



**cooperative
governance**

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

Annual Performance Plan for 2023/2024



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

Editorial, coordination, design and layout: MISA Communications

ISBN: 978-0-621-50670-9

RP300/2022

This report is also available on www.misa.gov.za

TABLE OF CONTENTS

LIST OF ABBREVIATIONS/ACRONYMS	5
EXECUTIVE AUTHORITY STATEMENT	7
DEPUTY MINISTER STATEMENT	9
ACCOUNTING OFFICER STATEMENT	10
OFFICIAL SIGN OFF	12
PART A: OUR MANDATE	13
1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES	14
1.1 Legislative Mandates	14
1.2 Policy Mandates	15
1.2.1 National Development Plan (NDP) 2030	15
1.2.2 Sustainable Development Goals	17
1.2.3 Agenda 2063	18
1.2.4 District Development Model	19
1.2.5 National Spatial Development Framework	21
1.2.6 Medium Term Strategic Framework	22
2. UPDATED INSTITUTIONAL POLICIES AND STRATEGIES	23
2.1 State of the Nation Address	23
2.2 DCOG Priorities over the MTSF Period	24
3. RELEVANT COURT RULINGS	24
PART B: OUR STRATEGIC FOCUS	25
4. VISION	26
5. MISSION	26
6. VALUES	26
7. SITUATIONAL ANALYSIS	26
7.1 External Environment Analysis	26
7.2 Internal Environment Analysis	33
7.3 Theory of Change	37
PART C: MEASURING OUR PERFORMANCE	42
8. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	43
8.1 Programme: Administration	43
8.1.1 Purpose	43

8.1.1.1 Sub-programme: Executive Support, Strategy and Systems	43
8.1.1.2 Sub-programme: Corporate Management Services	43
8.1.1.3 Subprogramme: Financial Management Services	44
8.1.2 Outcomes, Outputs, Performance Indicators and Targets	45
8.1.3 Indicators, Annual and Quarterly Targets	46
8.1.4 Explanation of Planned Performance over the Medium Term Period	47
8.1.5 Programme Resource Considerations	47
8.2 Programme: Technical Support Services	48
8.2.1 Purpose	48
8.2.1.1 Subprogramme: Infrastructure Assessment and Analysis	48
8.2.1.2 Subprogramme: Infrastructure Delivery, Maintenance and Stakeholder Coordination	49
8.2.1.3 Subprogramme: Technical Skills	49
8.2.2 Outcomes, Outputs, Performance Indicators and Targets	50
8.2.3 Indicators, Annual and Quarterly Targets	54
8.2.4 Explanation of Planned Performance over the Medium Term Period	57
8.2.5 Programme Resource Considerations	60
8.3 Programme: Infrastructure Delivery Management Support	61
8.3.1 Purpose	61
8.3.1.1 Subprogramme: Project Management	62
8.3.1.2 Subprogramme: Framework Contracts and Infrastructure Procurement	62
8.3.1.3 Subprogramme: Infrastructure Financing	62
8.3.2 Outcomes, Outputs, Performance Indicators and Targets	63
8.3.3 Indicators, Annual and Quarterly Targets	65
8.3.4 Explanation of Planned Performance over the Medium Term Period	66
8.3.5 Programme Resource Considerations	69
9. UPDATED KEY RISKS AND MITIGATIONS	70
10. PUBLIC ENTITIES	71
11. INFRASTRUCTURE PROJECTS	72
12. PUBLIC PRIVATE PARTNERSHIPS	73
PART D: TECHNICAL INDICATOR DESCRIPTIONS	74
ANNEXURES	
ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN 2020 – 25	91

LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBEE	Broad Black Economic Empowerment
CEO	Chief Executive Officer
CoGTA	Cooperative Governance and Traditional Affairs
CSIP	Corporate Services Improvement Plan
DCOG	Department of Cooperative Governance
DDG	Deputy Director General
DDM	District Development Model
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
ESD	Enterprises and Supplier Development
FCIP	Framework Contracts and Infrastructure Procurement
FIDPM	Framework for Infrastructure Delivery and Management
GICTM	Government Information and Communication Technology
GTAC	Government Technical Assistance Centre
IAA	Infrastructure Assessment Analysis
IDPs	Integrated Development Plans
IDMS	Infrastructure Delivery Management System
IDMS	Infrastructure Delivery Management Support Programme
IDMSC	Infrastructure Delivery, Maintenance and Stakeholder Coordination Sub programme
IDSP	Infrastructure Delivery System and Processes
IEEE	Institute of Electrical and Electronics Engineers
IUDF	Integrated Urban Development Framework
IWMPs	Integrated Waste Management Plans
LGTAS	Local Government Turnaround Strategy
LIC	Labour Intensive Construction
MFMA	Municipal Finance Management
MIG	Municipal Infrastructure Grant
MIIF	Municipal Infrastructure Investment Framework
MIPMIS	Municipal Infrastructure Performance Management Information System
MISA	Municipal Infrastructure Support Agent
MSIPS	Municipal Support and Intervention Plans
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDMC	National Disaster Management Centre
NDP	National Development Plan
NRS	National Rationalised Specifications
NSDF	National Spatial Development Framework
NT	National Treasury
NWMS	National Waste Management Strategy
NWSMP	National Water and Sanitation Master Plan
OSD	Occupation Specific Dispensation
PES	Presidential Employment Stimulus
PMBOK	Project Management Body of Knowledge
PPE	Property Plant and Equipment
PPLCM	Project and Programme Management Life Cycle Management
PPP	Public Private Partnerships

PSA	Public Service Act
PSPs	Professional Service Providers
RMSC	Regional Management Support Contract
RPL	Recognition of Prior Learning
SAICE	South African Institution of Civil Engineering
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SOE	State Owned Enterprises
SOLG	State of Local Government Report
SONA	State of the Nation Address
SP	Strategic Plan
SPLUMA	Spatial Planning and Land Use Management Act
SETAs	Sector Education and Training Authorities
SWOT	Strength, Weaknesses, Opportunities and Threats
TS	Technical Skills Sub programme
TSS	Technical Support Services Programme
WC/WDM	Water Conservation or Water Demand Management

Executive Authority Statement



Over the last three financial years, our work as government was predicated around our response programme to mitigate the impact of the Covid-19 pandemic that gripped the entire world. Although the pandemic wrecked economies across the globe, its impact was more severely felt in such vulnerable countries as our own. Our broad response since 2019 forced us to conduct all our activities under restrictions inevitably imposed upon us due to disaster management regulations. Although the whole world has been witnessing the easing off the pandemic since the beginning of 2022, it is now patently clear that we shall continue to endure its effects for the foreseeable future. The reality we are facing will continue to be framed by the restrictions of the recent past,

and the severe bottlenecks in supply chains resulting in widespread shortages of numerous goods and commodities across the globe. These challenges have, in turn, sparked inflation to accelerate in almost all economies. Most countries, including South Africa, have responded to this threat of runaway inflation by continually raising interest rates with the direct consequence of economic slowdown.

In 2020 government introduced the District Development Model, DDM, to strengthen coordination of its development programmes, and improve the system of cooperative governance, harnessing a strategic, all of government approach to maximise socio-economic development, and to implement practical methods to step up the intergovernmental relations system with the DDM approach. Working in unison means planning, budgeting and implementing as one, while we hold each other accountable along the process towards not only service delivery, but about the importance of ensuring the holistic development of all our communities in our country.

Considering the current economic slump, municipalities are bound to experience declining revenue owing to anticipated lower payment rate by consumers and decreasing fiscal transfers. Local government is in desperate need for additional resources to address growing backlogs in respect to maintenance and refurbishment of their aging infrastructure for basic services provision. It is important to acknowledge that municipalities have previously not given this area sufficient attention. Consequently, the frequency of service breakdowns due to poorly maintained infrastructure has increased in the recent past.

As a strategy to address the growing gap between maintenance backlogs and available funding, National Treasury has agreed to set up a dedicated grant that will allow municipalities to access additional resources for infrastructure refurbishment. Furthermore, the Municipal Infrastructure Support Agent (MISA) has been and continues to support municipalities to explore and exploit alternative funding sources towards effective and efficient implementation of their infrastructure programmes. It is critical for municipalities to optimise other funding mechanisms for infrastructure development without undermining their long-term financial viability.

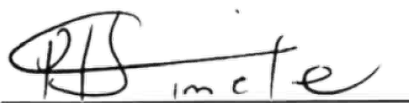
In the last financial year MISA continued to contribute immensely to job creation though spearheading the Labour-Intensive Construction (LIC) methods in the implementation of

infrastructure projects and the innovative waste management programme. These two initiatives are part of the Presidential Economic Stimulus package that was initiated in response to the Covid-19 pandemic. Another key contribution of MISA towards alleviating the impact of the pandemic, especially in vulnerable communities, was the construction of boreholes to expand access to water across the country. MISA is also contributing to economic development by playing a leading role in the implementation of the Eastern Seaboard Development (ESD) as part of the President's vision of creating new smart cities across the country. The ESD spans two provinces of Kwazulu-Natal and Eastern Cape encompassing four districts in the area. The entire area covered by the ESD was declared as a region, in terms of SPLUMA, in June 2022. One of the strategic initiatives linked to the ESD is the 'skills revolution' that aims to significantly enhance the skills base in the ESD region. MISA is also spearheading the poverty eradication programme that will be piloted in the region.

The resilience of our infrastructure was tested to the limit by the devastating floods that visited Kwazulu-Natal at the beginning of 2022. The extent and nature of damage caused by those floods clearly revealed grave weaknesses in our planning and construction processes. It is therefore crucial for MISA to extend its support towards improved planning and construction with the view to enhancing the ability of resilient infrastructure, as the country implements its adopted Nationally Determined Contributions, NDCs, in the 44 districts and 8 Metropolitan municipalities in order to withstand the impact of climate change.

