDP participants Service provider training reports and attendance register (where training was provided or Service provider mentorship reports (where mentoring was provided). Project completion certificate / report / CIDB contractor assessment report CIDB grading (progress at the end of the programme)
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time) Service provider reports and/or attendance registers reflect accurate/complete information such as ID numbers
Disaggregation of beneficiaries	Men, Women, Youth, and People living with disability
Spatial Transformation	N/A
Calculation type	Cumulative.
Reporting cycle	Quarterly and annually.

Indicator title (2.4.1)	2.4.1 Number of contractors graduated from the IDT Contractor Development Programme
Desired performance	Target achieved or target over-achieved:(60 designated groups participate in the CDP graduated)
Indicator Responsibility	National Office: Development Planning Specialist. Regional Office: RGM/PM.

Indicator title (2.4.2)	2.4.2 Percentage of women contractors graduating from the IDT Contractor Development Programme (CDP).
Definition	This indicator describes the proportion of women contractors who graduate from the IDT Contractor Development Programme (CDP). It measure participants movement or potential movement up the CIDB grading (CIDB grading from grade 1 to 6). An entity with equity ownership above 50% by women is regarded as women-owned.
Source of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Performance Information Management System Description and CDP Manual List of completed project / scope of construction project completed Expenditure on construction project completed
Method of calculation	Number of women who graduate from the IDT CDP / Number of CDP participants who graduate from IDT CDP x 100. = % of Women contractors who graduate from the IDT CDP
Means of verification	A contract with CDP participants Service provider training reports and attendance register (where training was provided or Service provider mentorship reports (where mentoring was provided). Project completion certificate / report / CIDB contractor assessment report CIDB grading (progress at the end of the programme)
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time) Service provider reports and/or attendance registers reflect accurate/complete information such as ID numbers
Disaggregation of beneficiaries	Women: 40%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	40% of the total number of contractors who graduate from the IDT Contractor Development Programme (CDP) are Women.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: Pfm/RGM.

Indicator title (2.4.3)	2.4.3 Percentage of youth contractors graduating from the IDT Contractor Development Programme (CDP).
Definition	<p>This indicator describes the proportion of youth contractors who graduate from the IDT Contractor Development Programme (CDP). It measure participants movement or potential movement up the CIDB grading (CIDB grading from grade 1 to 6).</p> <p>An entity with equity ownership above 50% by youth is regarded as youth-owned. A contractor will be considered youth owned for the duration of the programme window even if their status change during the period³⁶.</p>
Source of data	<p>Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register.</p> <p>Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or</p> <p>Performance Information Management System Description and CDP Manual List of completed project / scope of construction project completed</p> <p>Expenditure on construction project completed</p>
Method of calculation	<p>Number of youth who graduate from the IDT CDP / Number of CDP participants who graduate from IDT CDP x 100.</p> <p>= % of Youth contractors who graduate from the IDT CDP</p>
Means of verification	<p>A contract with CDP participants</p> <p>Service provider training reports and attendance register (where training was provided or Service provider mentorship reports (where mentoring was provided).</p> <p>Project completion certificate / report /</p> <p>CIDB contractor assessment report</p> <p>CIDB grading (progress at the end of the programme)</p>
Assumptions	<p>Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment)</p> <p>The IDT has work and ability to monitor contractor performance (time)</p> <p>Service provider reports and/or attendance registers reflect accurate/complete information such as ID numbers</p>
Disaggregation of beneficiaries	Youth: 30%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	30% of the total number of contractors who graduate from the IDT Contractor Development Programme (CDP) are Youth.
Indicator Responsibility	<p>National office: GM: Portfolio Management.</p> <p>Regional office: PFM/RGM.</p>

³⁶ In cases where the status of a participant as a youth change during the period of participating in the programme (3 years programme window), such a contractor (participant) will be considered as a youth owned for the duration of the programme, provided such status is confirmed (as a youth participant) at the time of recruitment to participate in the IDT CDP.

