

# Municipal Infrastructure Support Agent



## ANNUAL PERFORMANCE PLAN FOR 2021/2022 FINANCIAL YEAR



**cooperative  
governance**

Department:  
Cooperative Governance  
REPUBLIC OF SOUTH AFRICA



MUNICIPAL INFRASTRUCTURE  
SUPPORT AGENT

Today, Creating a Better Tomorrow



**MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)**  
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## LIST OF ABBREVIATIONS/ACRONYMS

|               |  |
|---------------|--|
| <b>AGSA</b>   | Auditor-General of South Africa                                    |
| <b>AFS</b>    | Annual Financial Statements  |
| <b>APP</b>    | Annual Performance Plan  |
| <b>AU</b>     | African Union  |
| <b>CEF's</b>  | Capital Expenditure Frameworks                                     |
| <b>CEO</b>    | Chief Executive Officer  |
| <b>CMS</b>    | Corporate Management Services                                      |
| <b>CoGTA</b>  | Cooperative Governance and Traditional Affairs                     |
| <b>DCOG</b>   | Department of Cooperative Governance                               |
| <b>DDG</b>    | Deputy Director General  |
| <b>DDM</b>    | District Development Model   |
| <b>DM</b>     | District Municipalities  |
| <b>DORA</b>   | Division of Revenue Act  |
| <b>DPSA</b>   | Department of Public Service and Administration                    |
| <b>ECSA</b>   | Engineering Council of South Africa                                |
| <b>ESG</b>    | Environmental, Social and Governance                               |
| <b>ESSS</b>   | Executive Support, Strategy and Systems                            |
| <b>FCIP</b>   | Framework Contracts and Infrastructure Procurement                 |
| <b>FMS</b>    | Financial Management Services                                      |
| <b>GITCM</b>  | Government Information and Communication Technology                |
| <b>GRB</b>    | Gender Responsive Budgeting  |
| <b>GTAC</b>   | Government Technical Assistance Centre                             |
| <b>IA</b>     | Internal Audit   |
| <b>IAA</b>    | Infrastructure Assessment and Analysis                             |
| <b>ICT</b>    | Information and Communication Technology                           |
| <b>IDMS</b>   | Infrastructure Delivery Management System                          |
| <b>IDMSC</b>  | Infrastructure Delivery, Maintenance and Stakeholder Coordination  |
| <b>IDPs</b>   | Integrated Development Plans                                       |
| <b>IF</b>     | Infrastructure Financing   |
| <b>INEP</b>   | Integrated National Electrification Programme                      |
| <b>IUDF</b>   | Integrated Urban Development Framework                             |
| <b>IWMPs</b>  | Integrated Waste Management Plans                                  |
| <b>LGSETA</b> | Local Government Sector Education and Training Authorities         |
| <b>LIC</b>    | Labour Intensive Construction                                      |
| <b>MFMA</b>   | Municipal Finance Management                                       |
| <b>MIG</b>    | Municipal Infrastructure Grant                                     |
| <b>MIPMIS</b> | Municipal Infrastructure Performance Management Information System |
| <b>MISA</b>   | Municipal Infrastructure Support Agent                             |
| <b>MTEF</b>   | Medium Term Expenditure Framework                                  |
| <b>MTSF</b>   | Medium Term Strategic Framework                                    |
| <b>NDP</b>    | National Development Plan  |
| <b>NSDF</b>   | National Spatial Development Framework                             |
| <b>NWSMP</b>  | National Water and Sanitation Master Plan                          |

## LIST OF ABBREVIATIONS/ACRONYMS

|                |  |
|----------------|--|
| <b>O&amp;M</b> | Operations and Maintenance                                       |
| <b>OSD</b>     | Occupation Specific Dispensation                                 |
| <b>PMO</b>     | Project Management Office  |
| <b>PPE</b>     | Property Plant and Equipment                                     |
| <b>PPLCM</b>   | Program Project Life Cycle Model                                 |
| <b>PPP</b>     | Public Private Partnerships                                      |
| <b>PSA</b>     | Public Service Act   |
| <b>RMSC</b>    | Regional Management Support Contract                             |
| <b>RPL</b>     | Recognition of Prior Learning                                    |
| <b>SAICE</b>   | South African Institution of Civil Engineering                   |
| <b>SALGA</b>   | South African Local Government Association                       |
| <b>SARS</b>    | South Africa Revenue Services                                    |
| <b>SCM</b>     | Supply Chain Management  |
| <b>SDF's</b>   | Spatial Development Frameworks                                   |
| <b>SDGs</b>    | Sustainable Development Goals                                    |
| <b>SETAs</b>   | Sector Education and Training Authorities                        |
| <b>SIPDM</b>   | Standards for Infrastructure Procurement and Delivery Management |
| <b>SOE</b>     | State Owned Enterprises  |
| <b>SONA</b>    | State of the Nation Address                                      |
| <b>SP</b>      | Strategic Plan   |
| <b>SPLUMA</b>  | Spatial Planning and Land Use Management Act                     |
| <b>STI</b>     | Science, Technology and Innovation                               |
| <b>SWOT</b>    | Strength, Weaknesses, Opportunities and Threats                  |
| <b>TID's</b>   | Technical Indicator Descriptions                                 |
| <b>TSS</b>     | Technical Support Services                                       |
| <b>UNFCCC</b>  | United Nations Framework Convention on Climate Change            |
| <b>WC/WDM</b>  | Water Conservation and Water Demand Management                   |
| <b>WSA's</b>   | Water Services Authorities                                       |

## Executive Authority Statement



Since the outbreak of the coronavirus in China towards the end of 2019 that rapidly spread around the world, South Africa together with the rest of the world continues to endure the ravaging effects of the Covid-19 pandemic. Not only has this severe medical crisis contributed to the decimation of our fragile economy; it has also caused untold pain among our fellow citizens who lost their beloved family members due to the virus. In response to the threat of rapid spread of the coronavirus within the country, the President on behalf of Cabinet declared the national state of disaster in terms of the Disaster Management Act on the 15th of March 2020. This declaration was followed by the introduction of the nationwide lockdown with effect from midnight on 26 March 2020. The main purpose of placing the country in a

hard lockdown at that time was to afford our government enough space and time to prepare for the envisaged pressure on our health infrastructure. As it later turned out this came to pass as immense pressure continues to be exerted on our health system and the health professionals who continue to show resilience in serving our populace during this unprecedented situation.

A major effect of the national lockdown is the severe economic slump experienced in the last year. The restrictions on activities in general emanating from the lockdown have accelerated the economic decline already in motion long before the onset of the pandemic. The inevitable consequence of this is job losses and rising poverty levels in the country. The declining households income due to growing unemployment level had negatively affected the ability of municipalities to collect revenue for basic services provision. Diminishing revenue will, in turn, result in poor quality of services to communities since municipalities are increasingly struggling to keep existing infrastructure in desirable conditions. Local government will also experience a slowdown in the implementation of new infrastructure investments due to the reduction in transfers from the fiscus.

At this period of growing scarcity, it is crucial that government, particularly the local government sphere, optimally utilises the available resources so that we maximise the impact of developmental programmes on people's lives. The District Development Model (DDM) launched in three pilot areas last year remains the central platform for coordinating efforts of the entire government and that of private sector towards the transformation of all 52 district and metropolitan spaces in the country. By strengthening local government, through the DDM, we are confident that we can set our country on a more sustainable development path while addressing inequality. A key focus of the DDM is the empowerment of women and youth through the targeted skills development programmes. These skills programmes have to integrate innovation, science and technology so as to ensure that we leapfrog our development and isolate opportunities for women across the country. This will require the full participation of women in engineering, physics, and mathematics.


The Municipal Infrastructure Support Agent (MISA) will continue to play a leading role in the engagement with municipalities to rejuvenate their focus on water infrastructure refurbishment. A key initiative in this regard is the recent reprioritisation of the Municipal Infrastructure Grant (MIG) allocations to direct more resources towards water and sanitation projects. The provision of water will be further accelerated through extensive exploitation of ground water resources and improved management of existing infrastructure



## Executive Authority Statement

assets. MISA will contribute to the implementation of an economic stimulus package by supporting selected municipalities to institutionalise labour intensive construction methods through municipal infrastructure delivery. Through its capacity building programmes and bursary programmes, the agency will continue to target youth, especially those from vulnerable communities to expand their participation in the engineering field. The impact of COVID-19 have resulted in the reduced budget allocations for departments over the Medium Term Expenditure Framework (MTEF) period. MISA seeks to mitigate the impact of budget cuts by reorganising its human resources and relying on technology in the provision of support to municipalities.

We will continue to provide crucial support within the local government space to enable municipalities to provide quality infrastructure and services to communities. I remain fully committed to supporting MISA in the implementation of the annual performance plan for 2021/22 by providing continuous guidance and exercising my executive oversight.



**Dr. Nkosazana Dlamini Zuma, MP**

**Executive Authority of Cooperative Governance and Traditional Affairs**



## Accounting Officer Statement



MISA's mandate is premised on the National Development Plan (NDP) vision of enhancing the capacity of local government to enable the delivery of reliable infrastructure for sustainable provision of basic services. To fulfil this mandate, MISA plays a leading role in the provision of support to municipalities struggling to perform functions pertaining to municipal infrastructure and basic services provision. As CoGTA's agency for driving support to municipalities in respect to the provision of infrastructure for basic services, MISA has been involved in government's recent efforts to accelerate the provision of water and sanitation services to communities as part of a broad strategy to mitigate the risk of spreading the coronavirus.

One of the agency's key focus in the previous financial year was the acceleration of water and sanitation services provision to communities in collaboration with relevant stakeholders. To this end, MISA contributed R4.7 million for boreholes drilling in areas with severe shortages of water. A total of R1.6 billion in MIG allocation was reprioritised to fund water and sanitation projects as part of response to the Covid-19 pandemic. MISA also continued with the implementation of the Regional Management Support Contract (RMSC) programme in three pilot district municipalities, namely, OR Tambo District Municipality (DM), Sekhukhune DM and Amathole DM. This programme was designed as an institutional turnaround with the objective of improving the municipalities' systems and processes for delivering water and sanitation services.

To date MISA has provided support to seven municipalities in Limpopo province on the implementation of comprehensive municipal capacity development plans. MISA's support towards enhancing internal technical capacity in municipalities resulted in the training of 357 municipal officials through short courses covering various aspects of municipal infrastructure delivery; enrolment of 95 apprentices in the artisan development programme; enrolment of 30 learners in the experiential learnership programme; enrolment of at least 114 graduates in the young graduates programme; provision of bursaries to 77 students for tertiary studies in technical professions and 128 municipal officials enrolled in MISA Recognition of Prior Learning (RPL) programmes.

A major area of focus for MISA in the next financial year is the coordination of municipal infrastructure programmes under the auspices of the District Development Model, spearheaded by the Department of Cooperative Governance (DCOG). In this regard, MISA will continue to leverage on its capacity and the strengths of other institutions within and outside government in its endeavour to strengthen the infrastructure delivery capability of municipalities. MISA will continue to support distressed municipalities through the deployment of technical professionals and placement of learners to ensure that sufficient internal capacity is created for the optimal delivery of basic services infrastructure. More efforts will be directed at supporting municipalities to efficiently implement infrastructure projects funded through the Municipal Infrastructure Grant (MIG) allocations to reduce infrastructure backlogs. MISA is positioned to contribute to job creation by supporting municipalities to institutionalise labour intensive methods in the rollout of infrastructure projects funded through MIG allocations. The provision of water to communities remains a key priority for the agency. To accelerate the process of delivering water, especially in rural

## Accounting Officer Statement

communities, we intend to support municipalities to exploit ground water resources and improve the management of existing infrastructure.

It is my greatest pleasure to acknowledge the astute leadership and guidance provided by the Minister, Deputy Minister and the Director-General for Cooperative Governance during the preparation of the 2021/22 annual performance plan. I also acknowledge the crucial role played by the management team within MISA in the process of compiling this annual performance plan. MISA will continuously adapt its strategic focus and operational model to achieve the output targets in the 2021/2022 annual performance plan and respond appropriately to the needs of the citizens.



**Mr. N. Vimba**

**Accounting Officer of Municipal Infrastructure Support Agent**

## Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Municipal Infrastructure Support Agent under the guidance of the Honourable Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma.
- Takes into account all relevant policies, legislation and other mandates for which the Municipal Infrastructure Support Agent is responsible.
- Accurately reflects the Outcomes and Outputs, which MISA will endeavour to achieve over the period 2021/2022.

**Ms. M. Kgomo**

Deputy Director General: IDMS



**Mr. S. Ngobeni**

Acting Deputy Director General: TSS



**Ms. F. Nombembe-Ofosu**

Chief Financial Officer



**Mr. V. Mathada**

Chief Director: Strategy



**Mr. N. Vimba**

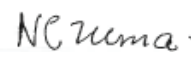
Chief Executive Officer



Approved by:

**Dr. Nkosazana Dlamini Zuma, MP**

Minister



# **Part A:**

# **Our Mandate**



## 1. Updates to the Relevant Legislative and Policy Mandates

### 1.1. Legislative Mandates

MISA is a government component established under the Cooperative Governance and Traditional Affairs Portfolio, in terms of section 7(5) (c) of the Public Service Act (PSA), 1994 and derives its mandate from section 154(1) of the Constitution of the Republic of South Africa, 1996. Its establishment was declared by the President of the country in terms of proclamation 29 published in the government gazette in May 2012. Section 7(A) (4) of the Public Service Act empowers the relevant Executive Authority to determine the duties and functions of a government component under his/her authority. To assign the roles and responsibility to MISA, as envisaged under this section, the Minister of Cooperative Governance and Traditional Affairs published a government notice in July 2013 setting out the objectives, duties, functions and accountability arrangement for MISA.

Given its own limited internal capacity, MISA prioritises the provision of technical support to low and medium capacity municipalities. There is a general recognition that high capacity/performing municipalities have the competency and suitable economic means to fulfil their infrastructure delivery and service provision mandate. However, the reality is that some Metros experience difficulties in executing their Constitutional mandate. MISA will therefore provide support to metropolitan municipalities on an ad hoc basis, focusing on national priority areas, such as the reduction of Non-Revenue Water.

#### MISA support to low capacity/performing municipalities:



#### MISA support to medium capacity/performing municipalities:



#### MISA support to high capacity/performing municipalities:



The Government Notice on the operations and administration of MISA (operational notice) provides that the objective of MISA is to render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning. In executing its mandate, as articulated above, MISA is required to perform the functions listed below with the aim of strengthening the capacity of municipalities to deliver sustainable infrastructure for basic services provision, exercise their powers and perform the functions necessary for planning, development, operations and maintenance of municipal infrastructure.

The functions of MISA as outlined in the operational notice includes:

- To support municipalities to conduct effective infrastructure planning to achieve sustainable service delivery;
- To support and assist municipalities with the implementation of infrastructure projects as determined by the municipal Integrated Development Plans (IDPs);
- To support and assist municipalities with the operation and maintenance of municipal infrastructure;
- To build the capacity of municipalities to undertake effective planning, delivery, operations and maintenance of municipal infrastructure; and
- Any functions that may be deemed ancillary to those listed above.

The operational notice gives the powers to the Minister to assign other functions previously performed by the department of Cooperative Governance and that are complementary to the functions listed above, within the prescripts of applicable legislation. To give effect to the assignment of additional functions to MISA, the accounting officers are required to enter into an agreement for the orderly transfer of affected functions together with the concomitant funding, as directed in writing by the Minister.

In order to execute these tasks, it is important for MISA to act as the agency accountable for monitoring municipal infrastructure programmes working with responsible sectors and other government spheres to ensure the alignment, integration and implementation of their plans and programmes. This responsibility requires that, at the very least, MISA works closely with all sectors and spheres of government to report on how the specific responsibilities of each agency integrate with others to ensure effective alignment in planning and implementation of infrastructure projects.

## **1.2. Policy Mandates**

### **1.2.1 National Development Plan (NDP) 2030**

The National Development Plan (NDP) identifies capacity weaknesses as one of the major reasons behind poor performance in local government. The NDP (2011, 48) further states that “Local government faces several related challenges, including poor capacity, weak administrative systems, undue political interference in technical and administrative decision making, and uneven fiscal capacity”. Capacity and performance challenges are particularly greater in historically disadvantaged areas, where state intervention is mostly needed to improve the people’s quality of life. To address this problem, the NDP places a greater emphasis on the urgent need for South Africa to move towards a developmental state that is capable, professional and responsive to the needs of its citizens. It further provides that progress needs to be made rapidly in those areas where state capacity is at its weakest. A great number of municipalities, especially in rural areas, continue to experience capacity challenges that inhibit them from fulfilling their mandate of providing basic services to communities.

MISA was established in response to identified capacity gaps that manifested in the inability of certain municipalities to deliver and manage infrastructure for the provision of basic services. One of the identified key indicators of underperformance was persistent underspending of conditional grants such as the municipal infrastructure grant (MIG) that contributes to delays in the expansion of access to basic services. In 2018/19 financial year MISA implemented a special support programme targeting 55 of the 87 municipalities found to be distressed during the assessment conducted as part of the back to basics strategy. These 55 municipalities were selected owing to severe challenges in respect to municipal infrastructure delivery.

MISA will continue to provide targeted support to municipalities lacking the necessary capacity to plan, deliver, operate and maintain infrastructure for service provision within the ambit of the newly adopted District Development Model.



With regard to the strengthening of internal capacity of municipalities to effectively deliver municipal infrastructure and basic services, the NDP calls on government to adopt a long-term approach that focusses especially on skills development strategies for technical specialists. MISA contributes to the strengthening of technical skills capacity in municipalities through the training programme for municipal officials and learning programmes for unemployed youth with requisite technical qualifications. The aim of the training programmes for municipal officials is to enhance the technical capacity for delivering municipal infrastructure and improving service delivery while the learning programmes seeks to create a pool of qualified artisans and graduates from which municipalities can recruit, with the aim of boosting their internal capacity.