Through the provisions of "Section 20 of the Employment Equity Act, 1998, Cabinet has set the numerical goals of 50% representation of women at SMS level, and 30% representation of youth and 2% representation of persons with disability in the workforce. MISA, as a designated employer, has developed its own employment equity plan for the period 1 April 2021 until 31 March 2024 in which it sets the target for the institution to attain the goals set by Cabinet by 31 March 2024." MISA has also embarked on a drive to respond to the requirements of Broad-Based Black Economic Empowerment (BBB-EE) Act with an aim to promote increased participation of emerging enterprises in MISA's procurement activities. This will be done through identification and assessment of minor contract opportunities, promotion of partnerships between MISA and the private sector, skills transfer, training and accessibility to the processes of procurement through the implementation of the Emerging Enterprises and Supplier Development Support Programme of MISA.

We will continue to provide crucial support within the local government space to enable municipalities to provide quality services to communities. I remain fully committed to supporting MISA in the implementation of their annual performance plan 2023/24 and their revised strategic plan 2020–2025 by providing continuous guidance and exercising my executive oversight.



Ms Thembi Nkadimeng, MP

Minister of Cooperative Governance and Traditional Affairs

Deputy Minister Statement



As we continue our journey of reinvigorating a developmental local government through the implementation of the District Development Model, the DDM, and facilitating all the three spheres of government and state entities to work in unison, in an impact-oriented way, the DDM will be the main vehicle to reimagine the future of all 44 Districts and the 8 metros in our country. The implementation of DDM will guide us on how we organise the interventions and programmes that build state capacity, and delivery to achieve our development agenda.

MISA will continue to play an important role in the rollout of the District Development Model, which will require transforming and capacitating MISA, to provide a turn-around in the provision of basic municipal services to the communities in the 25 spaces. Infrastructure is a catalyst for development that ultimately creates employment opportunities, reducing poverty and inequality. It is therefore important to increase financing for municipal infrastructure through a range of instruments, including blended financing instruments, pooled finance and an increase in private sector participation in infrastructure projects. This will be in addition to MISA playing its role in ensuring that municipalities' planning and delivery of infrastructure is aligned and spatially coordinated, promoting and supporting the implementation of alternative forms of labour-intensive infrastructure projects, improving access to water and sanitation services, supporting the development and rollout of long-term resilient infrastructure investment plans for each district space and supporting municipalities to reduce their environmental impact through waste minimisation. MISA will also 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 District Development Model.

MISA's contribution to the strengthening of technical skills capacity in municipalities will be enhanced to ensure the deployment of a technical expert team that will work with provinces, sector departments and other development partners based on the lessons drawn from the DDM pilots. The aim of these training programmes for municipal officials is to enhance their technical capacity for delivering municipal infrastructure and improving service delivery while the learning programmes seek to create a pool of qualified artisans and graduates from which municipalities can recruit, with the aim of bolstering their internal capacity.

I would like to express my sincere gratitude to the Minister for her astute leadership and guidance as well as the top management within MISA, as we embark, once more on this challenging task of positioning government for impactful service delivery at municipal level.

A handwritten signature in black ink, appearing to read 'P. Tau'.

Mr Parks Tau, MP
Deputy Minister of Cooperative Governance

Accounting Officer Statement



MISA's mandate is aligned with the NDP vision of enhancing the capacity of local government to enable this sphere to effectively execute its mandate. Accordingly, MISA plays a leading role in supporting municipalities to perform key 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, together with key sector departments, provincial government, social partners, will lead the support of government's efforts in accelerating the provision of basic municipal services to communities within our country.

Some of the key accomplishments for MISA in the previous financial year, was to continue with its support for the fifteen municipalities on the implementation of infrastructure programmes/projects through Labour Intensive Construction (LIC) methods. This programme forms part of the Phase 1 of the Presidential Employment Stimulus (PES) package which is aimed at improving labour-intensity in the implementation of roads, water and sanitation projects in targeted municipalities. In addition to the LIC methods, MISA through the latest PES package approval, supported 25 municipalities in piloting implementation of innovative technologies and/or methods for solid waste management solutions.

In the previous financial year, MISA provided support to fifteen municipalities in Limpopo and Mpumalanga with the implementation of their comprehensive municipal capacity development plans. MISA's work in municipalities resulted in 519 municipal officials being trained on short courses covering various aspects of municipal infrastructure management; the enrolment of 100 and 39 learners in our apprenticeship and experiential learnership programmes respectively; enrolment of at least 143 graduates in the young graduates programme; the provision of bursaries to 100 students towards technical qualifications relevant to local government infrastructure management and enrolling 57 municipal officials in MISA's Recognition of Prior Learning (RPL) programmes. MISA provided support in the implementation of 10 municipal water conservation or water demand management (WC/WDM) strategies, with 8 districts being supported to improve their infrastructure asset management practices. A further 30 districts were supported with the implementation of operations and maintenance related activities; and 10 districts supported to implement solid waste/integrated waste management (IWM) services. Ten districts were supported to improve capacity and access to electricity services through the implementation of performance monitoring and electricity supply management strategies.

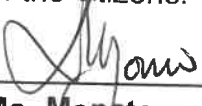
MISA in partnership with National Treasury (NT) supported 8 municipalities with the implementation of the Infrastructure Delivery Management System (IDMS), whilst a further 23 municipalities were engaged and supported with the enhancement of infrastructure procurement practices. MISA supported seven municipalities to access alternative funding sources for their infrastructure development projects, with a further five municipalities

supported to plan and implement climate friendly projects. Ten municipalities were supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.

MISA's focus for the next financial year will be to continue to enable and build impact in its support, leveraging on its capacity and the strengths of other institutions within and outside the public sector in its endeavours to strengthen the infrastructure delivery capability of municipalities, through the implementation of the District Development Model using the skills development and learnerships programmes whilst it carries out its assigned responsibility of leading the coordination and planning of the Eastern Seaboard Development Project. This project which encompasses four district municipalities in the Eastern Cape and Kwazulu-Natal Provinces, is in the form of a targeted developmental agenda that will ultimately result in a new smart coastal African city. MISA will continue to support Phase 2 of the Presidential Employment Stimulus, that will be rolling out jobs and livelihood support within our communities. All the projects that MISA continues to implement, are positioned to give effect to the District Development Model targeted at 44 districts and 8 metropolitan spaces across our country to unlock delivery constraints to enable the acceleration of infrastructure development.

Enterprise development has been embodied in various business models around the world, including components of integrated business support services. These models are effective when driven by businesses with appropriate skills, experienced and dedicated capacity. It is essential that the MISA works with business development not only through selected programmes but incorporate it into the execution of projects geared towards service delivery to communities. South African government is aware of the fact that Emerging Micro Enterprises play a pivotal role in job creation, economic growth and poverty alleviation, with MISA having potential to increase enterprise and supplier development within its infrastructure and service delivery. To this end, MISA has developed and approved its Enterprise and Supplier Development (ESD) policy for implementation in the 2023/24 financial year.

It is my pleasure to acknowledge the astute leadership and guidance provided by the Minister, Deputy Ministers, and the Director-General for Cooperative Governance during the preparation of the 2023/24 annual performance plan and revised strategic plan 2020 - 2025. I also acknowledge the crucial role played by the management team within MISA in the process of compiling this annual performance plan and revised strategic plan. MISA will continuously adapt its strategic focus and operational model to achieve the output indicators and targets in the 2023/24 annual performance plan and respond appropriately to the needs of the citizens.



Ms. Mapatane Kgomo
Acting Chief Executive Officer
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 (MISA) under the guidance of the Honourable Minister of Cooperative Governance and Traditional Affairs (CoGTA), Ms Thembi Nkadimeng;
- Takes into account all relevant policies, legislation and other mandates for which MISA is responsible;
- Accurately reflects the outcomes and outputs which MISA will endeavour to achieve over the period 2023/24.

Signature: _____

Ms. Mapatane Kgomo

Deputy Director General: Infrastructure Delivery Management Support (IDMS)

Signed by: Allan Zimbwa
Signed at: 2023-04-11 17:51:06 +02:00
Reason: Witnessing Allan Zimbwa

Signature: _____

Mr. Allan Zimbwa

Deputy Director General: Technical Support Services (TSS)

Signature: _____

Ms. Fezeka Nombembe Ofosu

Chief Financial Officer (CFO)

Signature: _____

Mr. Victor Mathada

Chief Director: Executive Support, Strategy and Systems (ESSS)

Signature: _____

Ms. Mapatane Kgomo

Acting Chief Executive Officer

Approved by:

Signature: _____

Ms. Thembi Nkadimeng, MP

Minister of Cooperative Governance and Traditional Affairs

Part A:

Our Mandate

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1. Updates to the Relevant Legislative and Policy Mandates

1.1. Legislative Mandates

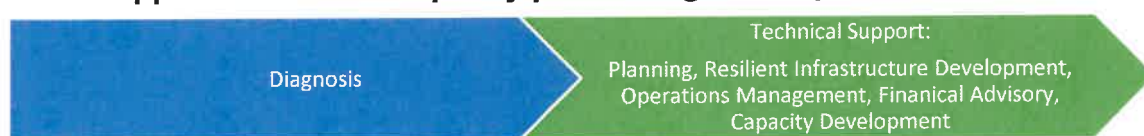
MISA is a government component established under the Cooperative Governance and Traditional Affairs Portfolio, in terms of section 7(5) (c) of the Public Service Act (PSA), 1994 and derives its mandate from section 154(1) of the Constitution of the Republic of South Africa, 1996. Its establishment was 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. The Total MIG expenditure peaked to 91.28% by the end of June 2021. However, there are on average 39 municipalities spending less than 70% of their MIG allocation (as published and not as adjusted later in the year) from 2017-2018 to 2021-2022. The majority are deemed dysfunctional, and the 39 underspending municipalities are prioritized for focused support in 2023-24 financial year by provincial and national departments in accordance with the District Development Model (DDM).