Indicator title (2.4.3)	2.4.4 Percentage of People with Disability (PwD) contractors graduating from the IDT Contractor Development Programme (CDP).
Definition	This indicator describes the proportion of People with Disability (contractors) who graduate from the IDT Contractor Development Programme (CDP). It measure participants movement or potential movement up the CIDB grading (CIDB grading from grade 1 to 6). An entity with equity ownership above 50% by PwD is regarded as owned by people with disability.
Source of data	Signed selection letter/agreement for participation or signed evaluation report by RGM, GM, Executive or signed agreement/appointment letter by participant (in the case of a client participant) and/or service provider training reports bearing at the least the training type, company name, trainee name, ID number, gender, training period, facilitator signature and attendance register. Service provider mentorship reports bearing at the least the mentorship area, company name, mentee name, identity number, gender, mentorship period and/or Performance Information Management System Description and CDP Manual List of completed project / scope of construction project completed Expenditure on construction project completed
Method of calculation	Number of PwD who graduate from the IDT CDP / Number of CDP participants who graduate from IDT CDP x 100. = % of People with Disability (contractors) who graduate from the IDT CDP
Means of verification	A contract with CDP participants Service provider training reports and attendance register (where training was provided or Service provider mentorship reports (where mentoring was provided). Project completion certificate / report / CIDB contractor assessment report CIDB grading (progress at the end of the programme)
Assumptions	Availability of structured training including funding; suitable CDP participant; and mentors (including fund for mentors' payment) The IDT has work and ability to monitor contractor performance (time) Service provider reports and/or attendance registers reflect accurate/complete information such as ID numbers
Disaggregation of beneficiaries	People with Disability: 2%
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and annually.
Desired performance	2% of the total number of contractors who graduate from the IDT Contractor Development Programme (CDP) are People with Disability.
Indicator Responsibility	National office: GM: Portfolio Management. Regional office: PFM/RGM.

3. Outcome # 3: Optimised work opportunities through public employment programmes

Indicator title (3.1)	3.1.1 Number of construction work opportunities created (through IDT Portfolio)
Definition	This indicator describes the total number of people engaged for work in IDT-managed projects (excluding projects under EPWP-NSS) for a minimum of a day. Where a participant leaves and returns during the same financial year in a single project/initiative, this is counted as one work opportunity. Therefore, work opportunities created should always equate to the number of participants in a project in a given financial year.

Indicator title (3.1)	3.1.1 Number of construction work opportunities created (through IDT Portfolio)
Source/collection of data	Report on IDT job opportunities created generated by regional PIMOs based on project information processed by PIMs and PIAs and other supplementary information sources including the IDT Beneficiary Reconciliation Form (BRF).
Method of calculation (formula)	Simple count. Total number of beneficiaries as per the IDT Beneficiary Reconciliation Form arrived as follows: Beneficiary should have a valid 13-digit SA ID number. The register should be signed by the IDT and client representatives. To be counted, a beneficiary should sign an attendance register. Foreigners without a valid 13-digit SA ID number are not counted. Beneficiary should have a number of days worked indicated on their form.
Means of verification	Signed Beneficiary Reconciliation Form
Assumptions	Beneficiary Reconciliation Forms; properly signed by either representative or beneficiaries is a true reflection of work opportunity created.
Disaggregation of beneficiaries:	N/A
Spatial transformation:	N/A
Calculation type	Non-Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or target over-achieved (5 100. work opportunities created).
Indicator Responsibility	National Office: GM: Portfolio Management Regional Office: Pfm/RGM.

Indicator title (3.2)	3.2.1 Number of EPWP work opportunities created through EPWP (EPWP-NSS IDT excluding IDT portfolio).
Definition	This indicator describes the total number of people engaged for work in an IDT-managed project (including projects under EPWP-NSS) for a minimum of a day. Where a participant leaves and returns during the same financial year in a single project/initiative, this is counted as one work opportunity. Therefore, work opportunities created should always equate to the number of participants in a project in a given financial year.
Source of data	Report on job opportunities created through IDT managed projects generated by regional PIMOs based on project information processed by PIMs and PIAs and other supplementary information sources including the IDT Beneficiary Reconciliation Form (BRF) The generated information is processed in the EPWP Reporting System (EPWP-RS)
Method of calculation / Assessment	Simple count. Total number of beneficiaries as per the IDT Beneficiary Total number of beneficiaries as per the EPWP attendance register Reconciliation Form arrived as follows: Beneficiary should have a valid 13-digit SA ID number. The register should be signed by the IDT and client representatives. To be counted, a beneficiary should sign an attendance register. Foreigners without a valid 13-digit SA ID number are not counted. Beneficiary should have a number of days worked indicated on their form.
Means of verification	Signed Beneficiary Reconciliation Form

Indicator title (3.2)	3.2.1 Number of EPWP work opportunities created through EPWP (EPWP-NSS IDT excluding IDT portfolio).
Assumptions	Beneficiary Reconciliation Forms; properly signed by either representative or beneficiaries is a true reflection of work opportunity created.
Disaggregation of beneficiaries	Women (60%); Youth (55%); People with disability (2%)
Spatial Transformation	N/A
Calculation type	Cumulative (Year-To-date).
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or target over-achieved (64 000 work opportunities created).
Indicator Responsibility	National Office: GM: Portfolio Manager RGMs

Programme 2: Administration: A financially viable, effective, efficient and sustainable organisation