In the spirit of building a skills pipeline for local government and closing the scarce skills gap, the NDP (2011: 419) recommends that:

*“In South Africa, municipalities should be afforded the opportunity to recruit graduates through a formal programme/scheme. A formal recruitment programme for local government should start gradually, with a small number of municipalities and recruits so that it can develop on a demand-led basis. If it provides people who are valued by municipalities, the demand for graduates will increase. Similarly, if graduates have a positive experience, more recruits will be attracted. For this approach to be successful, municipalities will also need to provide adequate training and support for recruits”.*

The NDP recognises that infrastructure in the country is often poorly located, inadequate and under-maintained. Furthermore, the NDP emphasizes that access to basic electricity, water and sanitation, public transport, telecommunications and public transport is a daily challenge for many South Africans, particularly in poor rural and peri-urban communities. In terms of the Constitution's allocations of powers and functions, the provision of water supply and sanitation services is the responsibility of municipalities, with support and oversight from provincial and national spheres. In this regard, the NDP (2011: 182) recommends that:

*“A balance is needed between allocating financial resources to support investments in higher levels of service and providing services to underserved households, while also maintaining and periodically refurbishing existing infrastructure.”*

MISA will continue to work towards supporting municipalities and providing technical support through its programmes to assist municipalities to improve access to basic services and to improve the reliability of services.

### **1.2.2 Sustainable Development Goals**

South Africa is one of the 193 countries which convened in 2015 to pledge their commitment to the pursuit of 17 goals under the auspices of the Sustainable Development Goals (SDGs) plan. The aim of the sustainable development goals plan is to realise the 17 goals by 2030. The table below provide a list and description of each of those goals from the set of 17 to which MISA is positioned to contribute through the implementation of its strategic plan over coming five years. It also provides a brief explanation of MISA's focus areas aligned to each of the relevant goals.



*MISA's Contribution to Sustainable Development Goals*

| Goal  | Short Description   | MISA's Focus Areas  |
|---|---|---|
| <b>Clean Water and Sanitation</b> – ensure availability and sustainable management of water and sanitation for all.   | Everyone should have access to safe and affordable drinking water. The aim of this goal is to ensure that the remaining 40% of the world's population currently affected by water scarcity have access to clean water by 2030.  | MISA will contribute to the realization of this goal through its support to districts aimed at enhancing the capacity to increase access to water.  |
| <b>Affordable Clean Energy</b> – ensure access to affordable, reliable, sustainable and modern energy for all.  | Although huge strides were made to expand access to electricity over the last two decades, more still needs to be done to provide energy to growing population and improve energy efficiency for environmental protection.  | MISA's focus areas in relation to access to energy include support to municipalities around the roll-out of Integrated National Electrification Programme (INEP) aimed at increasing access to electricity, improved reliability of existing electricity distribution networks and optimisation of energy efficiency measures.  |
| <b>Industry, Innovation and Infrastructure</b> – build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. | The focus of this goal is to promote investment in innovation and resilient infrastructure as ways of facilitating sustainable development and job creation   | The broad focus of MISA in the strategic plan is to support municipalities and coordinate efforts of other role players towards enhancing the capacity of municipalities to efficiently and sustainably implement their infrastructure programmes to ensure increased access to services and job creation.  |
| <b>Sustainable Cities and Communities</b> – make cities and human settlements inclusive, safe, resilient and sustainable.                                   | It is projected that up to two-thirds of the world's population will live in the cities by the year 2050. The rapid growth in urban population emanating from growing migration into cities poses a challenge to governments due to pressures placed on limited capacity of infrastructure resources. To make cities sustainable, necessitates improvements in spatial planning and the approach to delivering housing as well as basic amenities is essential. | The 2020-2025 strategic plan for MISA covers support to districts with the development of spatial plans that are compliant with the spatial planning and land use management act (SPLUMA) and the development of long term municipal infrastructure investment plans. This focus will contribute to improve planning for infrastructure development to ensure sustainability of services. |
| <b>Climate Action</b> – take urgent action to combat climate change and its impact.   | This main focus of this goal is to devise measures for countries to address the urgent challenges emanating from climate change, working in collaboration with each other.  | The five-year strategic plan for MISA include an outcome that seeks to facilitate municipalities' access to funding earmarked for climate risk mitigation and adaption.   |

### 1.2.3 Agenda 2063

The five-year strategic plan for MISA seeks to contribute to the achievement of the selected targets set for the first 10 years of the Agenda 2063 plan to which the African Union (AU) is a signatory. These 10-year goals are listed in the table below with the respective priority focus initiatives.

#### *The Goals and Priority Areas for the First Ten Years of Agenda 2063*

| Goals   | Priority Areas  |
|---|---|
| A High Standard of Living, Quality of Life and Well Being for All Citizens                            | <ul style="list-style-type: none"> <li>Incomes, Jobs and decent work</li> <li>Poverty, Inequality and Hunger</li> <li>Social security and protection, including Persons with Disabilities</li> <li>Modern and Liveable Habitats and Basic Quality Services</li> </ul>   |
| Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation (STI). | <ul style="list-style-type: none"> <li>Education and STI skills driven revolution</li> </ul>  |
| Transformed Economies   | <ul style="list-style-type: none"> <li>Sustainable and inclusive economic growth</li> </ul>   |
| Environmentally sustainable and climate resilient economies and communities                           | <ul style="list-style-type: none"> <li>Sustainable natural resource management</li> <li>Biodiversity conservation, genetic resources and ecosystems</li> <li>Sustainable consumption and production patterns</li> <li>Water security</li> <li>Climate resilience and natural disasters preparedness and prevention</li> <li>Renewable energy</li> </ul> |
| Engaged and Empowered Youth and Children  | <ul style="list-style-type: none"> <li>Youth and Children Empowerment</li> </ul>  |

### 1.2.4 District Development Model

The District Development Model is an intergovernmental relations mechanism for effective implementation of the seven priorities of the Sixth Administration. The rationale for this model is the need to address persisting fragmentation in budgeting, planning and implementation within and across the three spheres of government. It is a unique form of social compacting that involves the key role players in every district aimed at unlocking development and economic opportunities. It is premised on the recognition that lack of integrated service delivery has undermined the impact of development programmes on citizens' material conditions. It provides a framework for collaborative planning and implementation among all government agencies, including state owned enterprises (SOEs) and the private sector at the district or metropolitan level. It is through the rollout of the District Development Model (DDM) that government will reinforce the building of a developmental state by strengthening coordination, integration and capacity at the district and metropolitan level.

The main objective of the model is to institutionalise long term co-planning, achieve spatial transformation in both rural and urban areas, enhance public participation, ensure long term infrastructure adequacy, deliver integrated services and strengthen monitoring and evaluation of impact. The model identifies the 44 Districts and 8 Metropolitan spaces as the strategic alignment platforms for all three spheres of government. The model proposes the development of a 'One Plan' that will focus on implementation through the integration of programmes and projects by all government agencies at the district or metropolitan level. The purpose of this single plan is not to produce an entirely new plan given that the IDPs provide the basis for integration, but to ensure that all planned programmes are aligned, including guiding and directing strategic investments and projects within a particular district or metropolitan space. District hubs will be established to drive the formulation and the implementation of a 'One Plan' in each district or metropolitan space while ensuring that such hubs respond to the significant disparities across the 52 district/metropolitan spaces.

**The District Development Model** outlines a process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. To achieve this Cabinet lekgotla approved the development and implementation of a Private sector Participation Model which is aimed at:

- **Mobilising private sector funding and develop new innovative funding solutions to manage the entire value chain of municipal infrastructure provision.** Crowding in and catalysing private sector investments represent one of the key shifts conceived in the Integrated Urban Development Framework ("IUDF") and the new District Development Model ("DDM"); as such investments stimulate development and play a central role in closing the gap arising from current fiscal constraints in government by unlocking resources in a manner that creates shared development with private sector and communities. Mustering private funding potentially reduces the burden on grant funding but also enables the effective utilisation of infrastructure grants in municipalities.
- Promoting **resource optimization** and **long-term financial sustainability** to achieve SDGs, climate change response, and the correct balance between financial returns and ESG (environmental, social, governance) benefits. Long term infrastructure planning and long-term financial strategies have not enjoyed the coordination necessary to improve service delivery. Infrastructure financing has to be attuned so that there is **matching of assets and liabilities**, there has been limited meaningful actions pursued to improve infrastructure funding through the fiscal system, allocations from government have remained the same over the past 25 years despite lessons that suggest otherwise. For example, the current three years' infrastructure investment programme that is linked to infrastructure grant funding based on the local government fiscal framework is not optimal and does not support the institutionalization of long-term development planning as a policy imperative. That notwithstanding, there are best practices to be drawn from metropolitan municipalities on long term planning, using the fiscal system to support their ability to tap into debt capital markets to fund and expand infrastructure development.
- Providing a viable route to integrate climate change, and effective adaptation planning, with considered mitigation and adaptation strategies, executed on the back of infrastructure investments that support a zero-carbon municipalities and just transition. The IUDF sets the policy framework for investments in infrastructure that seek to simultaneously reduce emissions, enhance resilience and support inclusive, sustainable economic development.

MISA will play a prominent role in the coordination of other sector department's inputs/provisions in the implementation of the District Development Model as the leading support agency in respect to municipal

infrastructure and service delivery. Its strategic focus areas for the next five years are aligned with some key elements of the model such as integrated service provisioning, infrastructure engineering, spatial restructuring and economic positioning for each district or metropolitan space. To ensure that MISA effectively contribute to the implementation of the seven priorities within the framework of the District Development Model, MISA will participate in the district hubs. This will necessitate the reorganisation and enhancement of resources currently within MISA.

### **1.2.5 National Spatial Development Framework**

The National Spatial Development Framework (NSDF) seeks to make a bold and decisive contribution towards the realization of a peaceful, prosperous and truly transformed South Africa, as envisaged in the National Development Plan. It does so in full recognition of the following:

- The stranglehold that the unjust national spatial development paradigms, logics and patterns of the past have placed on government's efforts to break the back of poverty, unemployment and inequality;
- The valuable, and often hard lessons learnt over the last 25 years in the pursuit of national reconstruction, inclusive economic growth and spatial transformation; and
- The necessity for decisive, collaborative and targeted state action in national space, to drive the country towards the shared, inclusive and sustainable future we desire and require.

The NSDF is guided by the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA). To give effect to government's vision of transforming the space economy, government has included spatial integration, human settlements and local government as one of the seven priorities in the MTSF for 2019 – 2024. The main focus of interventions under this priority is to improve spatial patterns by addressing deficiencies and injustices emanating from Apartheid spatial planning. This is in line with the NDP vision of creating new spatial arrangements that could fundamentally transform job and livelihoods for the poor. Spatial transformation will reduce travel time and costs between home and work, and increase mobility for households to access better job and education opportunities. This in turn will reduce poverty and inequality. MISA supports municipalities to develop and implement spatial development plans that are SPLUMA compliant.

### **1.2.6 Medium Term Strategic Framework (MTSF)**

The Medium Term Strategic Framework (MTSF) for the period 2019-2024 has been adopted as the high-level strategic document to guide the implementation and monitoring of NDP over the five-year term of the Sixth Administration. This MTSF focusses in seven key priorities as the pillars to enable the achievement of NDP objectives of building a developmental state, improving the human capital base, reducing inequalities, modernising the public service and transforming the economy.

The key seven priorities captured in the MTSF are:

- Priority 1: **Economic Transformation and Job Creation**
- Priority 2: **Education, Skills and Health**
- Priority 3: **Consolidating the Social Wage through Reliable and Quality Basic Services**
- Priority 4: **Spatial Integration, Human Settlements and Local Government**
- Priority 5: **Social Cohesion and Safe Communities**

- Priority 6: **A Capable, Ethical and Developmental State**
- Priority 7: **A Better Africa and World**

Under each of these key priorities there are numerous outcomes with corresponding interventions towards the achievement of the indicator targets for each outcome. The work of MISA responds directly and indirectly to priorities 1, 2, 4 and 6 in that:

- Improved infrastructure is critical for economic transformation and job creation;
- There is an urgent need to increase the number and experience of built environment professionals operating in the local government sphere;
- Spatial injustice remains one of the persisting legacies of apartheid which must be eliminated; and
- Social cohesion and safe communities, in part, get improved through the building of integrated environments where everyone has access to basic services.

## **2. Updates to Institutional Policies and Strategies**

### **2.1 State of the Nation Address**

In the State of the Nation Address (SONA) of February 2020, the Honourable President, Mr Cyril Ramaphosa emphasized the importance of effective implementation in everything we do. The president reminded all once again why we have developed the District Development Model (DDM), a unique form of social compacting that involves the key role players in every district so that we can unlock development and economic opportunities. Provincial and national government will re-double their efforts to support and strengthen the capacity of municipalities as required by Section 154 of the Constitution and provide for the monitoring and support of municipalities.

The president further accentuated the importance of the broad range of critical work that is being done across government to strengthen the capacity of local government, as the sphere of government closest to the people, to achieve its developmental mandate of finding sustainable ways to meet the social, economic and material needs of communities and improve the quality of their lives. The president also further announce plans to expand the DDM to 23 new districts, drawing on lessons from the three pilot districts – OR Tambo District Municipality, Ethekwini and Waterberg District Municipality. The Municipal Infrastructure Support Agent will adapt its operating model to align with the institutional arrangements underpinning the District Development Model.

### **2.2 DCOG Priorities over the MTSF Period**

The Department of Cooperative Governance has formulated seven priorities that focus on strengthening cooperative governance and ensuring functional local government system with the district or metropolitan area as a platform for integration. MISA's strategic plan for the next five years is aligned with some of these priorities. These priorities as captured in the department's input for the MTSF for 2019 - 2024 are:

- Strengthening local government to deliver on its mandate;
- Strengthening cooperative governance;
- Policy compliance, wall-to-wall review, powers and functions and funding model for local government;
- Disaster risk reduction;



- Institutional development, governance and citizen participation;
- Integrated planning for spatial transformation and inclusive economic growth; and
- Infrastructure, service delivery and job creation.

MISA's focus is mainly on the following priorities:

- Strengthening cooperative governance;
- Disaster risk reduction;
- Integrated planning for spatial transformation and inclusive economic growth; and
- Infrastructure, service delivery and job creation.

These priorities seek to strengthen cooperative governance, transform the space economy for inclusive growth and improve the delivery of municipal infrastructure and services to enhance capacity for job creation and the improvement of the citizens' lives.

### **3. Updates to Relevant Court Rulings**

There has not been any court ruling with significant impact on MISA or the performance of its functions since its establishment in 2012.



# **Part B:**

# **Our Strategic Focus**





#### **4. Vision**

Leaders in Municipal Infrastructure Support.

#### **5. Mission**

Our mission is to provide integrated municipal infrastructure support services to municipalities through technical expertise and skills development towards the efficient infrastructure delivery systems, processes and procedures.

#### **6. Values**

In executing its mandate, the Municipal Infrastructure Support Agent is guided by the following core values:

- Integrity
- Collaboration
- Knowledgeable
- Professionalism
- Service Excellence

#### **7. Updated Situational Analysis**

The process of drafting the annual performance plan for MISA for the 2021/2022 financial year took into consideration factors in both the external and internal environments likely to influence the pursuit of outputs in the plan. The analysis of the external and internal environment is presented below.

##### **7.1 External Environment Analysis**

The five-year term for the Sixth Administration commenced during the period of protracted economic slump as reflected in the average annual economic growth below 2% over the last five years against the NDP target of 5% growth per annum. The country's economy was heavily impacted by restrictions induced by the Covid-19 pandemic as reflected in the contraction of 7.2% in 2020. It is, however, expected to rebound by 3.3% in 2021, thanks to the planned large scale vaccination and anticipated easing of some of the restrictions. Unfavourable domestic economic conditions significantly exacerbates inequality, persistently unemployment and poverty. The implication is that the MTSF for 2019-2024 will be implemented within a low economic growth environment. As witnessed over the last five years, low economic growth is typically accompanied by low levels of revenue collection by the South African Revenue Services (SARS) and other agencies of government owing to the erosion of corporate profits and declining households disposable income.

Low revenue collection has a negative effect on the ability of municipalities to pay for bulk supplies by utilities such as Eskom and the Water Boards. As of June 2019, National Treasury records (Section 71 reporting 4th Quarter 2018/19) revealed that at least 45 Municipalities had a negative cash position. This trend is persisting unabated and it is expected to have disastrous consequences, with regard to the viability of most municipalities. As of October 2019, Eskom data in the National Treasury MFMA Section 41, January 2020 report, revealed that the municipal debt to Eskom was estimated at R27bn, whilst the debt

to water boards was estimated at R14.9bn (Department of Water and Sanitation Annual Report 2018/19). Municipalities' debts to these entities have since worsened. According to National Treasury MFMA Section 41, January 2020 report, 20 municipalities accounted for 79% of the total local government debt to Eskom. Most municipalities are failing to honour concluded repayment arrangements with Eskom.

The failure to service the debt equally extends to water boards as municipalities are defaulting on settling their accounts and honouring payment arrangements. This is compounded by the fact that municipalities are also owed huge amounts by consumers. The South Africa Local Government Association (SALGA) in their Section 71 reporting 4th Quarter 2018/19 estimate the debt owed to municipalities to be over R165bn. Municipalities need to be supported with the implementation of revenue enhancement strategies as well as the application of more efficient technologies such as installation of smart prepaid meters, to improve their revenue collection.

Over and above settling debts to Eskom and the water boards, municipalities are faced with the challenge of addressing service delivery backlogs or at least improving access to services for communities. Stats SA (2018) data shows that the country has made commendable strides with regard to access to basic services. Average household access to above Basic Level of service (Stats SA General Household Survey 2018) for Electricity is at 91%. Average household access to above Basic Level of service for Sanitation is at 87% and for Water Services is 94% of households. Water services refers to water supply services, which encompass the abstraction, conveyance, treatment and distribution of potable water. Progress on the provision of above basic services for Solid Waste has been relatively slow at 66% of households.