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
Clean Water and Sanitation – 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.
Affordable Clean Energy – 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	MISA's focus areas in relation to access to energy include support to municipalities around the roll-out of INEP programme aimed at increasing access

Goal	Short Description	MISA's Focus Areas
	improve energy efficiency for environmental protection.	to electricity, improved reliability of existing electricity distribution networks and optimisation of energy efficiency measures.
Industry, Innovation and Infrastructure – 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.
Sustainable Cities and Communities – 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 and resources. To make cities sustainable requires 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.
Climate Action – take urgent action to combat climate change and its impact.	The 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 includes 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"> • Incomes, Jobs and decent work • Poverty, Inequality and Hunger • Social security and protection, including Persons with Disabilities • Modern and Liveable Habitats and Basic Quality Services
Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation	<ul style="list-style-type: none"> • Education and STI skills driven revolution
Transformed Economies	<ul style="list-style-type: none"> • Sustainable and inclusive economic growth
Environmentally sustainable and climate resilient economies and communities	<ul style="list-style-type: none"> • Sustainable natural resource management • Biodiversity conservation, genetic resources and ecosystems • Sustainable consumption and production patterns • Water security • Climate resilience and natural disasters preparedness and prevention • Renewable energy
Engaged and Empowered Youth and Children	<ul style="list-style-type: none"> • Youth and Children Empowerment

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 planning, budgeting 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. Mobilising 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 zero-carbon emissions in municipalities and facilitate a 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 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. The implementation of the MTSF 2019 – 2024 was however disrupted by the outbreak of the COVID-19 pandemic and the declaration of a National State of Disaster on the 15 March 2020. Government had to reprioritise its plans and budgets in response to the pandemic, which has had a devastating impact on the health, social and economic aspects of the lives of South Africans. The revised MTSF 2019 - 2024 was endorsed at the September 2021 Cabinet's Lekgotla resolution, with the revised MTSF 2019 – 2024, continuing to reflect government's plan of action over the remaining 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

The revised MTSF 2019 – 2024 prioritise government's commitments to prevail over the coronavirus pandemic and to work towards recovery. In the State of the Nation Address (SONA) of February 2022, the Honourable President, Mr Cyril Ramaphosa, stated that there is an agreement among a broad and diverse range of South Africans that fundamental reforms are needed to revive our economic growth and to create conditions for long-lasting stability and development. To achieve this, the President indicated that South Africa needs a new consensus, *"A consensus that is born out of a common understanding of our current challenging situation and a recognition of the need to address the challenges of unemployment, poverty and inequality"*. This should be a new consensus which recognises that the state must create an environment in which the private sector can invest and unleash the dynamism of the economy. This work will build on the foundation of the Economic Reconstruction and Recovery Plan, which remains our common programme to rebuild the economy.

The Honourable President, further states that the focussed and priorities of his previous year State of Nation Address still remains. These commitments include the following areas: outline these commitments and included the following areas:

- Firstly, to overcome the COVID-19 pandemic;
- Secondly, a massive rollout of infrastructure development;
- Thirdly, a substantial increase in local production;
- Fourthly, an employment stimulus to create jobs and support livelihoods; and
- Fifthly, ensuring the rapid expansion of our energy generation capacity.

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 further stated that we are proceeding with our efforts to strengthen the local government infrastructure and accelerate service delivery through the District Development Model. The model brings all three spheres of government to focus on key priorities and implementation of critical high impact projects. Working with both public and private sector partners, government is implementing a range of measures to support municipalities to address inadequate and inconsistent service delivery in areas such water provision, infrastructure build and maintenance. We are focusing on the appointment of properly qualified officials at a local level to ensure effective management and provision of services.

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 2023/2024 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 State of Local Government Report (SOLG) as presented by the Honorable Minister of Corporate Governance and Traditional Affairs (COGTA) to Cabinet on 30 June 2021, highlighted that out of a total of 257 municipalities, 64 municipalities were classified as dysfunctional, with the report also presenting the challenges faced by municipalities in addition to the summary of the findings by the Auditor General from the last audit cycle. Cabinet subsequently resolved that:

- COGTA and National Treasury should lead the process of the development of the Municipal Support and Intervention Plans (MSIPs) in collaboration with sector departments, SALGA, provinces and municipalities; and
- COGTA and National Treasury in collaboration with the provinces identify candidates for Interventions and propose the relevant mode of intervention that should be applied.

The MSIPs have since been developed. MISA is supporting municipalities with the implementation of the MSIPs together with other provincial and national government departments in accordance with section 154 of the Constitution. The support has not yet yielded required results as the number of dysfunctional municipalities increased from 64 in the 2021 assessment, to 66 in the 2022 assessment of the State of Local Government. To that end, in the coming year a focussed support approach on the same dysfunctional municipalities has been adopted by the Department of Cooperative Governance (DCOG) and Department of Traditional Affairs (DTA) with their entities. MISA has prioritised performance indicators that are impactful and resulting in improving the lives of the communities in dysfunctional municipalities e.g. ensuring improved access to basic services such as water, access roads, solid waste removal as well as perennial challenges like reduction of non-revenue water among others. DCOG and DTA, in accordance with the District Development Model (DDM) approach, will also focus on the same dysfunctional municipalities addressing governance and institutional challenges that are the main root causes of service delivery challenges. That will include ensuring functional Municipal Councils and their Committees, filling of vacancies especially for senior managers and participation of Traditional Leaders.

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. The low revenue collection coupled with other factors affecting municipal revenue is posing a serious threat to viability of municipalities and their ability to service the debt. As of August 2022, the overdue debt (over 90 days) owed by municipalities to Eskom was estimated at R44.8bn (National Treasury MFMA Section 41, August 2022 report). The debt to water boards was estimated at R14.9bn (Department of Water and Sanitation Annual Report 2018/19). According to National Treasury MFMA Section 41, August 2022, R30.3b of the overdue debt owed by municipalities Eskom is owed by 10 municipalities. The payment arrangements concluded between Eskom and municipality has not assisted as some municipalities are unable to honour these arrangements which results in litigations between Eskom and municipalities.

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. SALGA (Section 71 reporting 4th Quarter 2018/19) estimate the debt owed to municipalities to be over R165.5bn. 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 (2020) data shows that the country has made commendable strides with regard to access to basic services since 2002. The percentage of households connected to the mains electricity supply has increased to 91,8% across the country. Average household access to improved water source has increased to 89,1%. Almost two-thirds of South African households have access to flush toilets while 83,2% has access to

improved sanitation. Regular refuse removal is available for almost 62,7% households, however almost one-third (28,8%) uses own refuse dumps in the absence of services.

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

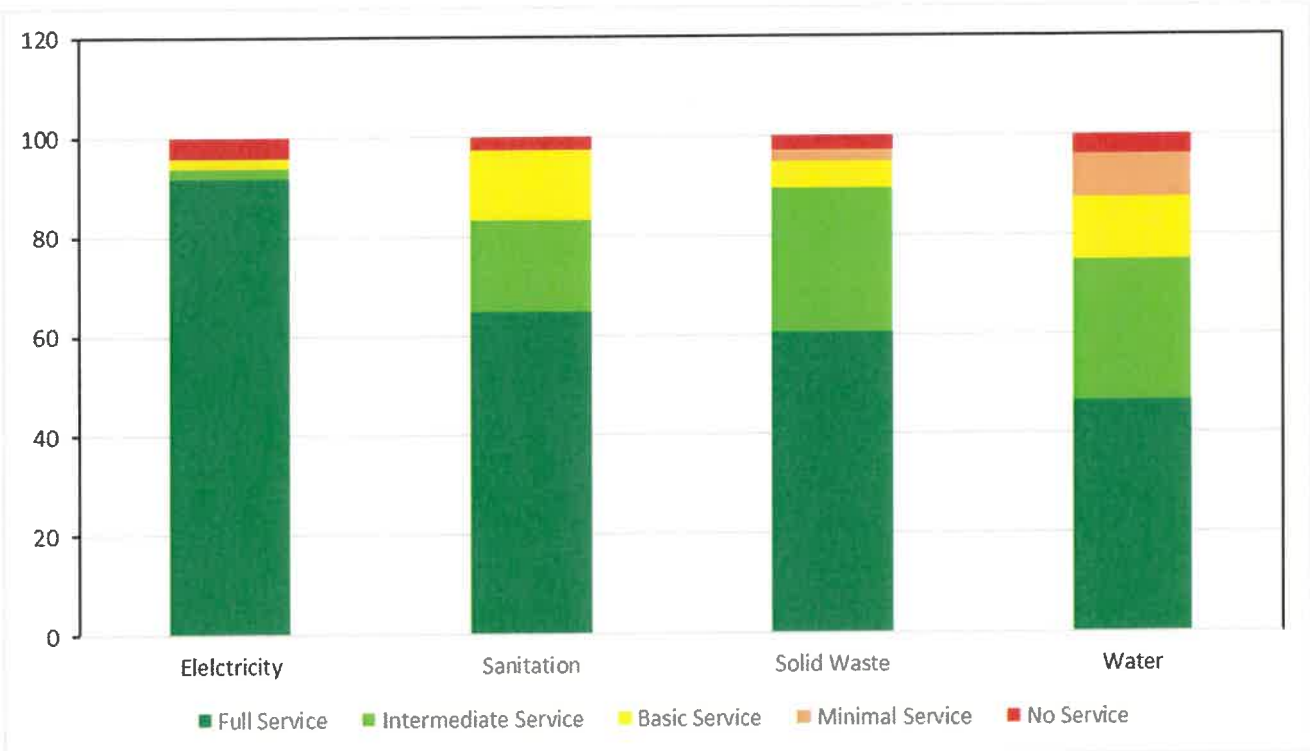


Diagram: Percentage household access to services (Source: Stats SA, GHS 2020)

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 91,8% of the households have full access to electricity (in-house pre- and post-paid electricity meters). The use of paraffin and wood as the source of energy for cooking continues to decline as electricity becomes more accessible. On the other hand, only 46,6% of the households have full access to water (piped water in dwelling) i.e., service level 5 in the Table below. Access to full sanitation (conventional water borne) is at 64,9% and full solid waste (removed once a week) services is, each, at 60,5

The table below 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 facility/dump anywhere	No access to electricity
2 = Minimal	Communal Standpipe >200m	Bucket toilets	Communal/Own refuse dump	Generator/Battery
3 = Basic	Communal standpipe <200m	Pit toilets without ventilation pipe	Communal container/Collection	Access to electricity but don't pay for it
4 = Intermediate	Pipe water in yard	VIP, cheical or ecological toilets	Removed less than once week	Solar electricity
5 = Full	Piepe water in dwelling	Conventional water borne	Removed at lest once a week	In-house prepaid and post-paid

Table: Differentiation in the levels of services provision (Source: Stats SA, 2020)

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 don't have formal asset management plans and therefore cannot properly budget for specific asset-care tasks and interventions. This is even though 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.