3. Outcome #4: A Compliant, Fit for Purpose Entity

Sub-Outcome 4.1: A financially sustainable entity

Indicator title # (41.1)	4.1.1 Value of business portfolio (confirmed programme portfolio)
Definition	<p>The indicator describes the total rand value of programme portfolio for the financial year. Value of programme portfolio is inclusive of multi-year portfolio confirmed and new business generated during the financial year. i.e.:</p> <ul style="list-style-type: none"> - It includes the current portion of the multi-year programme portfolio confirmed in previous financial years (confirmed business) - The current year portion of new business generated during the financial year under review (new business).
Source of data	<p>Programme / Project PIA or MOAs PIA, Programme Contract, MOA Collect programme rand value from programme agreement</p>
Method of calculation / Assessment	<p>Value of business portfolio = The sum of rand value of current portion of programme portfolio (sum of project allocation – rand value - for the financial year)</p> <ul style="list-style-type: none"> - Establish the total rand value of the programme / project (in terms of available agreement/plans / budget / programme or project implementation plan etc. - Disaggregate programme value into rand value for each financial year (designated / allocated / budgeted programme / project value for a financial year) - Determine the rand value of the current portion of the new programme portfolio (portion of new programme portfolio allocated to the current financial year). - Add value of annual programme allocation (current portion of agreement/plans / budget / programme or project implementation plan etc. = Value of programme portfolio for the MTEF <p>Total value of programme portfolio designated / allocated/ budgeted for a financial year in terms of available agreement / plans/budget etc. = Value of business portfolio</p>
Means of verification	PIA, Programme Contract, MOA.
Assumptions	<p>IDT will be able to access and influence portfolio planning and budgeting decisions An automated system will be available to manage performance information New programmes and projects are updated on continuous basis The responsible PM will inform systems and support once the programme and projects has been loaded on Great Plains</p>
Disaggregation of beneficiaries	N/A

Indicator title # (4.1.1)	4.1.1 Value of business portfolio (confirmed programme portfolio)
Spatial Transformation	N/A
Calculation type	Cumulative (Year to date).
Reporting cycle	Quarterly and annually.
Desired performance	R 3. 534bn or more (value of programme portfolio).
Indicator responsibility	National office: Programme Manager: Information Systems. Regional office: Regional AFM/RGM.

Indicator title # (4.1.2)	4.1.2 Value of new business generated (Regional Programmes)
Short description/definition	The indicator describes the total value of new business and / or programme allocations (programme portfolio) generated during the <i>financial year or the period under review</i> - It excludes confirmed business (current and future portion of the multi-year – MTEF - programme portfolio allocation confirmed in previous financial years
Source of data	Programme / Project PIA or MOAs and/or SDA PIA, Programme Contract, MOA and/or SDA Collated programme rand value from programme agreement
Method of calculation	<i>Determine the rand value of new programme portfolio confirmed during the period under review.</i> - Establish the total rand value of the programme / project (in terms of available agreement/plans/budget / programme or project implementation plan etc.) Value of new business generated = The sum of rand value of new programme portfolio confirmed during the year or period under review
Means of verification	PIA, Programme Contract, MOA and/or SDA
Assumptions	IDT will be able to access and influence portfolio planning and budgeting decisions An automated system will be available to manage performance information New programmes and projects are updated on continuous basis The responsible PM will inform systems and support once the programme and projects has been loaded on Great Plains
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative (Year to date).
Reporting cycle	Quarterly and annually.
Desired performance	R 1,365 billion or more (value of programme portfolio).
Indicator responsibility	National office: Executive Programme Management Unit. Regional office: Regional General Manager.

Indicator title # (4.1.2)	4.1.3 Value of new business generated (National Programmes) ³⁷
Short description/definition	The indicator describes the total value of new business and / or programme allocations (programme portfolio) generated during the <i>financial year or the period under review from</i>

³⁷ Value of New Business (National Programmes) relates to total programme allocation from DPWI (Shareholder) in the corresponding financial year

Indicator title # (4.1.2)	4.1.3 Value of new business generated (National Programmes) ³⁷
	<p><i>National Clients / Departments and Project Allocation from Department of Public Works and Infrastructure.</i></p> <p>The indicator describes the total value of new business (excluding programme portfolio for Regional Programmes) generated during the <i>financial year or the period under review</i></p>
Source of data	<p>Programme / Project PIA or MOAs or SDAs</p> <p>PIA, Programme Contract, MOA or SDAs</p> <p>Collated programme rand value from programme agreement</p>
Method of calculation	<p><i>Determine the rand value of new programme portfolio confirmed during the period under review.</i></p> <ul style="list-style-type: none"> - Establish the total rand value of the programme / project (in terms of available agreement/plans/budget / programme or project implementation plan etc.) <p>Value of new business generated = The sum of rand value of new programme portfolio confirmed during the year or period under review</p>
Means of verification	PIA, Programme Contract, MOA and/or SDAs
Assumptions	<p>IDT will be able to access and influence portfolio planning and budgeting decisions</p> <p>An automated system will be available to manage performance information</p> <p>New programmes and projects are updated on continuous basis</p> <p>The responsible PM will inform systems and support once the programme and projects has been loaded on Great Plains</p>
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative (Year to date).
Reporting cycle	Quarterly and annually.
Desired performance	R 1,700 billion or more (value of programme portfolio).
Indicator responsibility	<p>National office: Executive Programme Management Unit.</p> <p>Regional office: Regional General Manager.</p>