The diagram below presents the percentage households' access to services across four sectors:

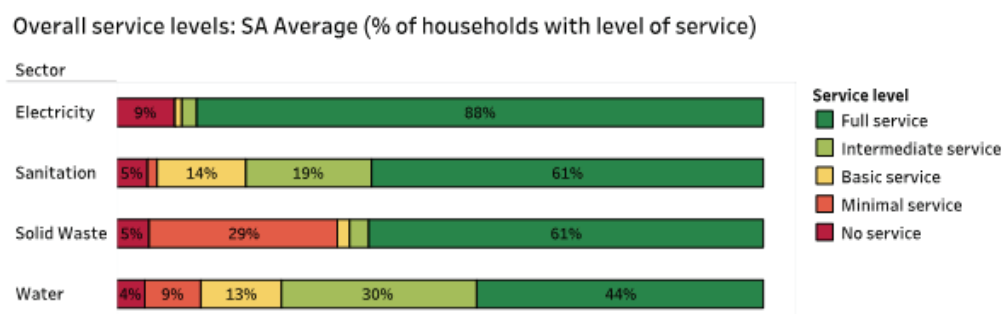


Diagram: Percentage household access to services (Source: Stats SA, 2018)

With regard to higher levels of services, the country is also doing relatively well, considering the very low historical base of basic services provision. At least 88% of the households have full access to electricity (in-house pre- and post-paid electricity meters). On the other hand, only 44% of the households have full access to water (piped water in dwelling). Access to full sanitation (conventional water borne) and full solid waste (removed once a week) services is, each, at 61%. About 34% of households have access to between minimal and no solid waste services. These households have communal or own refuse dumps, or have no facilities at all.

The table explains the differentiation in the levels of services provision and puts into context the basic level of services provision.

| Service Level  | Water                    | Sanitation                          | Solid Waste                         | Electricity                            |
|----------------|--------------------------|-------------------------------------|-------------------------------------|--|
| 1=None         | No access to piped water | No sanitation                       | No facilities/dump anywhere         | No access to electricity               |
| 2=Minimal      | Communal standpipe >200m | Bucket toilets                      | Communal/Own refuse dump            | Generator/Solar                        |
| 3=Basic        | Communal standpipe <200m | Pit toilet without ventilation pipe | Communal container/collection point | Access to electricity don't pay for it |
| 4=Intermediate | Piped water in yard      | VIP, Chemical or ecological toilets | Removed less than once a week       | Connected to source and pays for it    |
| 5=Full         | Pipe water in dwelling   | Conventional water borne            | Removed one a week                  | In-house pre- and post-paid meters     |

Table: Differentiation in the levels of services provision (Source: Stats SA, 2018)

The current state of local government infrastructure is further affected by the fact that municipalities experiencing financial difficulties try to address their situation by reducing the budget allocated for infrastructure operations, maintenance and refurbishment with negative consequences on the continuous functionality of such infrastructure. The National Water and Sanitation Master plan (NWSMP) (2018), estimates that 56% of wastewater treatment works and 44 % of water treatment works are in a poor or critical condition whilst 11% are dysfunctional. MISA has witnessed a growing number of infrastructure breakdowns in the recent past reflected in the high cases of sewer spillages. According to the Department of Water and Sanitation (2018), nationally, non-revenue water and water losses have worsened from 36.8% in the year 2012 to 41% in 2017. It is recommended that the situation be addressed through the development and implementation of non-revenue water management programme, adoption and funding of Water Conservation and Water Demand Management Strategies and business plans. South Africa needs to adopt water conservation strategies that will assist in pushing down the current per capita consumption of water.

Municipalities are failing to balance investment in new infrastructure with sound operation and maintenance of existing infrastructure so as to ensure sustainable service delivery. Consequently, inadequate infrastructure maintenance undermines service delivery and contributes to increased backlogs. According to a study conducted by the Financial and Fiscal Commission (2014/15) in 2011, municipalities were investing, on average 5% of total operating expenditure on infrastructure rehabilitation. The study revealed that the majority of municipalities do not have formally costed maintenance strategies or asset lifecycle strategies. They do not have formal asset management plans and therefore cannot properly budget for specific asset-care tasks and interventions. This is despite the fact that National Treasury Guideline for spending on repairs and maintenance is 8% or more of property plant and equipment (PPE), as published in MFMA Circular 71[1].

This trend of under expenditure has not improved but rather worsened as evidenced by National Treasury 2020 statistics which indicate that between the period 2015 to 2018 only four municipalities have spent 8% or more on repairs and maintenance, with only two (Sol Plaatje and City of Cape Town) of these being consistent, from a possible 141 municipalities responsible for water services in South Africa. In addition, it is also concerning to see that metros are also not investing appropriately in infrastructure maintenance (the

exception being the City of Cape Town), this is unacceptable as metros have adequate own revenue to repair and maintain their infrastructure.

Municipal infrastructure, more especially roads and bridges, has been negatively affected by Tropical Storm Eloise, which made landfall in Northern Madagascar and entered South Africa through the Mozambique Channel in January 2021. The storm brought heavy rainfalls and flooding, which caused devastating damages to already aged and poorly maintained infrastructure. The effects of the storm have necessitated urgent assessment and repair of damaged infrastructure. This will put additional strain on municipal budgets and MISA resources that are earmarked for technical support and advice in the 2021/22 financial year.

Although National Government, through the grant systems, provides infrastructure development funds, it should be noted that without a commensurate increase in operating revenue this infrastructure could easily become an operating and maintenance burden. There is a growing observation that as a result of lack of proper maintenance, asset care is gradually shifting towards asset stripping. Poor asset condition has a negative effect on municipalities' financial viability, since aged infrastructure contribute towards poor revenue collection.

This calls for a need to build municipal capacity for infrastructure asset management. Currently, there is no government authority that enforces and monitors asset management throughout the asset value chain. There is, instead, a tendency to rely on accounting standards to measure the extent to which municipalities undertake asset management. Consideration should be given to introducing local government infrastructure asset management legislation. There is also a need to develop and implement credible infrastructure asset management plans and pay attention to the operating implications of infrastructure developed through capital funding.

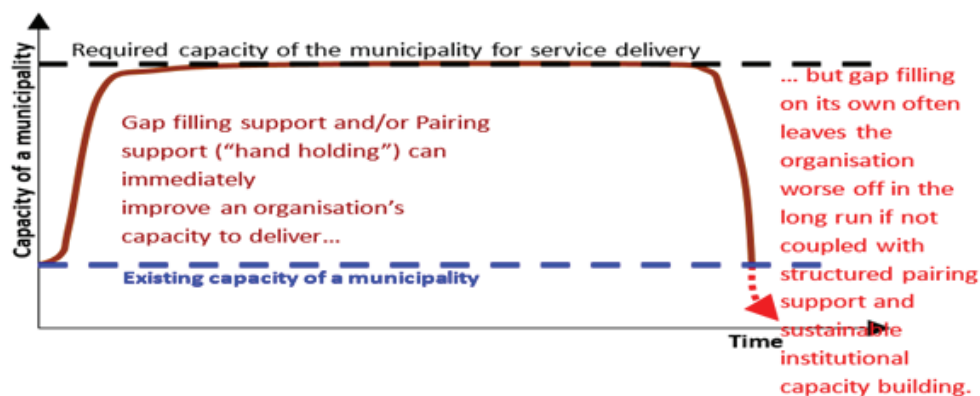
Municipalities' failure to manage infrastructure assets is partly attributed to lack of revenue bases. However, there are recorded cases of poor expenditure on allocated infrastructure grants, such as the Municipal Infrastructure Grant (MIG). As shown in the table below, between 2013/14 and 2019/20 a total of R4,3bn in MIG transfers was stopped by National Treasury following municipalities' failure to spend allocated funds. This translates to an annual average of R732 million. There is, therefore, a need to support municipalities with project preparation and sound project management principles to improve expenditure and delivery of services.

| Financial Year | Number of Municipalities | % of Total | Amount Stopped ('R000)  |
|----------------|--------------------------|------------|---|
| 2013/14        | 46                       | 19         | 678,159   |
| 2014/15        | 34                       | 14%        | 956,760   |
| 2015/16        | 30                       | 12%        | 828,669   |
| 2016/17        | 44                       | 18%        | 939,834   |
| 2017/18        | 56                       | 23%        | 669,219   |
| 2018/19        | 47                       | 21%        | 549,226   |
| 2019/20        | -                        | -          | MIG under-expenditure funds were not stopped but reprioritised for COVID-19 interventions for water and sanitation. |
| Total          | 244                      | 100%       | 4,389,607   |

Another major challenge confronting municipalities in the provision of infrastructure and spending of capital budgets is the lack of requisite skills to effectively plan, deliver, operate and maintain infrastructure. There is, therefore, a need to support and strengthen the capacity of municipalities to manage their affairs, execute their powers and perform their functions. According to the South Africa Institute of Civil Engineering (SAICE) report on Numbers and Needs in Local Government of 2007 there has been a drop in the number of experienced engineers per capita within the local government space. Furthermore, many of the current reduced staff complement are also inexperienced and have limited capacity to initiate, manage and monitor projects.

This situation undermines MISA's efforts to provide technical support and advice since MISA's technical professionals end up assuming full responsibility for the performance of functions relating to infrastructure planning, delivery, operations and maintenance in municipalities. With technical expertise in the public sector being so limited currently, it is necessary to engage private partners, and where possible, to deliver infrastructure projects through public private partnerships (PPPs).

The shortage of technical experts in municipalities reduces MISA technical support to gap filling instead of desired internal capacity development. In this regard, an independent study conducted by Government Technical Assistance Centre (GTAC, 2016) on behalf of MISA revealed that the employment of technical experts without internal capacity building was not yielding desired results. The diagram below illustrates the effects of gap filling in a municipal context – gap filling support has a potential to improve performance, but on its own (or if not coupled with structured pairing support), often leaves a municipality worse off in the long run.



Source: Diagnostic of MISA's Capacity (GTAC, 2016)

There is a need for structured capacity building in municipalities, in order to address lack of technical capacity for infrastructure management. Although MISA has an infrastructure capacity building framework, there is no technical capacity building strategy for local government. There is also an acknowledgement that current capacity building initiatives in the country are poorly coordinated and fragmented. Municipal capacity building initiatives are also implemented at a small scale to make meaningful impact.

There is consensus amongst stakeholders involved in municipal technical capacity building that the following options, based on the MISA's Capacity Building Framework, be considered towards developing a technical capacity building strategy for the South African local government sector:

- **Building capacity of existing municipal staff and systems:** strategic management; change management; systems and process mapping; mentoring and coaching; pairing; twinning; infrastructure specific skills development programmes; service provider contracts; and active citizenry.
- **Engineering sector development:** education and training of potential new employees (building a technical skills pipeline for local government), through bursary schemes; internships; apprenticeships, and candidacy programmes. This can be achieved through collaborative efforts with the Sector Education and Training Authorities (SETAs).
- **Technical assistance from public sector organisations:** direct technical assistance, MIG PMU support; district core skills teams; and integration of functions.

The above-mentioned technical capacity building options can be realised through partnerships with the private sector and international partners. The private sector can provide direct technical assistance through contracted service providers and under PPPs. On the other hand, international partners can provide technical assistance to national and provincial officials to improve their ability to support municipalities. They can also contribute through the setting up PPPs with municipalities.

The delivery of municipal infrastructure and services is highly dependent on governance stability in municipalities. The 2018/19 Auditor General's report highlights that out of the 257 municipalities audited, only 18% managed to produce quality financial statements, without material misstatements. The Auditor General's MFMA reports show a growing trend of non-compliance with legislation and adverse failure to maintain municipal infrastructure. This trend poses significant threats to MISA's role in providing support to municipalities as it undermines the effectiveness of the technical support and capacity development interventions provided.

The AG's report further identified a number of shortcomings in the development and maintenance of infrastructure. Infrastructure development projects displayed widespread underspending of budgets, delays in project completion, non-compliance with supply chain management legislation, and irregular expenditure. A key concern is very low attention being paid to water and sanitation infrastructure – the condition of water and/or sanitation infrastructure was not assessed for over a third of the responsible municipalities; and 41% of the municipalities did not have policies for maintenance. According to the AG, it is therefore not unexpected, that 36% of the municipalities responsible for water services and related infrastructure disclosed water losses of more than 30%. The overall value of water losses disclosed amounted to R6,56 billion.

The poor economic climate caused by the Covid-19 pandemic continued to play a role in the deterioration of municipalities' financial position, resulting in an increasing number of municipalities defaulting on the payment of outstanding debt for bulk supply by Eskom and Water Boards. Some municipalities had consistently struggled to settle their long outstanding debt to bulk suppliers long before the onset of the pandemic. The ongoing pandemic will more likely exacerbate this situation. On the other hand, municipalities are expected to collect even lower revenue from their customers whose ability to earn income would have been seriously curtailed during the lockdown period and continuing disruptions as a result of growing infections in the workplace. The negative consequences of diminishing revenue collection is that municipalities will pay less attention to the proper maintenance of the infrastructure assets. Poorly maintained infrastructure inexorably results in frequent disruption of services to the detriment of communities.



South Africa has made commitments to the United Nations Framework Convention on Climate Change (UNFCCC) collective of Parties, in its Nationally Determined Contributions. It has also committed to build the necessary institutional capacity for climate change response planning and implementation (2020 to 2030). The contribution of local government towards the achievement of these commitments is critical. The 2019-2024 MTSF places significant emphasis on the need for municipal infrastructure to be built for climate change resilient and mitigation. To that effect, an outcome has been added for national government departments, particularly COGTA, to build capacity and allocate adequate resources for implementing climate change programmes in municipalities. MISA has therefore included this outcome in the Strategic Plan and APP to support municipalities to plan and implement their infrastructure programmes in consideration of the impact of climate change. Furthermore, MISA provides support to enable municipalities to access funding that is available in the public and private sectors (both locally and internationally), for the implementation of 'climate friendly' projects.

The impact of Covid-19 on the national fiscus has adverse effects on municipalities as their infrastructure grant allocations have been reduced. This has created a funding gap on infrastructure development. Furthermore, municipalities are also not collecting sufficient revenue to close this funding gap. The private sector plays a critical role in supporting municipalities by investing in municipal infrastructure. This creates an opportunity for MISA to strengthen its collaborations with private sector in supporting municipal infrastructure development.

## 7.2 Internal Environment Analysis

Prior to the development of our Annual Performance Plan (APP), the management committee of MISA conduct an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) to identify key internal and external factors that must be taken into consideration during the development of our annual performance plan. A strategic planning session was also held with the management committee of the organisation to discuss and deliberate on three key thematic areas, which will affect the operations of the organisation. The key internal and external factors identified in our SWOT analysis are summarise with a detailed explanation provided of these factors in the table below.

*Table 7.2.1 MISA's SWOT Analysis*

| Strengths  | Weaknesses  |
|--|---|
| <ul style="list-style-type: none"><li>• Filling of technical positions leading to improved institutional capacity and performance.</li><li>• Filling of one Deputy Director General (DDG) post – leading to improved stability in the organisation.</li><li>• Improved governance leading to an improved internal control environment.</li><li>• Stable senior management component.</li><li>• Adaptability of our operations against the onslaught of the COVID-19 pandemic</li></ul> | <ul style="list-style-type: none"><li>• Delays in the filling of the remaining DDG post.</li><li>• Capacity constraints to meet high demand for support by municipalities in the country.</li><li>• Lack of automated processes and systems</li></ul> |



| Opportunities  | Threats   |
|--|---|
| <ul style="list-style-type: none"> <li>• District Development Model for better coordination in local government support programmes.</li> <li>• Government intention to strengthen the role of MISA as a leader in municipal infrastructure support.</li> <li>• The urgency to extend water services to communities as a measure for mitigating the spread of the corona virus has provided an opportunity to significantly reducing backlogs in relation to water and sanitation through the reprioritisation of MIG allocations.</li> </ul> | <ul style="list-style-type: none"> <li>• Higher staff turnover in technical positions due to better remunerations in the private sector.</li> <li>• Budget cuts due to COVID-19.</li> <li>• Instability arising from political interference in administrative matters within municipalities.</li> <li>• Increasing governance and financial management challenges in municipalities</li> <li>• Lack of enforcement/regulatory mechanism as MISA to municipalities towards a sustainable impact.</li> <li>• High probability of decline in the rate of revenue collection from customers due to severe economic down caused by the COVID-19 pandemic.</li> </ul> |

Following the granting of concurrence by the Department of Public Service and Administration (DPSA) to the revised structure in January 2017, MISA embarked on an intensive recruitment drive, prioritising the appointment of technical professionals and provincial managers. Currently this recruitment process has resulted in the filling of 86% (72 out of 84) of technical positions on the approved structure. The filling of technical and other critical positions on the structure has contributed to improved organisational performance in 2019/20 financial year. The current vacancy rate in respect to technical positions is still high due to resignations as some of the technical professionals are enticed by better remuneration offered by other organisations despite MISA applying the Occupation Specific Dispensation (OSD) in determining the salary structures for technical professionals.

The organisation received an unqualified audit opinion with no matters of emphasis (clean audit) for the past two financial years, which demonstrated that significant strides have been made in improving the internal control environment. This could also be attributed to the established of an Internal Control and Compliance unit to coordinate the development and management of an internal control and compliance system for the organisation. The overall performance in relation to the non-financial performance information in the annual performance plan for the same period also received unqualified audit opinion with no matters of emphasis (clean audit).

It is crucial for MISA to remodel its operational approach to be aligned with the District Development Model. Furthermore, in light of the July 2019 Cabinet's Lekgotla resolution that MISA should be strengthened to improve the provision of support to municipalities, additional resources will be needed. To mobilise additional resources, MISA has developed a business case outlining the key initiatives to be implemented in line with the envisaged strengthened role of MISA as a basis for soliciting additional resources. Management is continuing with the recruitment process to bring the current vacancy rate to an acceptable level and strengthen the organisational capacity to ensure that the agency contribute meaningfully in the implementation of the MTSF for 2019-2024.