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 can 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 2021/22 a total of R5,99bn 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.

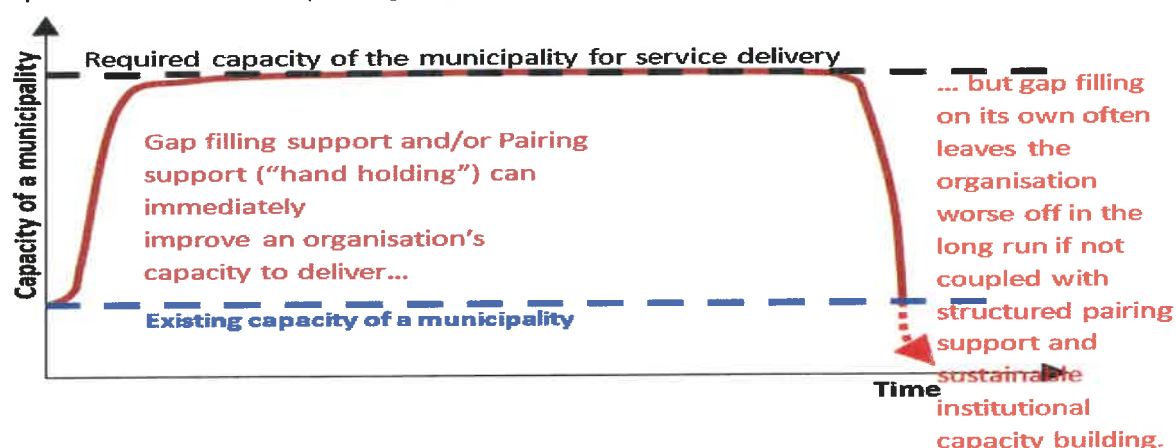
Financial Year	Number of Municipalities	% of Total	Amount Stopped ('R000)
2013/14	46	19%	678,159
2014/15	34	14%	956,760
2015/16	30	12%	828,669
2016/17	44	18%	939,834
2017/18	56	23%	669,219
2018/19	47	21%	549,226
2019/20	8	4%	119,000
2020/21	43	20%	563,000
2021/22	42	19%	689,000

Financial Year	Number of Municipalities	% of Total	Amount Stopped ('R000)
Total	350	100%	5,992,867

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 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 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 2019-20 MFMA audit outcome report by the Auditor General's report confirms previous findings highlights that out of the 257 municipalities audited, only 18 a handful municipalities managed to produce quality financial statements and performance reports, and complied with all key legislation, thereby receiving a clean audit. This is a regression from the 33 municipalities that received clean audits in the previous year. The AG's report notes that this is the highest level of the increasing non-compliance with key governance laws since 2011-12 in the past few years. This trend poses significant threats to MISA's role in providing support to municipalities as it tends to negate progress made in capacity building.

The State of local government report submitted by the Minister of Cooperative Governance and Traditional Affairs to Cabinet in June 2021 with concern the continued decline in service delivery across municipalities in the country. The report makes several recommendations including the following, which are relevant to the MISA mandate:

- The need to maintain and upgrade aging infrastructure treatment plants;
- To implement improved water conservation programmes;
- Alignment of social labour plans and service delivery challenges;
- Alignment of human settlement plans to basic infrastructure plans;
- Enhancement of capacity in technical divisions, through skills development programmes and filling of vacancies,
- Prioritise youth, women and people with disabilities to address high unemployment through implementation of grant funded projects; and
- Support municipalities to develop master plans, O&M plans, and revenue enhancement strategies.

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 held during July 2022 with management of the organisation, DCoG and DTA to discuss and deliberate on key thematic areas which will impact on 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 4.2.1 MISA's SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Filling of technical positions leading to improved institutional capacity and performance. • Improved governance leading to an improved internal control environment. • Filled senior management positions creating stability in the organisation. • In-depth experience in the municipal infrastructure space – planning and delivery. • Project management and engineering capability. • Earned reputation in the sector. • Clean financial audits. • Political support from the Ministry of DCoG. • Being part of the DCoG gives MISA leverage. 	<ul style="list-style-type: none"> • Capacity constraints to meet high demand for support by municipalities in the country. • Lack of automated processes and systems. • Insufficient knowledge and data management system. • No organisational wide performance • Reactive approach and crisis mode • Losing professionals to better remuneration in the private sector • Need to develop alternative incentives. • Training and development do not enhance technical skills. • Fragmented service delivery model • No authority over municipalities

	<ul style="list-style-type: none"> • Limited and defined role and value added to the DDM. • Insufficient budget to meet the demand for support.
Opportunities	Threats
<ul style="list-style-type: none"> • District Development Model for better coordination in local government support programmes. • Government intention to strengthen the role of MISA as a leader in municipal infrastructure support. • The urgency to extend water services to communities as a measure for mitigating the spread of the coronavirus has provided an opportunity to significantly reducing backlogs in relation to water and sanitation through the reprioritisation of MIG allocations. • Continuous professional development of existing staff (MISA highly skilled institution). • Build capacity of municipalities as Water Service Authorities. • Increased need to capacitate districts. • Strengthening reliable infrastructure funding through various grants. 	<ul style="list-style-type: none"> • Higher staff turnover in technical positions due to better remunerations in the private sector. • Post pandemic implications, such as budget cuts, etc. • Instability arising from political interference in administrative matters within municipalities. • Increasing governance and financial management challenges in municipalities. • Lack of enforcement/regulatory mechanism as MISA to municipalities towards a sustainable impact. • High probability of decline in the rate of revenue collection from customers due to severe economic down caused by the COVID-19 pandemic. • Increase in dysfunctional Municipalities.

Prior to the approval of the revised structure for MISA in 2017 for the entity, MISA supported municipalities through technical professionals appointed on fixed term contracts and professional service providers (PSPs). This operational approach resulted in high level of instability within the organisation since deployed professionals were contracted for a maximum period of three years with negative impact on their ability to fully focus on the performance of their functions. This resulted in high staff turnover during the period.

Due to capacity weaknesses arising from the resourcing model outlined above, MISA experienced slow implementation of projects leading to poor performance against performance targets in the annual performance plans and underspending of allocated budgets. 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. This process has resulted in the filling of 93% (78 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 2022/23 financial year.

The current vacancy rate in respect to technical positions has reduced significantly to 7% due to the rigorous recruitment process in place and the implementation of the retention strategies in relations to the technical professionals within the organisation.

MISA accumulated a large amount of irregular expenditure in the years prior to 2017/18 due to weaknesses in the internal control environment, particularly the supply chain management (SCM) processes. Through engagements with the Chief Procurement Officer in National Treasury and implementation of appropriate remedial actions, National Treasury eventually condoned the entire irregular expenditure amount in 2019. Due to internal control weaknesses, the Auditor General issued unqualified audit with matters of emphasis for each of the financial years before 2018/19. The organisation received an unqualified audit opinion with no matters of emphasis (clean audit) for the past four consecutive financial years from 2018/19, which demonstrated that significant strides have been made in improving the internal control environment. Over the same period MISA did not incur any irregular expenditure.

The recent Local Government Summit held at Birchwood Hotel and Conference Centre, Boksburg on 27-28 September 2022 endorsed a view that local government support needs to be strengthened with particular focus on administration, governance, LED, financial management and basic service delivery. The main challenges faced by most municipalities is the coalition management especially in the so-called hung municipalities. The political turmoil and change of political heads have a huge bearing on administration, governance and further influencing service delivery. MISA's role and active participation is dependent on sound governance structure and administration.

MISA's Technical Capacity Building for Local Government

MISA has developed and adopted a Capacity Building Framework for municipal infrastructure management support. The framework requires MISA and other stakeholders to focus on the capacity gaps of individuals as well as those that exist at institutional and environmental levels. MISA prioritises provision of capacity support to low- and medium-capacity municipalities, with high-capacity municipalities supported on a need basis.

MISA deploys technical experts, in engineering and town and regional planning, to support and strengthen the capacity of municipalities to plan, deliver, operate and maintain infrastructure. The efforts of MISA officials are supplemented by implementing technical capacity building programmes. MISA has piloted the introduction of municipal capacity development plans (MCDPs) to complement the integrated development planning (IDP) process and improve coordination of capacity building efforts by various stakeholders. This strategy of building municipal capacity requires other role players to support municipalities with municipal governance, administration, and financial management, whilst MISA focuses on infrastructure management.

The MISA capacity building strategy prioritises technical skills training for municipal officials whilst developing a skills pipeline by preparing a new cohort of municipal officials. This is achieved through skills training programmes for unemployed youth.

MISA's objective is to have capacitated municipalities that are able to independently and sustainably execute their executive obligations. In the medium to long term, MISA wants to gradually devolve technical capacity development to municipalities. This will require MISA to develop capacity building guidelines for municipalities and provide minimal support on a need basis.

Evidence-based analysis of priorities relating to Women, Youth, Persons with Disabilities and Military Veterans

"Section 20 of the Employment Equity Act, 1998 requires designated employer to prepare and implement an employment equity plan in order to achieve progress towards employment equity in the workforce. The employment equity plan must include, amongst others, numerical goals for the achievement of equitable representation of underrepresented groups for all occupational categories and levels. These numerical goals must be set after conducting a workforce analysis. Cabinet has set the numerical goals of 50% representation of women at SMS level, and 30% representation of youth and 2% representation of persons with disability in the workforce. MISA, as a designated employer, has developed its own employment equity plan for the period 1 April 2021 until 31 March 2024 in which sets the target for the institution to attain the goals set by Cabinet by 31 March 2024."