Indicator title (4.2.1)	4.2.1 Value of programme spend
Definition	The indicator describes the total value of expenditure on all the IDT's programmes as at a given period. Value includes expenditure on both social infrastructure and social development programmes.
Source/collection of data	<p>Great Plains Programme Expenditure Report and general ledger for programmes accruals – primary source.</p> <p>Finance unit report (financial review)</p> <p>Retrieve programme expenditure report from Great Plains</p>
Method of calculation / Assessment	Total value of programme expenditure as per Great Plains Expenditure Report for programmes plus programme accrual as determined by the Financial Services Unit.
Means of verification	<p>Great Plains Expenditure Report.</p> <p>Finance unit report (financial review & programme funds reconciliation)</p>
Assumptions	<p>New programmes and projects are automatically updated on Great Plains</p> <p>Accruals, payment certificates and cut-off period are correctly accounted for</p> <p>All expenditure is reported in the appropriate period (accrual accounting)</p>
Disaggregation of beneficiaries	N/A

Indicator title (4.2.1)	4.2.1 Value of programme spend
Spatial Transformation	N/A
Calculation type	Cumulative (Year to date).
Reporting cycle	Quarterly and annually.
Desired performance	R 5,270bn or more (value of programme spend).
Indicator Responsibility	National office: Programme Manager: Information Systems. Regional office: Regional AFM/RGM.

Indicator title (4.2.2)	4.2.2 Management fee collection ratio
Definition	This indicator describes the desired management fee collection ratio for the financial year in order to improve financial sustainability of the entity.
Source of data	Financial Review report/management fee billing report generated from the management fee billing system and / or the Great Plains system.
Method of calculation / Assessment	Total management fees collected as at the end of period / Total management fee billed as at the end of period (reporting period) x 100.
Means of verification	Calculated ratio from financial records (including FSU financial review report) - Debtors Collection Report
Assumptions	None
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Target achieved or over achieved with a minimum collection ratio of 90%
Indicator Responsibility	National office: PMSU Executive and the CFO. Regional office: RGMs

Sub-Outcome 4.2: A compliant entity

Indicator title (4.2.1)	4.3.1 Percentage of compliant programme invoices paid within 30 days of receipt.
Definition	This indicator describes percentage of compliant project invoices paid within 30-days (payment turnaround time) from date of receipt.
Source of data	Financial review report from FSU.
Method of calculation / Assessment	Count the number of compliant invoices paid within 30 days in a given period and express this as a percentage of the total number of compliant invoices paid during the same period. Number of compliant invoices paid within 30 days of receipt / total number of compliant invoices paid for the same period x 100.
Means of verification	Calculated ratio from financial records (including FSU financial review report) - Invoice Register; Monthly Accrual Report; invoice captured report (Great Plains System).
Assumptions	All received complaint invoice are captured on invoice register Invoice payment turnaround period is continuously tracked
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-Cumulative.
Reporting cycle	Quarterly and annually.

Indicator title (4.2.1)	4.3.1 Percentage of compliant programme invoices paid within 30 days of receipt.
Desired performance	Pay 100% of compliant invoices within 30 days of receipt.
Indicator Responsibility	General Manager: Finance/RGMs/ AFMs/SM: Project Accounting.

Indicator title (4.3.2)	4.3.2 Percentage of compliant overhead invoices paid within 30 days of receipt.
Definition	This indicator describes percentage of compliant overheads invoices paid within 30-days (payment turnaround time) from date of receipt.
Source of data	Financial review report from FSU.
Method of calculation / Assessment	Count the number of compliant invoices paid within 30 days in a given period and express this as a percentage of the total number of compliant invoices paid during the same period. Number of compliant invoices paid within 30 days of receipt / total number of compliant invoices paid for the same period x 100.
Means of verification	Calculated ratio from financial records (including FSU financial review report) - Invoice Register; Monthly Accrual Report; invoice captured report (Great Plains System).
Assumptions	All received complaint invoice are captured on invoice register Invoice payment turnaround period is continuously tracked
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-Cumulative.
Reporting cycle	Quarterly and annually.
Desired performance	Pay 100% of compliant invoices within 30 days of receipt.
Indicator Responsibility	General Manager: Finance/RGMs/ AFMs/SM: Project Accounting.