Despite the challenges imposed by the Covid-19 pandemic on MISA operations, notable achievements for the organisation is the training of 400 municipal officials in municipal infrastructure management and the development and implementation of operations and maintenance plans in 20 municipalities despite tight travelling restrictions in place during alert levels 4 and 5. MISA also plan to contribute to the economic stimulus package through its support to municipalities aimed at institutionalising labour intensive methodologies in the delivery of basic services infrastructure funded through conditional grants. To give effect to this programme, MISA has developed a business case that sets out high-level programme guidelines for the roll-out of municipal infrastructure projects following labour intensive approaches.

## **Part C:**

# **Measuring Our Performance**



## **Institutional Programme Performance Information**

### **8. Programme: Administration**

**8.1 Purpose:** The programme ensures effective leadership, strategic management and administrative support to the Municipal Infrastructure Support Agent in line with applicable legislation and best practice.

**Programme overview:** The programme serves as the enabler to the key functions of the organisation. It has the following sub-programmes:

#### **8.1.1 Sub-programme: Executive Support, Strategy and Systems (ESSS)**

**Executive Support, Strategy and Systems** sub-programme reports directly to the Chief Executive Officer (CEO) and provides strategic management support to the organisation. It consists of the following functions:

*Strategic Management, Monitoring and Evaluation* that facilitate the formulation of strategic plan and annual performance plan. It is also responsible for institutional performance assessment and for conducting programme evaluation.

*Executive Support* provides executive support services to the Chief Executive Officer and management. It also provides administrative and secretariat support to the agency's management and oversight structures, including the Audit Committee.

*Government Information and Communication Technology (GICTM)* performs information communication technology business enablement and governance services. It is also responsible for information and knowledge management function.

**Internal Audit Services** reports to the Chief Executive Officer for administrative purposes and functionally to the Audit Committee. It facilitates the performance of internal and forensic audits. It also provides technical support to the Audit Committee.

**Risk, Anti-corruption and Integrity sub-directorate** is responsible for managing the provision of organisational risks and integrity management, and anti-corruption services. The sub-directorate reports directly to the Chief Executive Officer and is separate from Internal Audit Services.

#### **8.1.2 Sub-programme: Corporate Management Services (CMS)**

**Corporate Management Services** sub-programme reports directly to the Chief Executive Officer and provides administrative support to the entire organisation. It consists of the following functions:

*Human Resource Management and Development* provides the human resource administration and development services. It is also responsible for labour relations and employee wellness services within the organisation.

*Legal Services* provides legal advice to the organisation, litigation support and ensures compliance with the national and international laws. It also assists the organisation with the drafting and monitoring of service level agreements between MISA and external parties.



*Security and Facilities Management Services* is responsible for ensuring that both the staff and other resources within the organisation are protected and that the work environment is conducive for productive performance.

*Communications* is responsible for managing the provision of communication services within the organisation. It provides both internal and external communication services, media liaison support, public liaison, events management, publication and photo journalism support, as well as developing and maintaining the departmental website.

### **8.1.3 Sub-programme: Financial Management Services (FMS)**

**Financial Management Services** manages and facilitate the provision of financial management services and reports to the Chief Executive Officer. It consists of the following functions:

*Financial Accounting and Administration* that develops and oversee the implementation of financial administration and accounting policies, processes and systems. Its main aim is to ensure that the financial resources allocated to the agency are optimally utilised.

*Management Accounting* provides guidance on the preparation of budgets and monitors the expenditure trends on an ongoing basis.

*Supply Chain and Asset Management* facilitates the development and monitors the implementation of supply chain management policies, processes and systems. It also provides procurement and asset management support within the organisation.

*Internal Control and Compliance* facilitates the development and implementation of an internal control system to improve governance and compliance with applicable regulations, internal policies, processes and procedures. It is also responsible for fraud prevention and loss minimisation.



## 8.2 Outcomes, Outputs, Output Indicators and Targets

| Outcome   | Outputs                         | Output Indicators                           | Annual Targets  |   |   |   |   | MTEF Period   |   |
|---|---------------------------------|---|---|---|---|---|---|---|---|
|   |                                 |   | Audited Performance   |   | Estimated Performance                       | 2020/21                                     | 2021/22   | 2022/23   | 2023/24   |
|   |                                 |   | 2017/18   | 2018/19   |   |   |   |   |   |
| Improved governance, administrative support system and ethical practices. | Approved communication strategy | Approved communication strategy implemented | New indicator   | New indicator   | Approved communication strategy implemented | Approved communication strategy implemented | Four (4) quarterly reports on the implementation of the approved communication strategy | Four (4) quarterly reports on the implementation of the approved communication strategy | Four (4) quarterly reports on the implementation of the approved communication strategy |
|   | Risk Management Plan            | Annual risk management plan implemented     | New indicator   | New indicator   | Annual risk management plan implemented     | Annual risk management plan implemented     | Four (4) quarterly reports on the implementation of the risk management plan            | Four (4) quarterly reports on the implementation of the risk management plan            | Four (4) quarterly reports on the implementation of the risk management plan            |
|   | Internal audit plan             | Annual internal audit plan implemented      | New indicator   | New indicator   | Annual internal audit plan implemented      | Annual internal audit plan implemented      | Four (4) quarterly reports on the implementation of the approved internal audit plan    | Four (4) quarterly reports on the implementation of the approved internal audit plan    | Four (4) quarterly reports on the implementation of the approved internal audit plan    |
|   | Approved ICT Operational Plan   | Approved ICT operational plan implemented   | ICT governance framework and IT Strategy approved and implemented | ICT Operational Plan approved by 30 April each year and implemented | Approved ICT operational plan implemented   | Approved ICT operational plan implemented   | Four (4) quarterly reports on the implementation of the approved ICT Operational Plan   | Four (4) quarterly reports on the implementation of the approved ICT Operational Plan   | Four (4) quarterly reports on the implementation of the approved ICT Operational Plan   |

| Outcome | Outputs  | Output Indicators  | Annual Targets   |  |  |  |   |   |
|---------|--|--|--|--|--|--|---|---|
|         |  |  | Audited Performance  |  |  | Estimated Performance  | MTEF Period   |   |
|         |  |  | 2017/18  | 2018/19  | 2019/20  | 2020/21  | 2021/22   | 2022/23   |
|         | Unqualified audit opinion on annual financial statements | Achieve unqualified audit opinion on annual financial statements | Achieve unqualified audit opinion on annual financial statements | Unqualified audit opinion on annual financial statements             | Achieve unqualified audit opinion on annual financial statements                             | Achieve unqualified audit opinion on annual financial statements | Achieve unqualified audit opinion on annual financial statements                  | Achieve unqualified audit opinion on annual financial statements                  |
|         | Approved procurement plan                                | Approved procurement plan implemented                            | Approved procurement plan implemented                            | Procurement plan approved and submitted to National Treasury on time | Procurement plan approved and submitted to National Treasury by 31 March each financial year | Approved procurement plan implemented                            | Four (4) quarterly reports on the implementation of the approved procurement plan | Four (4) quarterly reports on the implementation of the approved procurement plan |

### 8.3 Output Indicators: Annual and Quarterly Targets

| Output Indicators  | Annual Target   | Q1  | Q2   | Q3   | Q4   |
|--|---|---|--|--|--|
| Approved communication strategy implemented                      | Four (4) quarterly reports on the implementation of the approved communication strategy | Quarterly progress report on the implementation of the approved communication strategy  | Quarterly progress report on the implementation of the approved communication strategy | Quarterly progress report on the implementation of the approved communication strategy | Quarterly progress report on the implementation of the approved communication strategy |
| Annual risk management plan implemented                          | Four (4) quarterly reports on the implementation of the risk management plan            | Quarterly progress report on the implementation of the risk management plan   | Quarterly progress report on the implementation of the risk management plan            | Quarterly progress report on the implementation of the risk management plan            | Quarterly progress report on the implementation of the risk management plan            |
| Annual internal audit plan implemented                           | Four (4) quarterly reports on the implementation of the approved internal audit plan    | Quarterly progress report on the implementation of the approved internal audit plan   | Quarterly progress report on the implementation of the approved internal audit plan    | Quarterly progress report on the implementation of the approved internal audit plan    | Quarterly progress report on the implementation of the approved internal audit plan    |
| Approved ICT operational plan implemented                        | Four (4) quarterly reports on the implementation of the approved ICT Operational Plan   | Approved ICT Operational Plan signed by the Accounting Officer and Quarterly progress report on the implementation of the approved ICT operational plan | Quarterly progress report on the implementation of the approved ICT operational plan   | Quarterly progress report on the implementation of the approved ICT operational plan   | Quarterly progress report on the implementation of the approved ICT operational plan   |
| Achieve unqualified audit opinion on annual financial statements | Achieve unqualified audit opinion on annual financial statements 2020/21                | -   | Unqualified audit opinion on annual financial statements 2020/21                       | -  | -  |
| Approved procurement plan implemented                            | Four (4) quarterly reports on the implementation of the approved procurement plan       | Quarterly progress report on the implementation of the approved procurement plan  | Quarterly progress report on the implementation of the approved procurement plan       | Quarterly progress report on the implementation of the approved procurement plan       | Quarterly progress report on the implementation of the approved procurement plan       |



## 8.4 Explanation of Planned Performance over the Medium Term Period

### Improved Governance, Administrative Support System and Ethical Practices

The main objective of output indicators and targets under the Administration is to foster a culture of compliance with applicable legislation and ethical conduct within the organisation. They also focus on the effectiveness of assurance provided by various oversight bodies and ensure the maintenance of an effective system of internal controls. All these measures together will enable the organisation to maintain sound governance system and achieve favourable audit outcomes in the coming years. It is also crucial for MISA to improve the communication of its programmes and achievements with relevant stakeholders, hence the inclusion of an output indicator relating to the implementation of a communication strategy and plan in the next financial year.

## 8.5 Programme Resource Considerations

|                                     | 2017/18         | 2018/19         | 2019/20         | 2020/21          | 2021/22          | 2022/23          | 2023/24                  |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|--------------------------|
|                                     | Audited Outcome | Audited Outcome | Audited Outcome | Revised Estimate | Revised Baseline | Revised Baseline | Planning Budget Estimate |
| Rand Thousand                       |                 |                 |                 |                  |                  |                  |                          |
| Programme:<br><b>Administration</b> |                 |                 |                 |                  |                  |                  |                          |
| Total                               | <b>57,942</b>   | <b>98,847</b>   | <b>90,023</b>   | <b>91,280</b>    | <b>102,172</b>   | <b>106,807</b>   | <b>109,459</b>           |
| Economic Classification             |                 |                 |                 |                  |                  |                  |                          |
| Compensation of employees           | 16,085          | 41,577          | 39,243          | 48,863           | 47,850           | 47,850           | 47,850                   |
| <b>Goods and Services</b>           | 35,500          | 51,839          | 43,280          | 36,417           | 47,322           | 49,838           | 52,080                   |
| Depreciation                        | 6,357           | 5,431           | 7,500           | 6,000            | 7,000            | 9,119            | 9,529                    |
|                                     |                 |                 |                 |                  |                  |                  |                          |
| <b>Total</b>                        | <b>57,942</b>   | <b>98,847</b>   | <b>90,023</b>   | <b>91,280</b>    | <b>102,172</b>   | <b>106,807</b>   | <b>109,459</b>           |

The total budget for Administration is split almost equally between the compensation of employees and goods and services in 2021/22. The amount allocated for compensation of employees in the Administration Programme in 2021 reflects a slight decrease in comparison to the last financial year due to the reduction on the baseline effected by National Treasury to fund other pressing priorities. The Administration programme has very low number of vacancies, which augurs well for the provision of efficient support to the rest of the organisation and maintenance of sound governance system. The budget allocated for goods and services covers mainly the costs of leasing the head office building and offices leased by provincial teams, IT equipment and services, printing and telephone services, as well as facilities management services such as cleaning and securities. In the last quarter of the last financial year, management entered into a service provider to augment capacity within Financial Management Services in view of additional responsibilities.

## **9. Programme: Technical Support Services**

**9.1. Purpose:** The purpose of the programme to enhance the capabilities of municipalities for improved municipal infrastructure planning, delivery, operations and maintenance. Its main focus is to manage the provision of technical support and capabilities to enhance the management of municipal infrastructure support programmes by:

- providing assistance to selected municipalities in conducting infrastructure assessment and analysis; and
- providing technical support and expertise to enable the delivery, planning, maintenance and land use management services in collaboration with relevant stakeholders; and coordinating the development of technical skills to support the delivery of municipal infrastructure programmes.

**Programme overview:** The Programme coordinates the provision of technical support and assistance in conducting infrastructure assessments and analysis; coordinate the provision of technical support and expertise for municipal infrastructure delivery, planning, maintenance and land use management services with relevant stakeholders; and coordinate the development of technical skills to support the delivery of municipal infrastructure support programmes.

**The Programme consists of the following sub-programmes:**

### **9.1.1 Sub-programme: Infrastructure Assessment and Analysis (IAA)**

The primary aim of the sub-programme is to lay a sound basis for establishing the support requirements for each of the selected municipalities. This determination is based on the outcome of the assessment of infrastructure assets condition, review of infrastructure maintenance budgets and expenditure trends and assessment of backlogs on access to basic service, among other focus areas. This assessment allows MISA to design support and intervention plans that appropriately respond to the predetermined needs for each targeted municipality.

### **9.1.2 Sub-programme: Infrastructure Delivery, Maintenance and Stakeholders Coordination (IDMSC)**

The sub-programme provides technical support to municipalities based on the needs identified during the assessment and analysis stage. It also provides support to municipalities in relation to planning for land use management and spatial development frameworks. Furthermore, the IDMSC is responsible for coordinating other role-players such as sector departments, state-owned companies and provincial government towards the integrated delivery of municipal infrastructure.


### **9.1.3 Sub-programme: Technical Skills (TS)**

The main role of this sub-programme is to strengthen the capacity within municipalities for planning, delivery and maintenance of municipal infrastructure. This is achieved by facilitating workplace opportunities in municipalities for graduates, apprentices and learners in technical disciplines and technical training for municipal officials. It further supports municipalities in the recruitment of qualified technical personnel and mentoring of learners placed in municipalities for workplace learning.

## 9.2 Outcomes, Outputs, Output Indicators and Targets

| Outcome  | Outputs  | Output Indicators  | Annual Targets      |               |                       |             |         |         |         |
|--|--|--|---------------------|---------------|-----------------------|-------------|---------|---------|---------|
|  |  |  | Audited Performance |               | Estimated Performance | MTEF Period |         |         |         |
|  |  |  | 2017/18             | 2018/19       | 2019/20               | 2020/21     | 2021/22 | 2022/23 | 2023/24 |
| Effective water management system for the benefit of all | Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented                                      | Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented  | New                 | 10            | N/A                   | 10          | 10      | 10      | 10      |
|  | Alignment of bulk water infrastructure and reticulation in priority WSAs   | Number of WSA's supported with integration and prioritization of strategies for alignment of bulk and reticulation projects in municipal IDPs      | New                 | New           | New                   | New         | 5       | 5       | 5       |
| Efficiency in infrastructure management                  | Municipalities supported with enhancement of job creation through implementation of labour-intensive infrastructure projects | Number of municipalities supported with mainstreaming Labour Intensity Construction Methods in the projects implemented through conditional grants | New Indicator       | New Indicator | 9                     | 15          | 15      | 25      | 44      |

| Outcome | Outputs  | Output Indicators   | Annual Targets      |         |              |                       |             |         |         |
|---------|--|---|---------------------|---------|--------------|-----------------------|-------------|---------|---------|
|         |  |   | Audited Performance |         |              | Estimated Performance | MTEF Period |         |         |
|         |  |   | 2017/18             | 2018/19 | 2019/20      | 2020/21               | 2021/22     | 2022/23 | 2023/24 |
|         | Improvement in municipal infrastructure asset management practices                       | Number of districts supported to improve infrastructure asset management practices                      | New                 | New     | New          | New                   | 8           | 15      | 25      |
|         | Districts supported with implementation of Operations and Maintenance related activities | Number of districts supported with implementation of Operations and Maintenance related activities      | 16                  | N/A     | N/A          | 30                    | 30          | 30      | 44      |
|         | Districts supported to improve performance on MIG Programme                              | Number of districts supported to improve performance on MIG Programme and reduce infrastructure backlog | New                 | New     | 39 Districts | 44                    | 44          | 44      | 44      |
|         | Youth enrolled in the MISA Apprenticeship Programme                                      | Number of youth enrolled in the MISA Apprenticeship Programme   | 350                 | 303     | 230          | 100                   | 100         | 100     | 100     |
|         | Youth enrolled in the MISA Experiential Learnership Programme                            | Number of youth enrolled in the MISA Experiential Learnership Programme                                 | 90                  | 103     | 70           | 70                    | 70          | 70      | 70      |

| Outcome  | Outputs   | Output Indicators   | Annual Targets      |         |         |                       |             |         |         |
|--|---|---|---------------------|---------|---------|-----------------------|-------------|---------|---------|
|  |   |   | Audited Performance |         |         | Estimated Performance | MTEF Period |         |         |
|  |   |   | 2017/18             | 2018/19 | 2019/20 |                       | 2020/21     | 2021/22 | 2022/23 |
|  Enhanced inter-governmental and interdepartmental coordination through the implementation of the District Development Model | Youth enrolled in the MISA Young Graduate Programme   | Number of Youth enrolled in the MISA Young Graduate Programme   | 50                  | 85      | 135     | 150                   | 150         | 150     | 150     |
|  | Youth awarded MISA bursaries to study towards technical qualifications relevant to local government infrastructure management | Number of youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management | 164                 | 202     | 80      | 75                    | 100         | 100     | 100     |
|  | Municipal officials trained in municipal infrastructure management  | Number of municipal officials trained in municipal infrastructure management  | 300                 | 557     | 250     | 250                   | 500         | 500     | 500     |
|  | Municipal officials capacitated through recognition of prior learning programmes  | Number of municipal officials enrolled in MISA Recognition of Prior Learning (RPL) programmes                             | 11                  | 50      | 80      | 100                   | 100         | 100     | 100     |
|  | Municipal capacity development plans implemented  | Number of municipal capacity development plans implemented  | New Indicator       | 7       | 7       | 15                    | 15          | 15      | 15      |
|  | Districts supported with the implementation of integrated infrastructure plans through DDM                                    | Number of districts supported with the implementation of integrated infrastructure plans through DDM                      | New                 | New     | New     | 23                    | 44          | 44      | 44      |

| Outcome  | Outputs  | Output Indicators  | Annual Targets      |         |         |         |                       |             |         |
|--|--|--|---------------------|---------|---------|---------|-----------------------|-------------|---------|
|  |  |  | Audited Performance |         |         |         | Estimated Performance | MTEF Period |         |
|  |  |  | 2017/18             | 2018/19 | 2019/20 | 2020/21 | 2021/22               | 2022/23     | 2023/24 |
| A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas | SPLUMA compliant municipal spatial plans, policies, structures and systems reviewed.   | Number of SPLUMA Compliant municipal policies, structures and systems reviewed   | 30                  | 2       | 30      | 30      | 30                    | 30          | 44      |
|  | IDP's reviewed   | Number of IDP's reviewed   | New                 | New     | New     | New     | 17                    | 17          | 17      |
| Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services       | Districts supported to implement Solid Waste/Integrated Waste Management (IWM) services  | Number of districts supported to implement Solid Waste/Integrated Waste Management (IWM) services  | New                 | New     | New     | 10      | 10                    | 10          | 15      |
|  | Districts supported to improve capacity and access to electricity services with implementation of a performance monitoring strategy and electricity supply management strategies | Number of districts supported to improve capacity and access to electricity services with implementation of a performance monitoring strategy and electricity supply management strategies | New                 | New     | New     | 8       | 10                    | 10          | 10      |
|  | Districts with implemented infrastructure inspectorate's assessment reports  | Number of districts supported with the compilation and implementation of infrastructure functionality assessment reports   | New                 | New     | 8       | 10      | 6                     | 10          | 10      |