MISA has embarked on a drive to respond to requirements of Broad-Based Black Economic Empowerment (BBB-EE) Act with an aim to promote increased participation of emerging enterprises in MISA's procurement activities. This will be done through identification and assessment of minor contract opportunities, promotion of partnerships between MISA and the private sector, skills transfer, training and accessibility to the processes of procurement through the implementation of the Emerging Enterprises and Supplier Development Support Programme of MISA.

MISA has an approved Enterprises and Supplier Development (ESD) policy for implementation in the 2023/24 financial year, with the objectives of this policy to:

- promote increased participation by and opportunities for emerging enterprises in MISA's Procurement processes;
- promote *broad-based black economic empowerment* in emerging enterprises;
- identify and assess minor contract opportunities within the *MISA* for the development and support of emerging enterprises;
- identify opportunities where minor contracts may be awarded to emerging enterprises;
- identify and align minor contracts with the development and support programmes for emerging enterprises in the *MISA*

- promote partnerships between the *MISA* and the private sector in respect of the development and support of emerging enterprises;
- promote skills transfer, training and accessibility to the processes of procurement through the implementation of the Emerging Enterprises Development and Support Programme of the *MISA*; and
- promote *monitoring* and evaluation of the identification and development of emerging enterprises.
- document a clear plan of BBBEE compliance targeting by MISA and
- monitor the implementation of development plans and periodically track progress of compliance targeting.



Disaster Management Plans





The National Disaster Management Framework requires entities/organs of state that have infrastructure they own or are falling under them to develop risk reduction plans. MISA do not own or have any infrastructure that falls under them as per their asset management policy. Infrastructure that they have built over the years are handed over to the municipalities. The National Disaster Management Centre (NDMC) has proposed that MISA can partner with them in terms of the role they are playing by receiving and reviewing the risk reduction plans of the targeted municipalities in the 2023/24 financial year. The partnership will entail MISA seconding people to review structures and provide feedback to municipalities within the set criteria as outlined in the Disaster Management Act.

7.3 Our Theory of Change

The Theory of Change has ultimate outcomes, intermediate outcomes and immediate outcomes which describe the desired state of being for respective timelines. Outputs describe initiatives, services or products that will be delivered to achieve the outcomes.

Table 7.3.1 MISA Theory of Change Underpinning its Long-term Strategy

	Time Frame	External Focus	Internal Focus
Impact		Based on the support received, municipalities will deliver reliable infrastructure to communities in line with their constitutional mandate.	
Ultimate outcomes	More than 10 Years	MISA is the preferred agent for all infrastructure related support to local government	MISA is an established centre of excellence
			
Intermediate outcomes	5 - 10 years	<p>Supported municipalities having capacity to deliver sustainable infrastructure.</p> <ul style="list-style-type: none"> • Resilient infrastructure that is adaptable to climate change • Infrastructure initiatives stimulate economic development. • Infrastructure investments drive socio-economic benefits • Optimum delivery of municipal infrastructure grants 	<p>Emergent knowledge management centre of municipal infrastructure development and management</p> <p>Effective operating model that maximises impact on municipalities</p>

	Time Frame	External Focus		Internal Focus	
					
Immediate outcomes	1 - 4 years	<ul style="list-style-type: none"> Dysfunctional municipalities improve infrastructure development and management Municipalities prepare fundable infrastructure projects. IDMS institutionalisation Enhanced partnerships 	<ul style="list-style-type: none"> Operating model aligned to long-term strategy. <ul style="list-style-type: none"> Demand driven support Centre of Excellence (COE) <ul style="list-style-type: none"> Knowledge management hub Organisation wide capabilities and Improved Leadership at all management levels 		
		<p>Outputs:</p> <ul style="list-style-type: none"> Capacity building programmes Infrastructure development and management programmes IDMS/FIDPM Capacity Building Support Programme Partnership Management Programme 	<p>Deliverables:</p> <ul style="list-style-type: none"> PPLCM including PP&SDSM LG Infrastructure Procurement Support Models Operating Model Partnership Strategy Marketing strategy 	<p>Outputs:</p> <ul style="list-style-type: none"> Strategic Realignment Initiative Initiative to establish MISA as a COE Leadership and organisation capacity Building Initiative 	<p>Deliverables</p> <ul style="list-style-type: none"> Integrated Realignment Implementation for Plan for: Operating Model; Funding Model; Strategic Review, Change Management and Communication Robust operating systems Transition Plan

	Time Frame	External Focus	Internal Focus
			<ul style="list-style-type: none"> • Knowledge Management Framework, Hub and Platform • Capability development strategy
Inputs		<ul style="list-style-type: none"> • Technical advisors • Toolkits • Guidelines • Manuals • Maturity models • Standard Operating Procedures • Knowledge management unit • Operating Systems 	

Table 1 - Theory of Change Underpinning Long-term Strategy

The narrative below describes the links between outputs and outcomes.

IF we deliver the outputs that strengthen our internal capability defined in our capability development strategy, the leadership development programme, operating systems, a knowledge management framework, municipal infrastructure database and a research strategy.

THEN the immediate outcome is that dysfunctional and municipalities in need of our support will improve infrastructure delivery and will prepare fundable infrastructure projects. Internally, we will develop and strengthen our operating model, become a knowledge management hub, improve our leadership capability and apply demand driven support so that we enhance our support to municipalities.

THEN the intermediate outcomes are that the municipalities supported by MISA will deliver infrastructure that is sustainable, propels economic growth and development and is resilient to climate change. The municipalities will also improve the expenditure of infrastructure grants.

The infrastructure development and management will meet the expectations of communities and businesses which will enhance service delivery and local economic development respectively. For this to be achieved MISA will establish itself as a knowledge management centre of excellence for municipal infrastructure development and management. MISA will also be driven by an effective and efficient operating model that maximises its performance and impact on municipalities.

THEN the ultimate outcome is that MISA will be the preferred agent in municipal infrastructure support and an established centre of excellence. This means that MISA will excel in delivering innovative, programmatic and results-based solutions.

THEN the impact is that municipalities will deliver sustainable infrastructure to communities in line with their constitutional mandate.

Part C:

Measuring Our Performance

8. Institutional Programme Performance Information

8.1 Programme: Administration

8.1.1 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:

8.1.1.1 Sub-programme: Executive Support, Strategy and Systems

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.

8.1.1.2 Sub-programme: Corporate Management Services

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 photojournalism support, as well as developing and maintaining the departmental website.

8.1.1.3 Sub-programme: Financial Management Services

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.

8.1.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance				Estimated Performance	MTEF Period	
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
A capable and ethical government	Approved ethics management plan implemented	Percentage implementation of ethics management plan	New	New	New	New	100% implementation of ethics management plan	100% implementation of ethics management plan	100% implementation of ethics management plan
	Implementation of the approved Corporate Services Improvement Plan (CSIP)	Percentage implementation of the approved corporate services improvement plan	New	New	New	New	90% implementation of approved CSIP by 31 March 2024	90% implementation of approved CSIP by 31 March 2025	90% implementation of approved CSIP by 31 March 2026
	Unqualified audit opinion on annual financial statements	Achieve unqualified audit opinion on annual financial statements	Achieve unqualified audit opinion on annual financial statements 2018/19	Achieve unqualified audit opinion on annual financial statements 2019/20	Achieve unqualified audit opinion on annual financial statements 2020/21	Achieve unqualified audit opinion on annual financial statements 2021/22	Unqualified audit opinion on annual financial statements 2022/23	Unqualified audit opinion on annual financial statements 2023/24	Unqualified audit opinion on annual financial statements 2024/25
Functional, efficient and Integrated Government									

8.1.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1 Percentage implementation of ethics management plan	100% implementation of ethics management plan	Ethics management plan for 2023/24 approved by the Accounting Officer.	50% implementation of ethics management plan	75% implementation of ethics management plan	100% implementation of ethics management plan
1.2 Percentage implementation of the approved corporate services improvement plan (CSIP)	90% implementation of approved CSIP by 31 March 2024.	CSIP for 2023/24 approved by the Accounting Officer.	90% of second quarter deliverables in the approved CSIP implemented.	90% of the third quarter deliverables in the approved CSIP implemented.	90% of the fourth quarter deliverables in the approved CSIP implemented.
1.3 Achieve unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements 2022/23	-	Unqualified audit opinion on annual financial statements 2022/23.	-	-

8.1.4 Explanation of Planned Performance over the Medium-Term Period

A capable and ethical government

The main objective of the output indicator and target under the Administration is to foster a culture of compliance with applicable legislation and ethical conduct within the organisation. In addition, this is also to provide management with the status of ethical culture against fighting anti-corruption within the organisation.

Functional, efficient and Integrated Government

The main objective of output indicators and targets under the Administration is to foster a culture of compliance with applicable legislation 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.

8.1.5 Programme Resource Considerations

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand							
Programme: Administration							
Total	90,075	86,190	209,515	106,807	112,458	116,550	121,726
Economic Classification							
Compensation of employees	43,117	47,577	47,197	47,850	47,850	49,286	51,494
Goods and Services	41,092	33,483	40,043	49,838	55,079	57,449	59,797
Depreciation	5,866	5,130	5,103	9,119	9,529	9,815	10,255
Funds Returned			117, 172				
Total	90,075	86,190	209,515	106,807	112,458	116,550	121,726

The compensation of employees under Administration Programme has remained constant between 2020/21 and 2021/22. The total expenditure for Administration is split proportionally between the compensation of employees and goods and services at the 48:47 ratio in 2021/22 and remaining balance of 6% relates to depreciation.

The goods and service budget of R49,838 million in the 2022/23 financial year will be spent mainly on the procurement of contractors to providing ICT equipment, systems and services and travelling support services. These services are critical to the efficient operation of the organisation to enable the achievement of the policy priorities and performance targets in the strategic plan and annual performance plan. The provision of funding to the Internal Audit function will contribute towards the effectiveness and improvements in governance, risk management and internal control process.

8.2 Programme: Technical Support Services

8.2.1 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:

8.2.1.1 Sub-programme: Infrastructure Assessment and Analysis

The primary aim of the sub-programme is to lay a sound basis for establishing the support requirements for each of the selected municipalities. The sub programme functions as Infrastructure Nerve Centre on Municipal Service Delivery (Repository on municipalities). This determination is based on the outcome of the assessment of infrastructure assets condition and existing technical capacity, review of infrastructure maintenance budgets and expenditure trends and assessment of backlogs on access to basic service, Assessment of

planning in municipalities within the Hierarchy of Planning 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.

8.2.1.2 Sub-programme: Infrastructure Delivery, Maintenance and Stakeholders Coordination

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.

8.2.1.3 Sub-programme: Technical Skills

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.

8.2.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Effective water management system for the benefit of all	Reduced non-revenue water in dysfunctional municipalities.	Number of dysfunctional municipalities reducing non-revenue water by average of 5%.	N/A	10	10	20	22 municipalities reducing non-revenue by 5% on average	22 municipalities reducing non-revenue by cumulative 5% on average	22 municipalities reducing non-revenue by cumulative 5% on average
Quality and for infrastructure investment to support growth and job creation improved.	Dysfunctional municipalities increasing job creation through mainstreaming LIC on Municipal infrastructure projects.	Number of dysfunctional municipalities achieving EPWP Infrastructure Sector job opportunities allocations through the mainstreaming of LIC methods.	9	15	19	25	25 municipalities achieve their respective EPWP Infrastructure Job opportunities allocation through mainstreaming of LIC methods	34 municipalities achieve their respective EPWP Infrastructure Job opportunities allocation through mainstreaming of LIC methods	44 municipalities achieve their respective EPWP Infrastructure Job opportunities allocation through mainstreaming of LIC methods
Efficiency in infrastructure management	Improved municipal infrastructure asset management practices	Number of dysfunctional municipalities with increased MIG allocations for repairs & maintenance (given benchmark and baseline) using 10% of their MIG allocations.	New	New	New	New	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget	28 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget	28 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget

Outcome	Outputs	Output Indicators	Annual Targets				
			Audited /Actual Performance		Estimated Performance	MTEF Period	
			2019/20	2020/21	2021/22	2022/23	2023/24
	Improved expenditure on MIG dysfunctional municipalities	Achieve 85% level on MIG allocations for dysfunctional municipalities.	39 Districts	44	44	44	60% of 2023/24 MIG allocations spent on municipal infrastructure by 31 March 2024
							60% of 2024/25 MIG allocations spent on municipal infrastructure by 31 March 2025
							60% of 2025/26 MIG allocations spent on municipal infrastructure by 31 March 2026
							85% of 2023/24 MIG allocations spent on municipal infrastructure by 30 June 2024.
							85% of 2024/25 MIG allocations spent on municipal infrastructure by 30 June 2025.
							85% of 2024/25 MIG allocations spent on municipal infrastructure by 30 June 2026.
A spatially just and transformed national economy that enables equal access to social services and economic opportunities in cities, regions and rural areas	SPLUMA compliant municipal spatial plans, policies, and structures and systems reviewed.	Number of dysfunctional municipalities with SPLUMA compliant spatial plans implemented.	30	30	30	30	15 identified dysfunctional municipalities implement SPLUMA compliant spatial plans
							22 identified dysfunctional municipalities implement SPLUMA compliant spatial plans
							29 identified dysfunctional municipalities implement SPLUMA compliant spatial plans
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic	Increased households' access to water supply services.	Percentage increase in households with access to water supply services in 22 dysfunctional municipalities.	New	New	New	New	3% increase in households with access to basic water supply services in identified 22 dysfunctional municipalities.
							5% cumulative increase in households with access to basic water supply services in identified 22
							10% cumulative increase in households with access to basic water supply services in identified 22

Outcome	Outputs	Output Indicators	Annual Targets									
			Audited /Actual Performance			Estimated Performance	MTEF Period					
			2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26		
		municipalities.									municipalities	municipalities
Increased household access to Electricity Provision		Percentage increased in households with access to electricity supply services in the 22 identified dysfunctional municipalities.	New	New	New	New				2% increase in households with access to electricity supply services in identified 22 dysfunctional municipalities	3% cumulative increase in households with access to electricity supply services in identified 22 dysfunctional municipalities	4% cumulative increase in households with access to electricity supply services in identified 22 dysfunctional municipalities
		Number of dysfunctional municipalities with electricity demand reduced by 10%	New	New	New	New				22 dysfunctional municipalities' electricity demand reduced by 10% respectively.	22 dysfunctional municipalities' electricity demand reduced by 10% respectively.	22 dysfunctional municipalities' electricity demand reduced by 10% respectively.
Improved road maintenance within the dysfunctional municipalities.		Kilometres of roads maintained to include potholes patching and drainage cleaning in the 22 dysfunctional municipalities.	New	New	New	New				100 kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities	150 kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities	200 kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
	Improved service delivery through technical capacity development in dysfunctional municipalities.	Number of dysfunctional municipalities provided with technical capacity and skills development for improved service delivery.	New	New	New	New	22 municipalities provided with technical capacity and skills development	22 municipalities provided with technical capacity and skills development.	22 municipalities provided with technical capacity and skills development.
	Improved infrastructure to resilience to climate change in dysfunctional municipalities	Number of dysfunctional municipalities with flood risk resilient infrastructure implemented.	New	New	New	New	10 identified dysfunctional municipalities implement flood risk resilient infrastructure	28 identified dysfunctional municipalities implement flood risk resilient infrastructure	28 identified dysfunctional municipalities implement flood risk resilient infrastructure

8.2.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of dysfunctional municipalities reducing non-revenue water by average of 5%.	22 municipalities reducing non-revenue by 5% on average.	-	-	-	22 municipalities reducing non-revenue by 5% on average.
2.2 Number of dysfunctional municipalities achieving EPWP Infrastructure Sector job opportunities allocations through the mainstreaming of LIC.	25 municipalities achieve their respective EPWP Job Infrastructure allocation opportunities through mainstreaming of LIC methods.	25 municipalities achieve their respective quarterly EPWP Infrastructure Sector job opportunities allocation through mainstreaming of LIC methods.	25 municipalities achieve their respective quarterly EPWP Infrastructure Sector job opportunities allocation through mainstreaming of LIC methods.	25 municipalities achieve their respective quarterly EPWP Infrastructure Sector job opportunities allocation through mainstreaming of LIC methods.	25 municipalities achieve their respective quarterly EPWP Infrastructure Sector job opportunities allocation through mainstreaming of LIC methods.
2.3 Number of dysfunctional municipalities with increased MIG allocations for repairs & maintenance (given benchmark and baseline) using 10% of their MIG allocations.	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget.	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget.	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget.	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget.	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs and maintenance utilising 10% of their MIG budget.
2.4 Achieve 85% spending level on MIG allocations for dysfunctional municipalities.	85% of 2023/24 MIG allocations spent on municipal infrastructure by 30 June 2024. 60% of 2023/24 MIG allocations spent on municipal infrastructure by 31 March 2024.	-	-	-	60% of 2023/24 MIG allocations spent on municipal infrastructure by 31 March 2024.

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.5 Number of dysfunctional municipalities with SPLUMA compliant spatial plans implemented.	15 identified dysfunctional municipalities implement SPLUMA compliant spatial plans.	-	-	-	15 dysfunctional municipalities implement SPLUMA compliant spatial plans.
2.6 Percentage increase in households with access to water supply services in 22 dysfunctional municipalities.	3% increase in households with access to basic water supply services in identified 22 dysfunctional municipalities.	-	-	-	3% increase in households with access to basic water supply services in identified 22 dysfunctional municipalities
2.7 Number of dysfunctional Water Service Authorities (WSA) with Dysfunctional (Critical Risk) Wastewater Treatment Works (WWTWs) improved to High Risk WWTWs.	22 dysfunctional WSAs with dysfunctional WWTWs improved to High Risk WWTWs.	-	-	-	22 dysfunctional WSAs with dysfunctional WWTWs improved to High Risk WWTWs.
2.8 Number of dysfunctional Water Service Authorities (WSA) with Dysfunctional (Critical Risk) Water Treatment Works (WTWs) improved to High Risk WTWs.	22 dysfunctional WSAs with dysfunctional WTWs improved to High Risk WTWs.	-	-	-	22 dysfunctional WSAs with dysfunctional WTWs improved to High Risk WWTWs.
2.9 Percentage increase in households with access to solid waste removal services in the identified 22 dysfunctional municipalities.	2% increase in households with access to waste removal services in identified 22 dysfunctional municipalities.	-	-	-	2% increase in households with access to waste removal services in identified 22 dysfunctional municipalities

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.10 Percentage increased in households with access to electricity supply in the identified 22 dysfunctional municipalities.	2% increase in households with access to electricity supply services in identified 22 dysfunctional municipalities	-	-	-	2% increase in households with access to electricity supply services in identified 22 dysfunctional municipalities
2.11 Number of dysfunctional municipalities with electricity demand reduced by 2%	22 dysfunctional municipalities' electricity demand reduced by 2%	-	-	-	22 dysfunctional municipalities' electricity demand reduced by 2%
2.12 Kilometres of roads maintained to include potholes patching and drainage cleaning in the 22 dysfunctional municipalities.	100 km kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities	-	50 kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities	-	100 kilometres of roads maintained including potholes and drainage cleaning in the identified 22 dysfunctional municipalities
2.13 Number of dysfunctional municipalities provided with technical capacity and skills development for improved service delivery.	22 municipalities provided with technical capacity and skills development	-	-	10 municipalities provided with technical capacity and skills development	12 municipalities provided with technical capacity and skills development
2.14 Number of dysfunctional municipalities with flood risk resilient infrastructure implemented.	10 municipalities with flood risk resilient infrastructure implemented.	10 municipalities quarterly flood risk infrastructure	10 municipalities quarterly flood risk infrastructure	10 municipalities quarterly flood risk infrastructure	10 municipalities quarterly flood risk resilient infrastructure

8.2.4 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 is causing regular infrastructure failure in most municipalities resulting in unreliable and poor quality of services 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 2025 financial year. The support will, at the same time, be aimed at improving households' access-levels 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 improved expenditure 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 standardize 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 labour-intensive construction methods in infrastructure maintenance and infrastructure project that are funded through the conditional grants in municipalities across the 52 districts 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.