### 9.3 Output Indicators: Annual and Quarterly Targets

| Output Indicators  | Annual Target | Q1 | Q2  | Q3  | Q4  |
|--|---------------|----|-----|-----|-----|
| Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented  | 10            | -  | -   | -   | 10  |
| Number of WSA's supported with integration and prioritization of strategies for alignment of bulk and reticulation projects in municipal IDPs  | 5             | 5  | 5   | 5   | 5   |
| Number of municipalities supported with mainstreaming Labour Intensity Construction Methods in the projects implemented through conditional grants   | 15            | 15 | 15  | 15  | 15  |
| Number of districts supported to improve infrastructure asset management practices   | 8             | 8  | 8   | 8   | 8   |
| Number of districts supported with implementation of Operations and Maintenance related activities   | 30            | -  | 10  | 10  | 10  |
| Number of districts supported to improve performance on MIG Programme and reduce infrastructure backlogs   | 44            | 44 | 44  | 44  | 44  |
| Number of youth enrolled in the MISA Apprenticeship Programme  | 100           | -  | -   | -   | 100 |
| Number of youth enrolled in the MISA Experiential Learnership Programme  | 70            | -  | -   | -   | 70  |
| Number of Youth enrolled in the MISA Young Graduate Programme  | 150           | -  | -   | -   | 150 |
| Number of Youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management  | 100           | -  | -   | -   | 100 |
| Number of municipal officials trained in municipal infrastructure management   | 500           | 50 | 200 | 350 | 500 |
| Number of municipal officials enrolled in MISA the Recognition of Prior Learning programmes  | 100           | 20 | 40  | 60  | 100 |
| Number of municipal capacity development plans implemented   | 15            | 15 | 15  | 15  | 15  |
| Number of districts supported with the implementation of integrated infrastructure plans through DDM   | 44            | -  | -   | -   | 44  |
| Number of SPLUMA Compliant municipal spatial plans, policies, structures and systems reviewed  | 30            | -  | -   | -   | 30  |
| Number of IDP's reviewed   | 17            | -  | -   | -   | 17  |
| Number of districts supported to implement Solid Waste/ Integrated Waste Management (IWM) services   | 10            | -  | -   | 5   | 5   |
| Number of districts supported to improve capacity and access to electricity services with implementation of a performance monitoring strategy and electricity supply management strategies | 10            | -  | -   | -   | 10  |
| Number of districts supported with the compilation and implementation of infrastructure functionality assessment reports   | 6             | -  | 2   | 2   | 2   |

## 9.4 Explanation of Planned Performance over the Medium Term Period

### Effective water management system for the benefit of all

MISA has a responsibility, in terms of its mandate and the provisions of section 154 of the Constitution, to contribute towards supporting and strengthening the capacity of municipalities to execute their constitutional mandate. In order to ensure effective water management systems for the benefit all communities, MISA will support identified municipalities to develop and implement Water Conservation and Water Demand Management (WC/WDM) plans. The objectives of these plans, amongst others, are to assist identified municipalities to conserve, manage and improve revenue on water supply services.

Implementation of WC/WDMs will strengthen the capacity of municipalities to effectively and efficiently manage their water resources and systems. Water losses will, in the process, be reduced and thereby improving access to reliable and sustainable water services to communities. When the provision of reliable water services improves it will render communities to be investor friendly and thereby meaningfully contribute to socio-economic growth. Economic growth will contribute towards creating job opportunities for unemployed youth.

In order to address poor water management in municipalities, MISA will over the MTSF provide capacity support to municipalities to develop and implement WC/WDM plans. At least ten municipalities, on an annual basis, will be supported to either develop or implement existing WC/WDM. Municipalities without financial muscles to fund the development and/or implementation of WC/WDM, will be assisted to secure funds or (to the extent possible) through MISA to develop and/or implement their WC/WDM.

### Efficiency in infrastructure management

Municipalities have since the advent of the democratic dispensation focused on addressing infrastructure backlogs with the view to improving access to basic services. Although significant achievements have been made in this regard, there is an acknowledgement that the rate at which new infrastructure is developed is not commensurately met with requisite operations and maintenance of the same and existing infrastructure. This results in infrastructure falling apart and communities not receiving reliable and sustainable services. Over the MTSF, MISA will be supporting municipalities to develop and implement infrastructure operations and maintenance plans to address the challenge. All 44 districts shall have been supported by the end of the 2024/25 financial year. The support will, at the same time, be aimed at improving households' access to services.

Historically low expenditure on the Municipal Infrastructure Grant (MIG) impacts on the development of bulk infrastructure for the provision of basic services. This has further knock-on effects in terms of job creation through infrastructure development and stimulating the local economy in a municipal space, as it is widely recognized that infrastructure development stimulates economic activity. Whilst, the national average expenditure on MIG was at 90.8% in the 2018/2019 municipal Financial Year, it is only 66% of MIG receiving municipalities that are spending 90% or more of their MIG allocation. Some municipalities have spent less than 10% of their grant allocation. It is therefore, of significant importance for MISA to support MIG spending improvement through the provision of technical support to municipalities.

Effective and efficient management of infrastructure is dependent on, amongst other factors, the capacity of municipalities to do so. MISA will roll out a number of capacity support initiatives or programmes aimed at improving the capacity of municipal officials, municipal systems and process, and the enabling (policy)

environment. Capacity development programmes aimed at creating a technical skills pipeline and professionalising local government will also be implemented over the MTSF.

The planned target is intended to support the President's Employment Stimulus and prevent an employment catastrophe over the remainder of the financial year 2020/21. MISA will facilitate for municipalities to enhance labor-intensive construction methods in infrastructure maintenance and infrastructure project that are funded through the conditional grants in municipalities across the 52 district spaces and will mainly focus on roads, water and sanitation infrastructure and this will contribute towards increasing employment opportunities, socio-economic development and improvement of people's lives and livelihoods.

### **Enhanced intergovernmental and interdepartmental coordination through the implementation of the District Development Model**

There is fragmentation and poor coordination of infrastructure planning and delivery efforts by government departments and entities charged with implementation of projects in municipal spaces. Through the District Development Model (DDM), MISA will support municipalities and sector departments with coordination and compilation of infrastructure plans at a district level. This will assist sector departments to integrate their efforts, supplement each other, and avoid duplication of efforts as well as role conflict and confusion. The effort will contribute towards enhancing intergovernmental and interdepartmental coordination.

A well-coordinated service delivery, through the DDM and municipal IDPs, will improve access to sustainable services by communities and strengthen the capacity of municipalities to execute their mandate. The coordinated process will enhance value for money invested in government infrastructure initiatives and improve socio-economic growth.

MISA's objective is to establish a coordinated and structured framework for supporting infrastructure development across all the 44 districts by the year 2025. MISA, working with other role players, will coordinate district roadshows for infrastructure development, which will be aligned with the IDP process. The roadshows will provide a platform for communication amongst stakeholders on the delivery of infrastructure programmes and projects in municipalities.

### **A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas**

South Africa aims to address spatial settlement patterns associated with the past through creating a spatially just and transformed national space economy that enables equal access to social services and economic opportunities. The Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) was introduced as a broad framework to govern planning permissions and approvals, set parameters for new development and provide for different lawful land uses in the country.

MISA has a responsibility to support and strengthen the capacity of municipalities to develop and implement spatial plans that will promote the objectives of SPLUMA. MISA will contribute towards the achievement of the national objective by providing support to municipalities, at a district level, to develop and implement SPLUMA compliant municipal spatial plans, Spatial Development Frameworks (SDF's) and land use management schemes. The achievement of performance target related to this indicator is dependent on the unlocking of impediments to the implementation of the Act such as lack of buy-in from Traditional Affairs.

### Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase households' access to basic services

MISA will assist the identified municipalities to develop and implement Integrated Waste Management Plans. The objectives of this plan is to assist the identified municipalities to improve its Solid Waste Management. MISA will also develop the infrastructure reliability score card. The objective of this score card is to measure the current reliability of service delivery infrastructure and the services it is used to render. This report card may also be used to benchmark the required interventions with the aim of improving reliability of Services Infrastructure.

From a national perspective, the main focus has shifted from increasing access to improving performance of municipal energy networks. Great progress has been made in improving access to basic energy supply, and this is currently at approximately 97%. Work towards achieving 100% access is ongoing through various grants. Network performance in terms of the frequency of network supply interruptions and the duration of supply interruptions, however, is decreasing. This is largely a function of municipal planning, operations and maintenance, which are also dependant on municipal financial management including revenue collection, supply chain management and human resource management. MISA undertakes to provide technical support to municipalities with the view to improving the performance of infrastructure operations and maintenance. In this regard, MISA will develop energy network performance measurement tools and systems and install and institutionalise these in Municipalities. MISA will also support Municipalities in collecting data to be able to monitor network performance more effectively. Lastly, MISA will support Municipalities in the effective and efficient operations and maintenance of energy network infrastructure.

MISA will provide technical assistance to municipalities to ensure compliance with sector norms and standards and access funds to address service delivery backlogs. Through MISA support, municipalities will be able to assess and respond to their household service level access to basic services. Support will focus mainly on water and sanitation, waste management, roads and storm water, and energy.

### 9.5 Programme Resource Considerations

|  | 2017/18         | 2018/19         | 2019/20         | 2020/21          | 2021/22          | 2022/23          | 2023/24                  |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|--------------------------|
|  | Audited Outcome | Audited Outcome | Audited Outcome | Revised Estimate | Revised Baseline | Revised Baseline | Planning Budget Estimate |
| Rand Thousand                                |                 |                 |                 |                  |                  |                  |                          |
| Programme: <b>Technical Support Services</b> |                 |                 |                 |                  |                  |                  |                          |
| Total  | <b>181,268</b>  | <b>296084</b>   | <b>229675</b>   | <b>218,809</b>   | <b>219,788</b>   | <b>221,849</b>   | <b>220,209</b>           |
| Economic Classification                      |                 |                 |                 |                  |                  |                  |                          |
| Compensation of employees                    | 16,368          | 118,108         | 150746          | 151,890          | 162,542          | 162,542          | 162,542                  |
| Goods and Services                           | 164,900         | 177,976         | 78,929          | 66,919           | 57,246           | 59,307           | 57,667                   |
| Depreciation                                 | -               | -               | -               | -                | -                | -                | -                        |
| Total  | <b>181,268</b>  | <b>296,084</b>  | <b>229,675</b>  | <b>218,809</b>   | <b>219,788</b>   | <b>221,849</b>   | <b>220,209</b>           |

The Technical Support Services (TSS) Branch or Programme has an estimated budget allocation of R661 846 000.00 over the MTEF. This allocation accounts for about 64% of the total MISA budget over the same period. It is the biggest Programme in terms of human capital and it is also responsible for more than 70% of the key performance indicators in core business. The TSS budget is shared amongst three sub-programmes, namely Infrastructure Assessment and Analysis (IAA), Infrastructure Delivery, Maintenance and Stakeholders Coordination (IDMSC), and Technical Skills (TS).

More than 50% of the TSS budget is allocated to the IDMSC sub-programme. The funds are to be spent mainly on cost of employees, since MISA's core business is about provision of technical assistance to municipalities. As a result, in the 2021/22 financial year, the cost of employees accounts for 74% (R162 542.00) of the TSS budget (R219 788 000.00). The funds will be utilised to pay the salaries of MISA technical experts (professional engineers and town planners) deployed to support municipalities across the nine provinces. About R57 246 000.00 of the 2021/22 TSS budget will be spent on professional service providers who will be procured to augment MISA's internal capacity. Professional services, for which MISA does not have capacity, will be outsourced to consultants. With the limited resources, the TSS programme is expected to support low to medium capacity municipalities with infrastructure planning, delivery, operations and maintenance. Support will be provided in line with the District Development Model (DDM) guidelines.

The funds allocated to the Programme will be utilised to support municipalities with, amongst other outputs, the implementation of Water Demand Management (WC/WDM) strategies, acceleration of MIG expenditure, technical skills training, as well as implementation of spatial plans and standard operating procedures for improved infrastructure management. Experience has proven that, more often than not, MISA will be required to stretch available resources and attend to ad hoc requests for technical support coming from poor performing municipalities. In the process of providing technical support and advice, MISA will transfer skills and build infrastructure related institutional capacity in municipalities. The inclusion of assessment on electricity infrastructure condition would require additional capacity in the unit. In the interim, the sub-programme will rely on the services of the energy sector specialist as well as MISA electrical engineers based in the provinces.

## **10. Programme: Infrastructure Delivery Management Support**

**10.1 Purpose:** The purpose of the programme is to support the efficient delivery of municipal infrastructure programmes and projects, build a credible project pipeline for long term infrastructure investment, as well as to support municipalities with infrastructure procurement.

**Programme Overview:** The programme's objective is to support the delivery of municipal infrastructure projects in an effective and efficient manner as well as providing infrastructure financing, procurement and contract management guidance and support to municipalities.

**The Programme consists of the following sub-programmes:**

### **10.1.1 Sub-programme: Project Management (PM)**

The sub-programme is responsible for providing programme and project management support services to promote efficiencies in the municipal infrastructure delivery value chain.

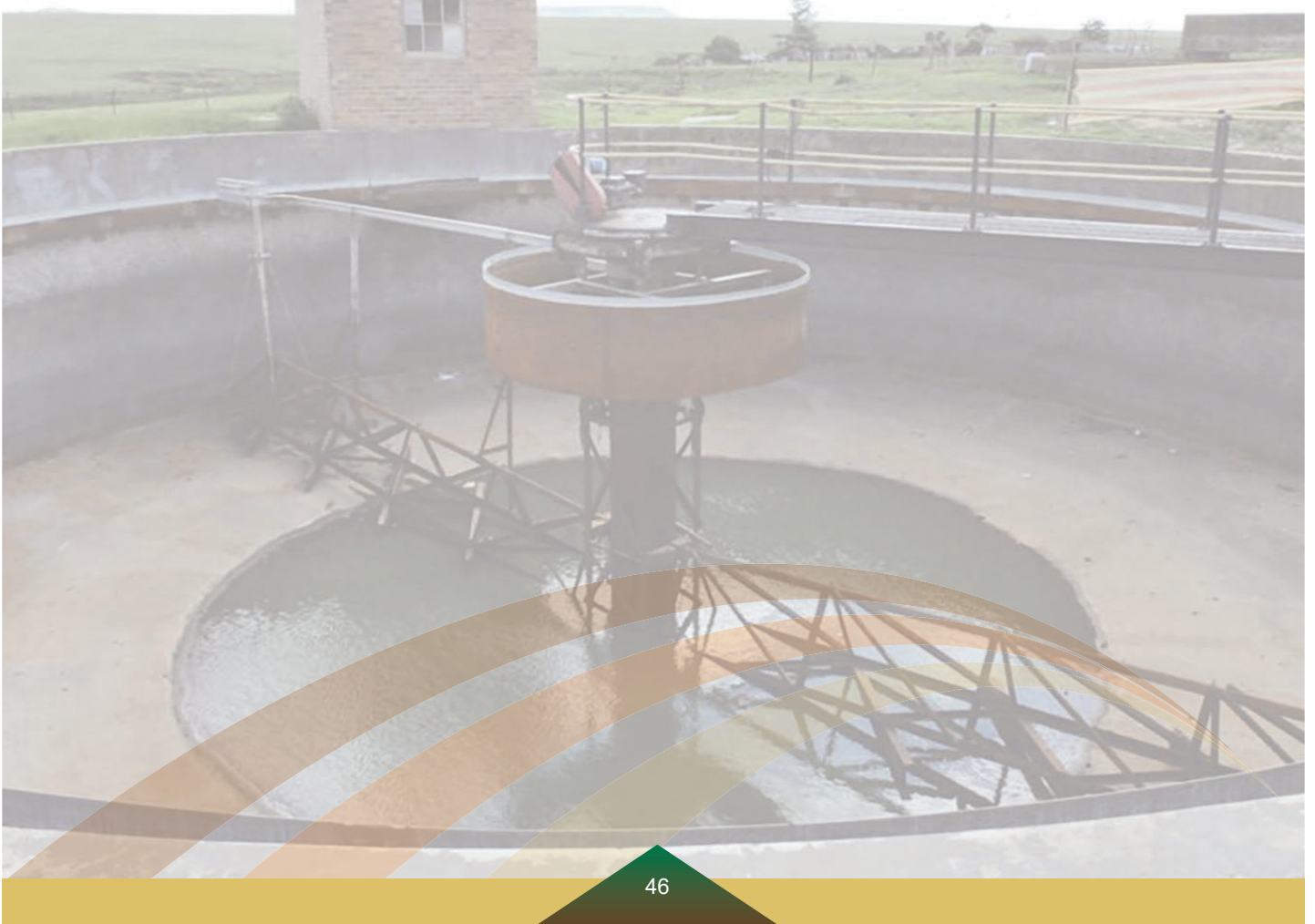


### **10.1.2 Sub-programme: Framework Contracts and Infrastructure Procurement (FCIP)**

The sub-programme focuses on supporting municipalities with the institutionalization of Infrastructure Delivery Management System (IDMS) in order to improve planning, delivery and procurement of infrastructure goods, services and works. The programme also provides municipalities with alternative procurement strategy through the use of framework contracts to improve infrastructure procurement efficiencies and shorten procurement period.