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 the 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, SDFs 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.

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.

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 objective 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 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.

Strategically, 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.

8.2.5 Programme Resource Considerations

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
<u>Rand Thousand</u>							
Programme: Technical Support Services							
Total	269,982	159,185	238,982	221,849	220,209	227,532	237,725
Economic Classification							
Compensation of employees	136,513	115,190	117,816	162,542	162,542	167,418	174,918
Goods and Services	133,469	43,995	121,166	59,307	57,667	60,114	62,807
Depreciation	-	-	-	-	-	-	-
Total	269,982	159,185	238,982	221,849	220,209	227,532	237,725

Technical Support Services (TSS) allocation accounts for about 62% of the MISA budget over the same period. It is the biggest programme in terms of human capital, and it is also responsible for 50% of the key performance indicators within the organisation annual performance plan. 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).

The IAA team capacity will be augmented with Research Chairs to undertake a deep dive into the root causes of municipal infrastructure and local government failures, recommend well researched and practical solutions to address these serious failures.

The funds allocated to the Programme will be utilised to support municipalities with, amongst other outputs, implementation of municipal support plans and interventions emanating from the State of Local Government report considered by Cabinet in June 2021. The IAA sub programme will be strengthened with experienced professional engineers to ensure that MISA becomes a repository of data on Municipal Infrastructure Assets and Technical Capacity. This will ensure that support to municipalities becomes evident based. The inclusion of continuous technical capability assessment on municipalities and 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.

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 support to municipalities as well as support to eradicate basic service backlogs through implementation of projects. As a result, in the 2022/23 financial year, estimated cost of employees' accounts for 74% (R162,542 million) of the TSS budget (R220,209 million). 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.

Professional services, for which MISA does not have capacity, will be outsourced to service providers. With the limited resources, the TSS branch is expected to support low to medium capacity municipalities with infrastructure planning, delivery, operations and maintenance. Technical support to municipalities will be directed at implementation of Water Demand Management (WC/WDM) strategies, management of the infrastructure grants like MUG, WSIP, RBIG, INEP, technical skills training, as well as implementation of spatial plans and standard operating procedures for improved infrastructure management.

The Technical Skills sub-programme is allocated 38% (R22m) of the Programme's goods and services budget. The funds will be expensed towards capacity building initiatives for municipal officials and unemployed youth. On the one hand, municipal officials in technical departments will have training opportunities through Recognition of Prior Learning (RPL), Technical Skills Training Courses, Professionalisation, and Occupational Skills Training. On the other hand, unemployed youth will benefit from programmes such as the Apprenticeship, Experiential Learnership, and Bursary Scheme. Available funds will need to be augmented, through partnerships with other entities, such as the Sector Education and Training Authorities (SETAs) in order to optimally deliver the initiatives.

The Municipal capacity building programmes will be redirected to align with the MISA mandate. The aim is to build a scarce skills pipeline to support and eventually ensure a sustainable technically capacities municipalities. 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, it has to transfer skills and build institutional capacity.

8.3 Programme: Infrastructure Delivery Management Support

8.3.1 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:

8.3.1.1 Sub-programme: Project Management

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

8.3.1.2 Sub-programme: Framework Contracts and Infrastructure Procurement

The sub-programme focuses on supporting municipalities with the improvement of the value chain and alignment of Infrastructure Delivery Systems and Processes (IDSP) paying special attention to Portfolio Management Processes, Programme Management Processes, Operations & Maintenance Processes, Project Management Processes, CIDB SFUs, LGFIDPM, Planning and Budgeting, Asset Management augmented by the support on the enhancement of day-to-day infrastructure supply chain management practices.

8.3.1.3 Sub-programme: Infrastructure Financing

The sub-programme facilitates the exploration of alternative and innovative mechanisms for financing municipal infrastructure and support the use of alternative sources of funding for infrastructure development through blended financing.

8.3.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance				Estimated Performance	MTEF Period	
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Efficiency in Infrastructure Management	Improved compliance to infrastructure procurement legislation	Number of dysfunctional municipalities with improved infrastructure procurement practices applying various procurement strategies.	15	15	15	9	22	44	52
							dysfunctional municipalities applying Framework contracts and other procurement mechanisms	dysfunctional municipalities applying Framework contracts and other procurement mechanisms	Districts/Metros implementing innovative procurement mechanisms
A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas.	Approved intergovernmental implementation plans and financing of the Eastern Seaboard Development	Number of Plans towards spatial transformation in the Eastern Seaboard Region completed.	New	New	1	1	4	1 plan towards spatial transformation in the Eastern Seaboard Region completed.	4 plans towards spatial transformation in the Eastern Seaboard Region implemented.
	Catalytic projects prepared for investment within the ESD.	Number of projects prepared for investment mobilisation within ESD region.	New	New	New	New	4	10 projects prepared for investment mobilisation within ESD region.	15 projects prepared for investment mobilisation within ESD region.
Enhanced intergovernmental and interdepartmental coordination	Aligned intergovernmental efforts for municipal infrastructure	Number of dysfunctional district and metro spaces with identified infrastructure related	New	New	New	New	10 District and metro spaces with identified infrastructure related	15 District and metro spaces with identified infrastructure related	20 District and metro spaces with identified infrastructure related

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance				Estimated Performance	MTEF Period	
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
through the implementation of the DDM	delivery through the DDM approach	interventions implemented					interventions implemented.	interventions implemented.	interventions implemented.
Quality and for infrastructure investment to support growth and job creation improved.	Municipalities with access to funding through leveraging of national transfers to unlock private sector investments.	Increased municipal infrastructure investment through innovative blended financing mechanisms.	New	New	New	New	5% increase in infrastructure investments for dysfunctional municipalities	10% increase in infrastructure investments for dysfunctional municipalities	15% increase in infrastructure investments for dysfunctional municipalities

8.3.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.1 Number of dysfunctional municipalities with improved infrastructure procurement practices applying various procurement strategies.	22 dysfunctional municipalities applying Framework contracts and other procurement mechanisms	3 dysfunctional municipalities applying Framework contracts and other procurement mechanisms	11 dysfunctional municipalities applying Framework contracts and other procurement mechanisms	13 dysfunctional municipalities applying Framework contracts and other procurement mechanisms	22 dysfunctional municipalities applying Framework contracts and other procurement mechanisms
3.2 Number of Plans towards spatial transformation in the Eastern Seaboard Region completed	4 plans towards spatial transformation in the Eastern Seaboard Region completed	1 plan towards spatial transformation in the Eastern Seaboard Region completed	1 plan towards spatial transformation in the Eastern Seaboard Region completed	-	2 plans towards spatial transformation in the Eastern Seaboard Region completed
3.3 Number of projects prepared for investment mobilisation within ESD region.	4 projects prepared for investment mobilisation within ESD region.	-	-	2 projects prepared for investment mobilisation within ESD region.	2 projects prepared for investment mobilisation within ESD region.
3.4 Number of dysfunctional district and metro spaces with identified infrastructure related interventions implemented.	10 District and metro spaces with identified infrastructure related interventions implemented.	-	-	-	10 dysfunctional district and metro spaces with identified infrastructure related interventions implemented.
3.5 Increased municipal infrastructure investment through innovative mechanisms.	5% increase in infrastructure investments for dysfunctional municipalities	-	-	-	5% increase in infrastructure investments for dysfunctional municipalities

8.3.4 Explanation of Planned Performance over the Medium-Term Period

Efficiency in Infrastructure Management.

Crowding in and catalysing 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, therefore, support municipalities to access private sector funding through various financing mechanisms such as the private sector participation model (PSP) for infrastructure development. The development and implementation of the approved methodologies, standards, procedures and policies for project/programme will ensure a repeat of successful aspects and learning from mistakes, resulting in a continuous improvement process in the implementation of project 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. MISA has developed a Project and Program Life Cycle Management (PPLCM) framework to enhance efficiencies in project and program management both in MISA and in municipalities. The framework utilizes a set of standard operating procedures and methodologies in line with the project management Body of Knowledge (PMBOK). The 2022/23 financial year was used to develop a draft report including testing the methodology for the state of municipal functionality for infrastructure delivery. In the 2023/24 financial year, focus will be on enhancing the methodology whilst also promoting the use of results of the state of municipal functionality for infrastructure delivery report for decision-making framework suite of incentives and disincentives on Municipal Infrastructure Grant (MIG) funding stoppages and re-allocation in line with Budget Forum Recommendation of 2021/22.

Municipalities has demonstrated progressive growth in the delivery of basic services, but they continue to face difficulties. Many municipalities are struggling to operate and maintain some of their services infrastructures in a cost-effective manner. This has resulted in frequently occurring service delivery protests that have plagued the country for the past several years. MISA has developed a Municipal Infrastructure Service Delivery Functionality (MISDF) model to determine the municipalities' ability to provide and maintain infrastructure for service delivery. Annually, MISA will compile a report on the state of the municipality using MISDF model. Some of the municipalities are having challenges with regard to provision of reliable basic infrastructure for service delivery. MISA is supporting these municipalities with development and improvement of service delivery infrastructure through partnerships with public, private sector, and non-governmental entities. Municipalities are facing challenges in

packaging the projects that will facilitate the long-term infrastructure investment. The support to the municipalities in preparing and packaging the 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 supports municipalities facing challenges with the procurement and development of infrastructure which is the backbone of local economic development and job creation. Utilizing the government adopted approaches on the procurement and delivery of infrastructure, MISA will roll out the Infrastructure Delivery and Management Systems (IDMS), Local Government Framework for Infrastructure Delivery and Management (FIDPM), and other infrastructure procurement strategies MISA will support municipalities to enhance procurement practices. The adopted approaches aim at alleviating challenges that delay the procurement and delivery of infrastructure.