### **10.1.3 Sub-programme: Infrastructure Financing (IF)**

The sub-programme facilitates the exploitation of alternative and innovative mechanisms for financing municipal infrastructure and the management of long term investment plans, alternative sources of funding for infrastructure leveraging on Municipal Infrastructure Grant (MIG) programme.





## 10.2 Outcomes, Outputs, Output Indicators and Targets

| Outcome                                 | Outputs   | Output Indicators   | Annual Targets      |         |         |         |                       |             |         |
|---|---|---|---------------------|---------|---------|---------|-----------------------|-------------|---------|
|   |   |   | Audited Performance |         |         |         | Estimated Performance | MTEF Period |         |
|   |   |   | 2017/18             | 2018/19 | 2019/20 | 2020/21 | 2021/22               | 2022/23     | 2023/24 |
| Efficiency in infrastructure management | Districts supported with the implementation of IDMS and enhancement of Infrastructure Procurement Practices       | Number of districts supported with the implementation of IDMS   | New                 | 3       | 3       | 5       | 7                     | 10          | 15      |
|   |   | Number of districts supported with the enhancement of infrastructure procurement practices  | 1                   | 4       | 15      | 15      | 15                    | 15          | 15      |
|   | Annual report on the state of municipal functionality for infrastructure delivery                                 | Annual report developed on state of municipal functionality for infrastructure service delivery   | New                 | New     | New     | New     | 1                     | 1           | 1       |
|   | Strategic partnerships with other entities established to enhance municipal infrastructure development efficiency | Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities | New                 | New     | New     | New     | 10                    | 25          | 52      |
|   | Long-term infrastructure investment plans implemented by municipalities   | Number of municipalities supported with implementation of long-term infrastructure investment plans through DDM   | New                 | New     | New     | 5       | 7                     | 7           | 10      |

| Outcome  | Outputs   | Output Indicators  | Annual Targets      |         |         |                       |             |                 |
|--|---|--|---------------------|---------|---------|-----------------------|-------------|-----------------|
|  |   |  | Audited Performance |         |         | Estimated Performance | MTEF Period |                 |
|  |   |  | 2017/18             | 2018/19 | 2019/20 | 2020/21               | 2021/22     | 2022/23 2023/24 |
|  | Municipalities supported to access infrastructure funding through alternative and innovative funding mechanisms and private sector participation. | Number of municipalities supported to access alternative funding sources for infrastructure development through DDM  | New                 | New     | New     | 5                     | 7           | 7 10            |
| Increased access to climate change mitigation and adaptation funds by municipalities | Improved access to funding for financing climate change mitigation and adaptation projects/activities.  | Number of municipalities supported to plan and implement climate friendly projects through infrastructure grants and access funding for climate change mitigation and adaptation projects. | New                 | New     | New     | 5                     | 5           | 7 10            |

### 10.3 Output Indicators: Annual and Quarterly Targets

| Output Indicators  | Annual Target | Q1 | Q2 | Q3 | Q4  |
|--|---------------|----|----|----|---|
| Number of districts supported with the implementation of IDMS  | 7             | 7  | 7  | 7  | 7   |
| Number of districts supported with the enhancement of Infrastructure procurement practices   | 15            | 3  | 5  | 3  | 4   |
| Annual Report developed on state of municipal functionality for infrastructure service delivery  | 1             | 1  | 1  | 1  | Annual Report                               |
| Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities                                    | 10            | -  | 10 | 10 | Annual report focusing on 10 municipalities |
| Number of municipalities supported with implementation of long-term infrastructure investment plans through DDM  | 7             | -  | 7  | 7  | 7   |
| Number of municipalities supported to access alternative funding sources for infrastructure development through DDM  | 7             | 7  | 7  | 7  | 7   |
| Number of municipalities supported to plan and implement climate friendly projects through infrastructure grants and access funding for climate change mitigation and adaptation projects. | 5             | -  | 5  | 5  | 5   |

### 10.4 Explanation of Planned Performance over the Medium Term Period

#### Efficiency in infrastructure management

Crowding in and catalyzing private sector investments can contribute to the stimulation of development and play a central role in closing the gap arising from current fiscal constraints in government by unlocking resources in a manner that creates shared development with private sector and communities. Mustering private funding potentially reduces the burden of grant funding but also enables the effective utilization of infrastructure grants in municipalities. MISA will support municipalities to mobilize funding from private sector for infrastructure development.

The development and implementation of the approved methodologies, standards, procedures and policies for project and programme will ensure a repeat of successful aspects and learning from mistakes, resulting in a continuous improvement process in the implementation of projects across the entire organisation thereby inherently improving efficiency in infrastructure delivery.

At the heart of IDMS is learning and application of best practices in planning, management and delivery (procurement) of infrastructure in line with the applicable legislation. Therefore, municipalities supported with the implementation of IDMS will be able to address challenges and difficulties encountered before, during and after implementation of infrastructure projects and thereby improving efficiency in infrastructure delivery.

Municipalities are facing challenges in packaging the projects that will facilitate the long-term infrastructure investment. The support to the municipalities in packaging projects that are critical for the infrastructure development in the municipal space will expedite and facilitate the funding of the long-term investment plans of the municipalities. Sound service delivery infrastructure stimulate local economic development.

MISA undertook the Regional Management Support Contract (RMSC) as a model for providing support to improve municipal functionality for sustainable infrastructure service delivery. The programme started in 2017 supporting 3 District municipalities (Amathole DM, O.R. Tambo DM and Sekhukhune DM) over a 24-month period with the possibility of extension should additional funding be provided by National Treasury. Due to fiscal constraints and other externalities, additional funding was not available and the programme was reconfigured to continue within the context of the limited resources over the MTEF. The reconfiguration entailed the re-design of the programme by embedding the approach in the MISA technical support philosophy. This includes, amongst others, the application of standardized toolkits and the Municipal Infrastructure Performance Management Information System (MIPMIS) to enable municipalities to know what assets they have, the state of the assets, and the required costs to get the assets to function fully; this ultimately is a step towards the improvement of municipal infrastructure asset management practices.

The introduction of the District Development Model (DDM) seeks to solve, amongst others, poor inter-sphere collaboration, integration and co-ordination of programmes and project management exacerbated by the silo approach resulting in poor service delivery. To this end, MISA will focus on collaborating and building strategic partnerships with public, private and non-government organisations and entities to maximise the impact of government investments to contribute to the attainment of the National Development Plan (NDP) objectives.

### **Long-term municipal infrastructure investment**

MISA will support the implementation of long-term infrastructure investment plans. The objective of these plans is to offer an integrated infrastructure investment plan, which will be easy to implement in a coordinated manner. It will also be used to plan, implement, monitor and evaluate the rollout of infrastructure programmes in a coordinated approach. The implementation of long-term infrastructure investment plans will enable municipalities to adopt a long-term planning horizon on infrastructure development and the required capital to achieve the long-term infrastructure development targets. Municipalities will be in a better position to plan for capital and human resource requirements for infrastructure development throughout the value chain. The implementation of the long-term investment plans will also assist with the mobilization of alternative and innovative funding mechanisms and private sector partnerships to support local government by investing in infrastructure projects that unlock the service delivery challenges. This will contribute towards the achievement of the objectives of the DDM of ensuring that there is alignment of sector plans and interventions as it relates to municipal infrastructure

### **Increased access to climate change mitigation and adaptation funds by municipalities**

Climate change mitigation and adaptation is rapidly becoming an integral part of infrastructure development that municipalities need to embrace when planning for infrastructure projects. There are funding products available at a national and global level earmarked for projects that are responsive to climate change mitigation and adaption. Municipalities will be supported to identify and prepare projects for submission to access the funds for climate change mitigation, adaptation and resilience.

### 10.5 Programme Resource Considerations

|  | 2017/18         | 2018/19         | 2019/20         | 2020/21          | 2021/22          | 2022/23          | 2023/24                  |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|--------------------------|
|  | Audited Outcome | Audited Outcome | Audited Outcome | Revised Estimate | Revised Baseline | Revised Baseline | Planning Budget Estimate |
| Rand Thousand  |                 |                 |                 |                  |                  |                  |                          |
| Programme: <b>Infrastructure Delivery Management Support</b> |                 |                 |                 |                  |                  |                  |                          |
| <b>Total</b>   | <b>63,242</b>   | <b>25,265</b>   | <b>24,278</b>   | <b>29,760</b>    | <b>22,904</b>    | <b>21,560</b>    | <b>21,786</b>            |
| Economic Classification                                      |                 |                 |                 |                  |                  |                  |                          |
| Compensation of employees                                    | 32,801          | 3,413           | 12,383          | 22,398           | 16,563           | 16,563           | 16,563                   |
| Goods and Services   | 30,441          | 21,852          | 11,895          | 7,362            | 6,341            | 4,997            | 5,223                    |
| Depreciation   | -               | -               | -               | -                | -                | -                | -                        |
|  |                 |                 |                 |                  |                  |                  |                          |
| <b>Total</b>   | <b>63,242</b>   | <b>25,265</b>   | <b>24,278</b>   | <b>29,760</b>    | <b>22,904</b>    | <b>21,560</b>    | <b>21,786</b>            |

The Infrastructure Delivery Management Support (IDMS) Programme has an estimated budget allocation of R 66 250 000.00 over the MTEF. This allocation accounts for about 6.33% of the total MISA budget over the same period. IDMS is the smallest Programme in terms of human capital; however, it is responsible for some of the key performance indicators in core business of the institution. The IDMS budget is shared amongst three sub-programmes, namely Project Management Office (PMO), Framework Contracts and Infrastructure Procurement (FCIP) and Infrastructure Financing (IF). Approximately 62% of the IDMS budget is allocated to the compensation of employees for the provision of support to municipalities. The budget for the compensation of employees remains constant over the MTEF period due to fiscal constraints despite the need to augment the existing human resources as new responsibilities have been added to the Programme. The Programme will therefore adopt an approach of doing more with less and explore collaborating efforts with other stakeholders to achieve its target over the MTEF period.

The coordination of stakeholders that have a role in the municipal infrastructure development value chain is critical. MISA will utilise its personnel and budget to facilitate engagements with the various stakeholders for infrastructure planning, preparation, financing, procurement, execution, operations and maintenance. The financial resources allocated for projects under the goods and services item will contribute to supporting municipal compliance with the Infrastructure Delivery Management System, infrastructure procurement support, accessing alternative funding for infrastructure and climate change mitigation.

#### Project Management Office

The PMO sub-programme currently has a staff complement of 4 persons with engineering and built environment backgrounds. The sub-programme is responsible for providing programme and project management support services to promote efficiencies in the municipal infrastructure delivery value chain. To achieve the sub-programme objectives, additional resources (a minimum of 2 Deputy Directors per province) are required for the programme and project management capabilities necessary for providing support to promote efficiencies within the infrastructure delivery chain. Collaboration with strategic

partners in the public, private and non-governmental/non-profit organisation are considered, however internal capacity is imperative for optimal leveraging of these strategic partnerships

### Framework Contracts and Infrastructure Procurement

Support to the municipalities with the implementation of Infrastructure Delivery Management System (IDMS) and the enhancement of good practices in procurement processes will be carried out utilising internal human resources funded from compensation of employees and associated expenses. It is necessary to ensure the filling of at least one vacant position of a Director in order to achieve the annual targets. Collaborations with sector departments like National and Provincial Treasuries and Provincial COGTAs will also augment the MISA support and maximise utilisation of the available limited resources for impactful results.

### Infrastructure Financing

The sub-programme Infrastructure Financing is responsible for facilitating and advising municipalities on alternative and innovative financing mechanisms for infrastructure development and financing climate change projects/activities. These responsibilities require extensive collaborations with various stakeholders (sector departments, investors, banking institutions, Development Financial Institutions, Multilateral Development Banks, Donors, and municipalities). Currently the sub-programme comprises staff complement of two officials (Chief Director and a Director). At least an additional two Deputy Directors will enable the sub-programme to effectively execute its responsibilities. Taking into consideration that there may be limited resources available to meet all the human resource needs, the sub-programme will continue to collaborate with other key role players to ensure that it achieves its targets whilst the capacity issue is being attended to.

## 11. Updated Key Risks and Mitigations

| Outcomes  | Key Risks   | Risk Mitigations   |
|---|---|--|
| Improved governance, administrative support system and ethical practices  | Non-compliance to rules, laws, regulations and policies | <ol style="list-style-type: none"> <li>1. Conduct regular training on the existing policies, frameworks or guidelines</li> <li>2. Timeous implementation of audit findings</li> <li>3. Maintain an effective compliance programme.</li> <li>4. Implement the automated contract management system</li> <li>5. Implementation of PPLC (Programme &amp; Project Life Cycle)</li> </ol>   |
| Efficiency in infrastructure management. Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services. Effective water management system for the benefit of all | Limitations to execute MISA's mandate                   | <ol style="list-style-type: none"> <li>1. Alignment of current programs to the mandate</li> <li>2. Enhance awareness and improve communication and engagements with key stakeholders</li> <li>3. Implement the retention strategy</li> <li>4. Revisit the capacity building initiatives</li> <li>5. Roadshows at Provincial level to advocate MISA's role</li> <li>6. Realign MISA operations and programmes to address resources constraints</li> </ol> |



| Outcomes  | Key Risks  | Risk Mitigations   |
|---|--|--|
| <p>Efficiency in infrastructure management</p> <p>Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services</p>  | Inadequate tools to effectively support Municipalities                 | <ol style="list-style-type: none"> <li>1. Institutionalisation of the approved PPLMC policy, methodologies, SOPs in MISA programs and projects</li> <li>2. Use the RMSC toolkits to support municipalities with effective delivery of infrastructure through Integrated teams (TSS and IDMS) to identified municipalities (i.e. IDMS train Provincial Managers and teams on using toolkit and on-going support whilst TSS team support municipalities in the application of toolkits)</li> <li>3. Support municipalities to improve asset management practices in line with the reviewed MIG framework (includes asset management)</li> <li>4. Develop an Annual State of municipal functionality for infrastructure service delivery report</li> <li>5. Implement the Change Management (Training on PPLCM, Pilot PPLCM framework application etc)</li> <li>6. Purchase/Provide necessary software, licences and system support for optimal utilisation of tools</li> </ol> |
| <p>Enhanced inter governmental and inter-departmental coordination through the implementation of the District Development Model</p> <p>Long-term municipal infrastructure investment.</p> <p>Increased access to climate change mitigation and adaptation funds by municipalities</p> | Poor coordination of municipal infrastructure interventions            | <ol style="list-style-type: none"> <li>1. Institutionalise the DDM (District Development Model) in MISA operations</li> <li>2. Collaborations with strategic partnership to provide support</li> <li>3. Improve coordination through the District Development Model</li> <li>4. Provide inputs for policy reviews by sector departments</li> </ol>   |
| A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas  | Inability to provide required spatial transformation in municipalities | <ol style="list-style-type: none"> <li>1. Improve municipal planning capacity through placement of young graduate Town Planners in municipalities</li> <li>2. Lobby for Infrastructure Investment to address some of the identified requirements in the capital investment programmes</li> <li>3. DDM (District Development Model) implementation to coordinate the District Wide Infrastructure Plan</li> </ol>   |

## 12. Public Entities

| Name of public entity | Mandate | Outcomes | Current Annual Budget (R thousand) |
|-----------------------|---------|----------|------------------------------------|
| N/A                   | N/A     | N/A      | N/A                                |

### 13. Infrastructure Projects

| No | Project Name  | Programme | Project Description  | Outputs   | Start date    | Completion date  | Total estimated cost | Current year Expenditure |
|----|---|-----------|--|---|---------------|------------------|----------------------|--------------------------|
| 1. | Waste water treatment works at Bhokwe village in Abaqulusi LM | TSS       | Status-quo assessment, review design, design and construction supervision for the upgrading of the sewer reticulation and construction of waste water treatment works at Bhokwe village (Professional service) | Municipal WC/WDM strategies implementation                  | 03 May 2020   | 30 November 2022 | R25m                 | R17m                     |
| 2. | eMondlo Waste water treatment works at Abaqulusi LM           | TSS       | Assessment, design, tender documentation and construction supervision of eMondlo Waste Water and Water Works. (Professional Service)   | Municipal WC/WDM strategies implementation                  | 03 May 2019   | 30 June 2021     | R31m                 | R16m                     |
| 3. | Pniel water supply at Dikgatlong LM                           | TSS       | Portable Water Supply to the settlements of the farm Pniel, Barkly West  | Municipal WC/WDM strategies implementation                  | 01 April 2021 | 31 March 2022    | R7m                  | R7m                      |
| 4. | Makana LM – roads rehabilitation                              | TSS       | Rehabilitation and maintenance of the CBD internal roads of Huntly, Somerset & High Street in Makhandla Town - Makana Local Municipality   | Implemented infrastructure Operations and Maintenance Plans | 01 April 2021 | 31 March 2022    | R15m                 | R13.5m                   |
| 5. | Dr Nkosazana Zuma LM - boreholes                              | TSS       | New spring protection, pipelines, provision of storage facility with a standpipe at Dr Nkosazana Zuma LM   | Municipal WC/WDM strategies implementation                  | 01 April 2021 | 31 March 2022    | R700 000             | R700 000                 |

### 14. Public Private Partnerships

| PPP | Purpose | Outputs | Current Value of Agreement | End date of Agreement |
|-----|---------|---------|----------------------------|-----------------------|
| N/A | N/A     | N/A     | N/A                        | N/A                   |

## Part D:

# Technical Indicator Descriptions (TIDs)



|   |  |
|---|--|
| <b>Indicator Title</b>                                    | <b>Approved communication strategy implemented</b>   |
| <b>Definition</b>   | To provide effective and efficient communication service   |
| <b>Source of data</b>                                     | Approved communication strategy and implementation plan  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Q1 – Approved annual communication implementation plan by Accounting Officer; and Q1 – Q4: Quarterly progress reports approved by CD: Corporate Services |
| <b>Assumptions</b>  | N/A  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | To produce and submit an approved annual communication implementation and four quarterly progress reports  |
| <b>Indicator Responsibility</b>                           | Deputy Director: Communications  |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Annual risk management plan implemented</b>  |
| <b>Definition</b>   | Risk monitoring reports on monitoring and implementation of risk action plans against the approved risk register signed-off by the Accounting Officer |
| <b>Source of data</b>                                     | Risk Register and Risk Action Plans   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Approved quarterly risk reports by the Accounting Officer   |
| <b>Assumptions</b>  | N/A   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Produce and submit four risk monitoring reports approved by the Accounting Officer  |
| <b>Indicator Responsibility</b>                           | Deputy Director: Risk Management  |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Annual internal audit plan implemented</b>   |
| <b>Definition</b>   | To provide reports to Management and the Audit Committee about the status of management practices and internal controls |
| <b>Source of data</b>                                     | Internal Audit Plan   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Approved quarterly audit progress reports by the Chief Audit Executive  |
| <b>Assumptions</b>  | N/A   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Produce and submit four internal audit progress reports to the Audit Committee  |
| <b>Indicator Responsibility</b>                           | Director: Internal Audit Services   |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Approved ICT operational plan implemented</b>  |
| <b>Definition</b>   | This is to ensure that MISA implement an ICT Operational Plan that comprises projects aligned with the broader ICT Governance Framework for the organisation and to effectively monitor the implementation of such plan on a quarterly basis. It's to ensure that ICT programmes and projects that addresses business requirements and enable the migration towards the target Architecture are fully implemented |
| <b>Source of data</b>                                     | ICT Annual Operational Plan that comprises projects aligned with the broader ICT Governance Framework   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Q1 - Approved Annual ICT operational plan by the Accounting Officer; and<br>Q1 – 4: Quarterly ICT progress reports approved by the CD: ESSS   |
| <b>Assumptions</b>  | N/A   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Full implementation of the ICT Operational Plan each year   |
| <b>Indicator Responsibility</b>                           | Director: Government Information and Communication Technology Management  |



|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Achieve unqualified audit opinion on annual financial statements</b>   |
| <b>Definition</b>   | The audit opinion indicates whether in the opinion of the Auditor General, the Annual Financial Statements (AFS) fairly present the financial performance in terms of the financial reporting framework. This is to assess the level of compliance with legislation, regulations and accounting standards |
| <b>Source of data</b>                                     | Audited annual financial statements and Auditor-General's report  |
| <b>Method of Calculation / Assessment</b>                 | Auditor-General audit outcomes report indicating unqualified audit opinion  |
| <b>Means of verification</b>                              | Audited annual financial statements and Auditor-General's report indicating unqualified audit opinion   |
| <b>Assumptions</b>  | N/A   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Annual  |
| <b>Desired performance</b>                                | Achieve unqualified audit opinion on financial statements in the annual report  |
| <b>Indicator Responsibility</b>                           | Chief Financial Officer   |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | <b>Approved procurement plan implemented</b>   |
| <b>Definition</b>   | This indicator maps out the list of projects that each programme in MISA intends to undertake during each financial year in line with the approved budget. The procurement plan is approved by the Chief Executive Officer of MISA. This is to ensure that programmes spend according to the budget allocated in order to fulfil the MISA performance objectives and enables procurement to be planned well in advance |
| <b>Source of data</b>                                     | Approved Procurement Plan  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Q1 - Approved annual procurement plan by the Accounting Officer; and<br>Q1 – 4: Quarterly progress reports approved by D: SCM  |
| <b>Assumptions</b>  | N/A  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | Approved Procurement Plan and submission to National Treasury within the required timelines  |
| <b>Indicator Responsibility</b>                           | Director: Supply Chain Management  |

| Indicator Title   | Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented  |
|---|--|
| <b>Definition</b>   | To support the development or implementation of Water Conservation/Water Demand Management Plans (WC/WDMP) for identified municipalities within the Districts. Where a municipality already has a Water Conservation/Water Demand Management Plan in place and which needs to be updated, MISA will review and update the plan. Within the context of MISA's mandate as a support agent, implementation of the WCDMP will mean providing technical support in the actual implementation of the plan through the municipality's own budget. MISA, in provision of technical support will provide identified municipalities with standard operating procedure aligned to strategies of WC/WDM. MISA will take advantage of District Development Model to pursue relevant government agents to prioritise funding for the planning and implementation of WC/WDM plans |
| <b>Source of data</b>                                     | Technical Support Plans and Municipal Data   |
| <b>Method of Calculation / Assessment</b>                 | Simple count   |
| <b>Means of verification</b>                              | Progress reports on the development or implementation of Water Conservation and Water Demand Management Plans, approved by the CD: IDMSC   |
| <b>Assumptions</b>  | N/A  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-Cumulative   |
| <b>Reporting Cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | 100% Achievement   |
| <b>Indicator Responsibility</b>                           | CD:IDMSC   |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of WSA's supported with integration and prioritization of strategies for alignment of bulk and reticulation projects in municipal IDPs</b>  |
| <b>Definition</b>   | <p>To support priority WSAs with the integration and prioritisation of strategies which were recommended in the feasibility study to address the misalignment of bulk water and reticulation through presentation of recommendations to:</p> <ul style="list-style-type: none"> <li>• Municipal Portfolio Committee;</li> <li>• IDP consultative meetings;</li> <li>• Municipal Manager for approval.</li> </ul> <p>Developing the ToR's, project development and implementation support through projects identified in the feasibility reports</p> |
| <b>Source of data</b>                                     | Municipal Data  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Q1 – Q4 report on support provided to identified WSA's with implementation of strategies for the alignment of bulk infrastructure and reticulation  |
| <b>Assumptions</b>  | There is buy-in by the municipalities   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100%  |
| <b>Indicator Responsibility</b>                           | CD: IDMSC   |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported with mainstreaming Labour Intensity Construction Methods in the projects implemented through conditional grants</b>   |
| <b>Definition</b>   | MISA will provide identified municipalities with a programme management support that seek to institutionalise Labour Intensive Construction methods in the projects implemented through the conditional grants and promote training of participants in the municipal infrastructure operations and maintenance programmes and or projects as part of the President's Economic Stimulus initiative |
| <b>Source of data</b>                                     | Database of programme participants and improvement in LIC reporting   |
| <b>Method of Calculation / Assessment</b>                 | Capturing of created employment opportunities to the Expanded Public Works Programme Reporting System (EPWP – RS) tool for reporting employment opportunities   |
| <b>Means of verification</b>                              | Progress reports of municipalities supported with LIC methods and improvements in reporting   |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>Continued allocation of funds over the MTSF and determination of baseline reporting.</li> <li>MIG Framework will be revised to consider proposals on enhancing controls in the project preparation i.e. business case development to be approved by MISA personnel;</li> <li>Overall allocation of a municipality must entail 45% LIC content</li> </ul>   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | 55% woman participants; 55% youth participants; and 2% people with disabilities participants  |
| <b>Spatial Transformation (where applicable)</b>          | All 52 district spaces, with priority given to the unemployed in rural municipalities   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Increased LIC content in the conditional grant funded projects implemented by municipalities  |
| <b>Indicator Responsibility</b>                           | Chief Director: IDMSC   |

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|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported to improve infrastructure asset management practices</b>  |
| <b>Definition</b>   | To support municipalities in order to improve infrastructure asset management practices through training and the use of infrastructure asset management toolkits developed in the Regional Management Support Contract (RMSC) and the Municipal Infrastructure Performance Management Information System (MIPMIS) |
| <b>Source of data</b>                                     | National government, Stats SA and municipalities  |
| <b>Method of Calculation / Assessment</b>                 | Simple count  |
| <b>Means of verification</b>                              | Quarterly progress report on municipalities supported with infrastructure asset management practices improvement  |
| <b>Assumptions</b>  | Availability of funding for coordinating support, reception of support from municipalities  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD: IDMSC   |



|   |  |
|---|--|
| <b>Indicator Title</b>                                    | <b>Number of districts supported with implementation of Operations and Maintenance related activities</b>  |
| <b>Definition</b>   | <p>To support the implementation of Operations and Maintenance related activities (O&amp;M) for identified municipalities within the Districts Areas. Such activities will involve but not limited to:</p> <ul style="list-style-type: none"> <li>• Development or updating and review of the existing O&amp;M plan through the municipality's own budget</li> <li>• Implementation of the existing O&amp;M plan through the municipality's own budget</li> <li>• Technical support on repairs and maintenance of infrastructure through the municipality's own budget</li> <li>• Institutionalisation of O&amp;M related SOP's through the municipality's own budget</li> </ul> <p>MISA may take advantage of the District Development Model to pursue relevant government agents to prioritise funding for the planning and implementation of O&amp;M Plans. Furthermore, work under this indicator will not be restricted to a particular sector, although water and sanitation will be prioritised</p> |
| <b>Source of data</b>                                     | Technical Support Plans and Municipal Data   |
| <b>Method of Calculation / Assessment</b>                 | Simple count   |
| <b>Means of verification</b>                              | Quarterly progress reports on Operations and Maintenance related activities (O&M), approved by the Provincial Managers   |
| <b>Assumptions</b>  | Availability of municipal own budget for implementation of the operation and maintenance related activities  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Cumulative (Year-end)  |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 100% Achievement   |
| <b>Indicator Responsibility</b>                           | CD: IDMSC  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of districts supported to improve performance on MIG Programme and reduce infrastructure backlogs.</b>   |
| <b>Definition</b>   | <p>MISA Support will entail technical assistance in project preparation and project management to improve performance on MIG Programme in identified Municipalities within 44 Districts. MISA will also support with monitoring and verification of MIG expenditure in selected municipalities. MISA support will entail, among other things visiting project sites and selected municipalities for verification of work done prior to reimbursement and disbursement of MIG funds and generating quarterly progress reports. Technical support will include one or more of the following</p> <ul style="list-style-type: none"> <li>• Development or review of Technical reports and other related documentation for project registration;</li> <li>• Development or review of planning documents such as MIG implementation Plan, ToRs for service providers, designs, drawings and contract documentation;</li> <li>• Undertaking site inspections and verification of work done; and</li> <li>• Providing technical advice at MIG coordinating forums or meetings with DCoG, Provincial MIG and other relevant stakeholders for MIG programme</li> </ul> |
| <b>Source of data</b>                                     | MIG Performance Progress Report as issued by National COGTA & National Treasury (DoRA reports)   |
| <b>Method of Calculation / Assessment</b>                 | Simple count   |
| <b>Means of verification</b>                              | Quarterly progress reports by MISA on the technical support provided on planning and the implementation of MIG programme in selected municipalities  |
| <b>Assumptions</b>  | Municipal officials will cooperate fully with MISA support; MIG Framework will be revised to consider proposals on enhancing controls in the project preparation i.e. business case development to be approved by MISA personnel   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 100% achievement of target   |
| <b>Indicator Responsibility</b>                           | CD: IDMSC  |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | <b>Number of youth enrolled in the MISA Apprenticeship Programme</b>   |
| <b>Definition</b>   | Unemployed youth in the three-year artisan development programme as apprentices in technical fields such as (but not limited to) electrical, plumbing, bricklaying, motor mechanics and diesel mechanics. During the apprenticeship period, learners will be hosted by municipalities or third parties for work exposure. They will also receive theoretical training provided by training service providers, such as TVETs (public and private). Learners will undergo preparatory training before trade testing for their red seal certificates and exiting the Programme. MISA will provide apprentices with protective equipment, tools of trade, a monthly stipend, and transport, accommodation and meals (during off-the-job training). Some of the apprenticeship costs will be shared with the LGSETA, through an agreement between the two parties |
| <b>Source of data</b>                                     | MISA listing of Apprentices. Monthly payroll schedules. Service level agreements with hosts  |
| <b>Method of Calculation / Assessment</b>                 | Number of apprentices on MISA listing  |
| <b>Means of verification</b>                              | MISA listing of Apprentices. Monthly payroll schedules. Service level agreements with hosts  |
| <b>Assumptions</b>  | It is assumed there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All apprentices will progress without hindrances and pass their trade tests on time   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | 100% unemployed youth. To the extent possible, have at least 50% women and at least 2% with disabilities   |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to youth from low and medium capacity municipalities. These are municipalities in rural districts  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable   |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills   |

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|---|---|
| <b>Indicator Title</b>                                    | <b>Number of youth enrolled in the MISA Experiential Learnership Programme</b>  |
| <b>Definition</b>   | <p>Two categories of Experiential Learners:</p> <p>(1) Unemployed youth registered with institutions of higher learning and seeking work integrated learning to complete their studies. The learners will be contracted to MISA for the minimum period stipulated by their institutions for exposure and completion of logbooks. MISA will cover costs related to stipends, protective equipment, and tools of trade. They may be placed with third parties for work exposure, where the primary host is unable to provide adequate work experience.</p> <p>(2) Unemployed youth with qualifications in technical fields relevant to municipal infrastructure management and seeking work exposure in preparation for entering the job market. This group will be contracted for a fixed 24 months' period with MISA. They will be hosted in municipalities for work exposure. MISA will cover costs related to their stipends, protective equipment and tools of trade</p> |
| <b>Source of data</b>                                     | MISA listing of experiential learners. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts  |
| <b>Method of Calculation / Assessment</b>                 | Number of experiential learners on MISA listing   |
| <b>Means of verification</b>                              | MISA listing of experiential learners. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts  |
| <b>Assumptions</b>  | It is assumed there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All Experiential Learners will progress without hindrances and complete all activities in their logbooks on time   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | 100% unemployed youth. To the extent possible, have at least 50% women and at least 2% with disabilities  |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to youth from low and medium capacity municipalities. These are municipalities in rural districts   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Annual  |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable  |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of Youth enrolled in the MISA Young Graduate Programme</b>   |
| <b>Definition</b>   | <p>To recruit and place young graduates, with technical qualifications, in municipalities and/or other entities for them to get work exposure and mentoring towards meeting the requirements for registering as professionals.</p> <p>MISA will facilitate mentoring towards registration as set by the relevant recognised professional bodies (such as the Engineering Council of South Africa (ECSA)). In addition to paying for mentoring services and facilitation of work exposure, MISA will provide mentorship services, stipends, candidacy registration fees, protective clothing, and basic tools of trade to the young graduates</p> |
| <b>Source of data</b>                                     | MISA listing of young graduates. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts. Mentorship reports   |
| <b>Method of Calculation / Assessment</b>                 | Number of young graduates on MISA listing  |
| <b>Means of verification</b>                              | MISA listing of young graduates. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts. Mentorship reports   |
| <b>Assumptions</b>  | It is assumed that there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All young graduates will receive adequate work exposure and progress without hindrances to register as professionals   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | 100% unemployed youth. To the extent possible, have at least 50% women and at least 2% with disabilities   |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to youth from low and medium capacity municipalities. These are municipalities in rural districts  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Annual   |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable   |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills   |

|   |  |
|---|--|
| <b>Indicator Title</b>  | <b>Number of Youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management</b>   |
| <b>Definition</b>   | Providing bursary funding for qualifying students pursuing tertiary qualifications in technical disciplines with the view to creating a pool of technically skilled individuals for local government. Some of the bursaries will be co-funded, through an agreement, with the LGSETA |
| <b>Source of data</b>   | MISA listing of bursary holders. Bursary award letters. Bursary contracts  |
| <b>Method of Calculation /</b>                                    | Number of bursary holders on MISA listing  |
| <b>Assessment<br/>Means of verification</b>                       | MISA listing of bursary holders. Bursary award letters. Bursary contracts  |
| <b>Assumptions</b>  | It is assumed that there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All bursars will progress without hindrances and complete their qualifications on time   |
| <b>Disaggregation of<br/>Beneficiaries<br/>(where applicable)</b> | 100% unemployed youth. To the extent possible, have at least 50% women and at least 2% with disabilities   |
| <b>Spatial Transformation<br/>(where applicable)</b>              | Preferential treatment will be afforded to youth from low and medium capacity municipalities. These are municipalities in rural districts  |
| <b>Calculation Type</b>   | Non-cumulative   |
| <b>Reporting Cycle</b>  | Annual   |
| <b>Desired performance</b>  | Actual performance that is higher than targeted performance is desirable   |
| <b>Indicator Responsibility</b>                                   | Chief Director: Technical Skills   |



|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipal officials trained in municipal infrastructure management</b>   |
| <b>Definition</b>   | Facilitating training for municipal technical officials to improve their skills for effective and efficient delivery and management of municipal infrastructure. The definition of municipal officials will include Process Controllers. MISA will appoint training service providers and take care of training related costs (excluding transport and accommodation for municipal officials attending training). Where necessary, provincial officials (MISA and provincial CoGTAs) will attend the training courses as a way of indirectly enhancing municipal capacity |
| <b>Source of data</b>                                     | MISA listing of officials trained. Attendance registers   |
| <b>Method of Calculation / Assessment</b>                 | Number of municipal officials trained on MISA listing   |
| <b>Means of verification</b>                              | MISA listing of officials trained. Attendance registers   |
| <b>Assumptions</b>  | It is assumed that municipalities will release relevant officials to attend technical courses. Officials will apply lessons learnt during training, upon returning to their workplaces  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | At least 30% women and to the extent possible, at least 2% with disabilities  |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to municipal officials from low and medium capacity municipalities. These are municipalities in rural districts   |
| <b>Calculation Type</b>                                   | Cumulative (year-to-date)   |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable  |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of municipal officials enrolled in MISA Recognition of Prior Learning (RPL) programmes</b>   |
| <b>Definition</b>   | To provide opportunities for suitably experienced municipal officials (including general workers) in infrastructure related departments to receive formal assessments and recognition of their informally acquired skills towards obtaining formal qualifications (including artisan and process controller qualifications). The municipal officials will be enrolled at different times of the year |
| <b>Source of data</b>                                     | MISA listing of municipal officials in the MISA RPL Programmes (including Artisan recognition of prior learning). Attendance registers. Assessment and/ or progress reports  |
| <b>Method of Calculation / Assessment</b>                 | Number of municipal officials in the MISA RPL Programmes on MISA listing   |
| <b>Means of verification</b>                              | MISA listing of municipal officials in the MISA RPL Programmes (including Artisan recognition of prior learning). Attendance registers. Assessment and/ or progress reports  |
| <b>Assumptions</b>  | It is assumed that municipalities will release relevant officials to attend assessments and gap closure sessions. Officials will apply lessons learnt during training, upon returning to their workplaces  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | At least 20% women and to the extent possible, at least 2% with disabilities   |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to municipal officials from low and medium capacity municipalities. These are municipalities in rural districts  |
| <b>Calculation Type</b>                                   | Cumulative (year-to-date)  |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable   |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills   |

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|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipal capacity development plans implemented</b>   |
| <b>Definition</b>   | To utilise the services of a MISA appointed service provider, MISA officials or deployed resources (including learners and/or candidates) to support with implementation of municipal capacity development plans. 15 municipalities will be supported with implementation throughout the 2020/21 financial year   |
| <b>Source of data</b>                                     | Service level agreements with beneficiary municipalities. Progress reports on the implementation of municipal capacity building plans   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Service level agreements with beneficiary municipalities. Quarterly progress reports on the implementation of municipal capacity building plans   |
| <b>Assumptions</b>  | Provincial cooperative departments will spearhead capacity coordination and key capacity building departments will participate in the implementation of plans. Municipalities will take ownership of the plans and ensure internal capacity coordination and development. Provinces and districts will, respectively, consolidate and implement district and provincial capacity building plans |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | Low and medium capacity municipalities  |
| <b>Spatial Transformation (where applicable)</b>          | Preferential treatment will be afforded to municipalities in rural districts  |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | Actual performance that is higher than targeted performance is desirable  |
| <b>Indicator Responsibility</b>                           | Chief Director: Technical Skills  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of Districts supported with the implementation of integrated infrastructure plans through DDM</b>  |
| <b>Definition</b>   | To support Districts with the implementation of infrastructure plans through the DDM. MISA will support selected districts within the 44 districts for the development and implementation of infrastructure development plans to advance the implementation of the DDM |
| <b>Source of data</b>                                     | District Profiles and District One Plan  |
| <b>Method of Calculation / Assessment</b>                 | Simple count   |
| <b>Means of verification</b>                              | Progress reports by MISA on the implementation of the integrated infrastructure plans through DDM  |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>• All DDM forums are functional</li> <li>• Funding for implementation will be available from the DM and / or relevant LM's</li> </ul>   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-cumulative   |
| <b>Reporting Cycle</b>                                    | Annually   |
| <b>Desired performance</b>                                | <ul style="list-style-type: none"> <li>• To have integrated infrastructure development plans implemented in all the Districts</li> <li>• Municipality implement projects which are in line with District One plan</li> </ul>   |
| <b>Indicator Responsibility</b>                           | CD: IDMSC  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of SPLUMA Compliant municipal spatial plans, policies, structures and systems reviewed</b>   |
| <b>Definition</b>   | <p>MISA will provide technical support towards the review of SPLUMA compliant spatial plans or related activities in identified Municipalities within 44 Districts. SPLUMA Compliant Plans and related activities will include on or more of the following</p> <ul style="list-style-type: none"> <li>• Spatial Development Frameworks</li> <li>• Capital Expenditure Frameworks</li> <li>• Land-use schemes,</li> <li>• policies,</li> <li>• bylaws,</li> <li>• GIS and e-lodgement systems,</li> <li>• Municipal Planning Tribunals and related activities in identified municipalities</li> </ul> <p>In instances where the development of the above mentioned require funding, the Municipality will budget for or MISA will assist where funding where possible subject to availability of budget. However, MISA where possible will take advantage of District Development Model to pursue relevant government agents to prioritise funding for the development and implementation of SPLUMA compliant plans, Municipal spatial plans, policies, structures and systems and related activities. Within some municipalities, development of new SPLUMA compliant plans may happen.</p> <p>Municipal sector plans and DDM Profiles, outdated Spatial Development Frame works</p> |
| <b>Source of data</b>                                     | Simple Count   |
| <b>Method of Calculation / Assessment</b>                 | Progress Reports on the review of SPLUMA Compliant municipal spatial plans, policies, structures and systems   |
| <b>Means of verification</b>                              | <ul style="list-style-type: none"> <li>• Municipalities will budget for the development and implementation of SPLUMA compliant plans, policies, structures and systems</li> </ul>  |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>• MISA will allocate budget for the review and development of SPLUMA compliant plans, policies, structures and systems</li> <li>• Outdated SDFs, Spatial Plans, Land Use Schemes, policies and bylaws</li> </ul>  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | This indicator will contribute to long term objective of ensuring that development and optimal land use are in line with SPLUMA principles of Spatial justice, Spatial sustainability, Efficiency and Spatial Resilience   |
| <b>Calculation Type</b>                                   | Non-Cumulative   |
| <b>Reporting Cycle</b>                                    | Annually   |
| <b>Desired performance</b>                                | 100% Achievement.  |
| <b>Indicator Responsibility</b>                           | CD:IDMSC   |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of IDP's reviewed.</b>  |
| <b>Definition</b>   | <p>MISA will provide technical support with the review and update (if applicable) of Integrated Development Plans' or related activities in identified municipalities within the 44 Districts and report on progress thereof. Integrated Development Plans related activities will include one or more of the following:</p> <ul style="list-style-type: none"> <li>• Development Planning related Sector plans, policies and systems</li> <li>• Human Settlement Plans, Tourism Strategy, Local Economic Development Plans or other related plans</li> </ul> |
| <b>Source of data</b>                                     | Current Integrated Development Plans' and related activities  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Progress Reports on the review and update (if applicable) of Integrated Development Plans or related activities   |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>• Municipalities will budget for the development or review of IDPs, Development Planning related Sector plans, policies and systems</li> <li>• MISA will allocate budget for the review and update (if applicable) of IDPs, Development Planning related Sector plans, policies and systems subject to availability of budget</li> </ul>   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | This indicator will contribute to the long-term objective of ensuring municipal integrated development planning in line with the District Development Model approach  |
| <b>Calculation Type</b>                                   | Non-Cumulative  |
| <b>Reporting Cycle</b>                                    | Annually  |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD:IDMSC  |



|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of Districts supported to implement Solid Waste/Integrated Waste Management (IWM) services</b>  |
| <b>Definition</b>   | <p>MISA in consultation with other sector departments will assist the identified Municipalities within the 44 Districts to review, develop, or implement the SW/IWM plans, or related work (services). Related works being one or more of the following, e.g.</p> <ul style="list-style-type: none"> <li>• Assistance with recycling</li> <li>• Assistance with site management</li> <li>• Assistance for funding applications for plant and equipment, etc.</li> <li>• Assistance with the application for MIG funding for Transfer Stations and/or material recycling facilities</li> </ul>   |
| <b>Source of data</b>                                     | Existing IWMPs, DEFF, and Municipal/ District or Provincial Data  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Quarterly Progress Reports on the review or development or implementation of Solid  |
| <b>Assumptions</b>  | <p>Waste/Integrated Waste Management Plans or related works.</p> <ul style="list-style-type: none"> <li>• Approved Terms of references for the appointment of Professional Service Providers where applicable</li> <li>• Develop Business Plans where applicable (Where both MISA &amp; LM cannot fund projects, MISA can assist with development of Business Plans for sourcing of funds from different entities)</li> <li>• Municipalities budget for the development or implementation of IWMP plans, or waste management work items (if related to an IWMP or not)</li> <li>• MISA is allocates budgets for the development of IWMP Plans</li> <li>• Buy-in from the relevant sector departments</li> </ul> |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Cumulative (year-end)   |
| <b>Reporting Cycle</b>                                    | Bi-Annual   |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD:IDMSC  |

|   |  |
|---|--|
| <b>Indicator Title</b>                                    | <b>Number of districts supported to improve capacity and access to electricity services with implementation of a performance monitoring strategy and electricity supply management strategies</b>  |
| <b>Definition</b>   | <p>MISA will support identified municipalities within 44 districts in improving reliability of electricity and access to electricity to their customers with the aim of improving service delivery. MISA's support will entail one or more of the following activities;</p> <ul style="list-style-type: none"> <li>• Implementation of the Network Performance Monitoring Strategy to measure frequency and duration of electrical network interruptions</li> <li>• Identification municipalities in developing and or implementing strategies for management of electricity supply which will be aimed at improving access to electricity</li> <li>• Improving capacity by supporting the implementation of integrated national electrification programme (INEP) through development of business plans and conducting site inspections</li> <li>• MISA will provide technical support to municipalities based on the needs identified by the infrastructure inspections and analysis</li> </ul> |
| <b>Source of data</b>                                     | <p>Progress report implementation of systems and processes for the assessment of performance of municipal electrical network.</p> <p>Development and or Implementation progress reports of electricity supply management strategies</p>  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | <p>Report on the implementation of systems and processes for the assessment of performance of municipal electrical network approved by CD: IDMSC.</p> <p>Development and or Implementation reports of electricity supply management strategies interventions approved by CD: IDMSC</p>   |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>• Municipalities do not currently have systems and processes for the assessment of performance of municipal networks</li> <li>• Municipalities will provide support to the implementation of the performance tool and development or implementation of electricity supply management strategies</li> <li>• Municipalities will allocate relevant officials to assist with data collection and completion of the developed network performance tool</li> <li>• Municipalities budget for the implementation of developed electricity supply management strategies</li> <li>• Infrastructure Inspections include inspection of electrical infrastructure</li> </ul>   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | This indicator will contribute to long term objective of ensuring that Municipalities improve reliability and access to electricity with the aim of improving service delivery   |
| <b>Calculation Type</b>                                   | Non-Cumulative   |
| <b>Reporting Cycle</b>                                    | Annually   |
| <b>Desired performance</b>                                | 100% Achievement   |
| <b>Indicator Responsibility</b>                           | CD:IDMSC   |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of districts supported with the compilation and implementation of infrastructure functionality assessment reports</b>  |
| <b>Definition</b>   | To assess the functionality of water and sanitation as well as electricity infrastructure including capacity to maintain infrastructure assets and implement infrastructure projects within municipalities. The MISA inspectorate will advise on alternative technologies for infrastructure delivery and identify priority intervention areas to improve the delivery and functionality of water and sanitation as well as electricity infrastructure |
| <b>Source of data</b>                                     | Final assessment report per district   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Q2 – Q4: Quarterly assessment reports on the state of municipal infrastructure for districts assessed<br>Q4: One Final Report Card on the state of municipal infrastructure for districts assessed, approved by the CD: IAA  |
| <b>Assumptions</b>  | Available staff in municipalities to assist in identifying the location of existing municipal infrastructure assets relating to water, sanitation and electricity  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Cumulative (Year-end)  |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 100% Achievement   |
| <b>Indicator Responsibility</b>                           | CD:IAA   |

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|---|---|
| <b>Indicator Title</b>                                    | <b>Number of districts supported with the implementation of IDMS</b>  |
| <b>Definition</b>   | To support identified municipalities in implementation of Treasury developed Infrastructure Delivery Management System (IDMS) using Standards for Infrastructure Procurement and Delivery Management (SIPDM) as a guide. MISA will provide support to municipalities through training municipality on the IDMS modules, hand-holding the municipality to implement IDMS. MISA will support municipalities to institutionalise IDMS and also support municipalities that face underspending and procurement challenges to make use of framework contracts and appoint contractors to provide the necessary services. MISA will also target those municipalities that lack technical resources to implement infrastructure projects |
| <b>Source of data</b>                                     | Standards for Infrastructure Procurement and Delivery Management (SIPDM)  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Quarterly progress reports on municipalities implementing IDMS approved by CD: Framework Contracts and Infrastructure Procurement   |
| <b>Assumptions</b>  | Workshops conducted (agenda, attendance registers and minutes of the workshop).<br>There is buy-in by the municipalities  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-Cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100%  |
| <b>Indicator Responsibility</b>                           | CD: Framework Contracts & Infrastructure Procurement  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of districts supported with the enhancement of Infrastructure procurement practices</b>  |
| <b>Definition</b>   | MISA to identify those municipalities that are facing the challenges with the infrastructure procurement and support those municipalities with the enhancement of procurement practices as may be determined by the need |
| <b>Source of data</b>                                     | Any procurement strategies and reports from the municipalities   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Quarterly progress reports indicating the nature of support rendered to municipalities   |
| <b>Assumptions</b>  | There is buy-in by the municipalities  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Cumulative (Year-end)  |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 100%   |
| <b>Indicator Responsibility</b>                           | CD: Framework Contracts and Infrastructure Procurement   |

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|---|---|
| <b>Indicator Title</b>                                    | <b>Annual report developed on the state of municipal functionality for infrastructure service delivery</b>  |
| <b>Definition</b>   | The objective of this indicator is to develop proxy indicators for municipal functionality for service delivery that will enable government to know which municipalities are functional, at risk or dysfunctional for infrastructure services provision. This will allow government to know which municipalities need support and where (along the infrastructure value chain) that support is required |
| <b>Source of data</b>                                     | National government, Stats SA and municipalities  |
| <b>Method of Calculation / Assessment</b>                 | Simple count  |
| <b>Means of verification</b>                              | Quarterly progress reports on progress towards completion of annual report on the state of municipal functionality for infrastructure service delivery report   |
| <b>Assumptions</b>  | Availability of credible information, budget and municipalities   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD: Project Management  |



|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities</b>  |
| <b>Definition</b>   | The objective of this indicator is to increase municipal support through partnerships with other government entities, the private sector and non-governmental / not for profit organisations and or institutions of higher education on technical aspects of the delivery chain |
| <b>Source of data</b>                                     | National government, Stats SA and municipalities  |
| <b>Method of Calculation / Assessment</b>                 | Simple count  |
| <b>Means of verification</b>                              | Quarterly progress reports on municipalities supported to improve infrastructure development through partnerships with public or private sector or non-governmental entities  |
| <b>Assumptions</b>  | Availability of credible information, budget and municipalities. Willingness of sector partners to collaborate to improve local government  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD: Project Management  |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported with implementation of long-term infrastructure investment plans through DDM</b>   |
| <b>Definition</b>   | Support municipalities to implement projects outlined in the long-term infrastructure investment plans (also known as Capital Expenditure Frameworks) by identifying bankable projects, facilitating the preparation of the projects and identifying funding sources for the implementation of the selected projects |
| <b>Source of data</b>                                     | Progress reports on Infrastructure Sector Plans  |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Quarterly progress reports on support provided to implement CEF's  |
| <b>Assumptions</b>  | Availability of CEF's  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-Cumulative   |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | Implementation of projects selected from the long term plans   |
| <b>Indicator Responsibility</b>                           | CD: Infrastructure Financing   |

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|---|--|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported to access alternative funding sources for infrastructure development through DDM</b>   |
| <b>Definition</b>   | MISA will support municipalities to access private sector funding by identifying institutions/financiers that are willing to play in the municipal space with the aim of identifying new innovative funding solutions to manage the entire value chain of municipal infrastructure provision |
| <b>Source of data</b>                                     | Municipal Data   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count   |
| <b>Means of verification</b>                              | Quarterly progress reports on the number of municipalities supported to prepare bankable projects and access private sector funding  |
| <b>Assumptions</b>  | There is buy-in by the municipalities; there is a need for alternative funding for infrastructure development  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  |
| <b>Calculation Type</b>                                   | Non-Cumulative   |
| <b>Reporting Cycle</b>                                    | Quarterly  |
| <b>Desired performance</b>                                | 100% Achievement   |
| <b>Indicator Responsibility</b>                           | CD: Infrastructure Financing   |

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Number of municipalities supported to plan and implement climate friendly projects through infrastructure grants and access funding for climate change mitigation and adaptation projects</b>  |
| <b>Definition</b>   | MISA will support municipalities to identify bankable infrastructure projects, facilitate the preparation of projects and to support municipalities to access the 1 infrastructure funding available to mitigate against the impact of climate change. These include the transfers from National and Provincial government, local and international private financiers, green climate fund, climate adaptation fund and the global environment fund |
| <b>Source of data</b>                                     | National and Provincial government, local and international private financiers, Green climate fund, climate adaptation fund and the global environment fund information documents etc   |
| <b>Method of Calculation / Assessment</b>                 | Simple Count  |
| <b>Means of verification</b>                              | Progress reports indicating support provided to municipalities with access to climate change funding/finance  |
| <b>Assumptions</b>  | Municipalities have projects that can be funded through the climate change funds  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | The beneficiaries of this outcome will be the citizens of the identified Municipalities   |
| <b>Spatial Transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Non-Cumulative  |
| <b>Reporting Cycle</b>                                    | Quarterly   |
| <b>Desired performance</b>                                | 100% Achievement  |
| <b>Indicator Responsibility</b>                           | CD: Infrastructure Financing  |

## Notes

## Notes







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