MISA has identified the need to support municipalities with the management of infrastructure assets by using standardised toolkits and the Municipal Infrastructure Performance Management Information System (MIPMIS). This will enable municipalities identify their, the performance state of the assets, and the required costs to maintain the assets for optimum functionality.

The development of the Eastern Seaboard across the Eastern Cape and KwaZulu-Natal provinces in partnership with all spheres of government, traditional leadership, private sector and local communities, is aimed to facilitate a transformed spatial economy that will find expression in a connected and smart African Coastal City African that aspires for equity and equality, sustainability, localization, safety and security and inclusivity. Key investment sectors will include development of the tourism sector whilst maintaining the regions cultural heritage, oceans economy and marine industry, renewable energy sector (solar, gas, wind, oil potential), smart agriculture development and the regions naturally culturally rich endowments to support the creative sector.

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 the 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, SDFs 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.

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 in 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.

Quality and quantum for infrastructure investment to support growth and job creation improved.

Investment in infrastructure development is key as it will unlock the service delivery challenges faced by many municipalities as a result of under investment in infrastructure development and management. MISA will, through partnerships with various stakeholders (such as government departments and financiers), support municipalities with exploration of alternative funding mechanisms to improve the quality and quantum of infrastructure. To ensure that adequate infrastructure is provided in municipalities, proper planning and project preparation is required. MISA will also support municipalities with preparation of the projects to ensure that they meet the requirements of potential investors. MISA will play a coordinating role and assist municipalities with the development of their submissions and proposals to various financiers with strong emphasis on the project identification and packaging.

Climate change mitigation and adaptation is rapidly becoming an integral part of infrastructure development that municipalities need to embrace when planning for infrastructure development. There are funding products available at a national and global level earmarked for projects that are responsive to climate change mitigation and adaptation. MISA will support municipalities to identify and prepare projects for submission to access funding for climate change mitigation and adaptation. In addition, MISA will advocate for the integration of climate change related activities/projects into the alternative funding mechanisms to be developed by financiers.

MISA will also support the development of long-term infrastructure development plans under this outcome. 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 development of long-term infrastructure investment plans will enable municipalities to adopt a longer-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 long-term infrastructure investment plans will be implemented through the mobilization of private partners to support local government by investing in infrastructure projects which will unlock the service delivery challenges.

The long-term municipal investment plans serve as a vehicle for the implementation of the DDM. The DDM advocates for a 'one plan' for each district space which will enable the whole of government to implement interventions that are responsive to the development challenges and gaps identified in the district spaces. MISA has been assigned the responsibility to coordinate the municipal infrastructure component of the district development model. MISA's role will be mainly to support the districts with the profiling of the state of municipal infrastructure, development of interventions and implementation thereof. 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.

8.3.5 Programme Resource Considerations

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand							
Programme: Infrastructure Delivery Management Support							
Total	41,938	19,752	117,768	21,560	21,786	231,157	24,188
Economic Classification							

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Compensation of employees	6,947	10,363	13,595	16,563	16,563	17,377	18,155
Goods and Services	34,991	9,389	104,173	4,997	5,223	5,780	6,033
Depreciation	-	-	-	-	-	-	-
Total	41,938	19,752	117,768	21,560	21,786	231,157	24,188

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, supporting municipalities with the rolling out of Local Government Framework for Infrastructure Delivery and Procurement Management (FIDPM); the coordination and planning of the Eastern Seaboard Development, including the development of a new Smart Coastal African City; infrastructure procurement support; accessing alternative funding for infrastructure and climate change mitigation.

9 Updated Key Risks and Mitigations

Outcome	Key Risk	Risk Mitigation
A capable and ethical government	Non- compliance to ethics and integrity programmes	<ul style="list-style-type: none"> Enforcement of consequence management Awareness of ethics and integrity regulatory frameworks
Functional, efficient and integrated government	Non-compliance with to rules, laws and policies	<ul style="list-style-type: none"> Enforce implementation of Internal controls Policies and SOPs Maintain an effective compliance programme.
Effective water management system for the benefit of all	Lack of funding and technical skills from municipalities to develop and implement revenue enhancement strategy.	<ul style="list-style-type: none"> Support municipalities to develop business case to develop and implement revenue enhancement strategies.
Efficiency in infrastructure delivery	Lack of buy-in and ownership by municipalities.	<ul style="list-style-type: none"> Institutionalization of the IDMS, Standards, Processes, procedures and methodologies through the involvement of the municipalities' leadership.
	Reluctance by municipalities to participate in the framework contracts in view of regulation 32	<ul style="list-style-type: none"> Treasury to be engaged to provide an assurance regarding the legality of using the Framework Contracts.

Outcome	Key Risk	Risk Mitigation
	perceptions.	
	Over-reliance on Consultants.	<ul style="list-style-type: none"> Recruitment of permanent and skilled technical personnel and pairing of experienced professionals with Young Graduates.
	Lack of capacity to present bankable projects for private sector funding.	<ul style="list-style-type: none"> Project preparation support to municipalities.
Enhanced intergovernmental and inter-departmental coordination through the implementation of the District Development Model	Reluctance by municipalities to provide project lists and participate in the implementation of the District Development Model	<ul style="list-style-type: none"> Thorough engagements with municipalities with regard to the adoption of District Development Model
Quality and quantum of infrastructure investment to support growth and job creation improved.	Non availability of bankable projects for municipal infrastructure development to enable growth and job creation.	<ul style="list-style-type: none"> Project preparation support and capacity building to 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	Municipalities not prioritizing spatial planning and lack of technical skills.	<ul style="list-style-type: none"> Thorough engagements with municipalities and other relevant stakeholders and fast-tracking the recruitment processes. The adoption of District Development Model
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services.	<ul style="list-style-type: none"> Lack of strategy to implement recycle programmes for solid waste. Lack of infrastructure asset management plans. Lack of buy-in from municipalities. Lack of infrastructure asset data and management plans. 	<ul style="list-style-type: none"> Support municipalities to source funding to develop strategies to recycle solid waste. Support municipalities to source funding for development of infrastructure asset management and O&M implementation. Engage municipalities upfront about the programme and its advantages. Support municipalities to develop infrastructure data and or to source funding for the development of infrastructure data.

10 Public Entities

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

11 Infrastructure Projects implemented by MISA on request by municipalities to reduce basic services backlogs and in some instances build institutional capacity.

Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
Pniel water supply at Dikgatlong LM-	TSS	Construction of Portable Water Supply to the settlements of the farm Pniel, Barkly West	Municipal strategies implementation	15- October- 2022	30- September- 2023	R9,6m	R7m
District-wide Energy Mix Masterplan at Amathole DM	TSS	Development/ review of the energy master plan for the Amathole District municipality	Integrated Districts energy Master plan developed/reviewed with energy strategies.	20 May 2022	20 May 2023	R2m	R0
Support the King Sabata Dalindyebo (KSD- OR Tambo DM) Municipality (Eastern Cape) with specialist town/spatial planning and GIS resources. Multi-year project.	TSS	Project: Appointment of a professional service provider to support the King Sabata Dalindyebo (KSD) Municipality (Eastern Cape) with specialist town/spatial planning and GIS resources. Multi-year project.	SPLUMA Compliant, municipal spatial plans, policies, structures and systems reviewed	01 Nov 2022	30 Oct 2023	R2,4m	R0
Design and management of a labour-intensive capacity building programme in Mathlabeng LM	TSS	Appointment of a Professional Service Provider for the design and management of a labour-intensive capacity building programme in Matjhabeng Local Municipality in Lejweleputswa District, Free State.	Supported with mainstreaming Labour Intensity Construction Methods in the projects implemented through conditional grants	30 Nov 2022	31 May 2023	R1 018 859,00	R0
Provide Feasibility Study to Augment Postmansburg Wastewater Treatment Works for Tsatsabane LM in NC	TSS	Development of the Feasibility Study to Augment Postmansburg Wastewater Treatment Works for Tsatsabane LM in NC	Best alternative Wastewater Treatment Technology and type opted for.	July 2023	Jan 2024	R 779 159	R0

12. 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)

Indicator Title	1.1 Percentage implementation of ethics management plan
Definition	To provide management with the status of ethical culture against fighting anti-corruption. The planned deliverable of 2023/24 financial year through the implementation of the ethics management plan is: <ul style="list-style-type: none"> To ensure that all MISA officials disclose their financial interests in order to identify and manage possible conflict of interests.
Source of data	Ethics risk register and ethics risk Action Plans
Method of Calculation / Assessment	Simple count
Means of verification	Q1 - Approved ethics management plan by the Accounting Officer; and Q2 – Q4: Progress reports on the implementation of ethics management plan signed off by the Chief Disk Officer.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired performance	100% implementation of deliverables in the approved ethics management plan.
Indicator Responsibility	Deputy Director: Risk Management

Indicator Title	1.2 Percentage implementation of the corporate services improvement plan
Definition	To provide management with the progress on the implementation of corporate services improvement plan covering such functional areas as human resource management, information and communications technology, legal services, communications, and security management.
Source of data	Approved Corporate Services Improvement Plan and quarterly progress reports
Method of Calculation / Assessment	Number of implemented deliverables/ targets in the approved CSIP implemented as a proportion of the total quarterly or annual deliverables
Means of verification	Q1 - Approved CSIP by the Accounting Officer; and Q2 – Q4: progress reports on the implementation of the corporate services improvement plan signed off by the CD: Corporate Services.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A

Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	Implementation of 90% of quarterly and annual deliverables in the approved CSIP
Indicator Responsibility	Chief Director: Corporate Management Services and Director: GICTM

Indicator Title	1.3 Achieve unqualified audit opinion on annual financial statements
Definition	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.
Source of data	Audited annual financial statements and Auditor-General's report
Method of Calculation / Assessment	Auditor-General audit outcomes report indicating unqualified audit opinion
Means of verification	Audited annual financial statements and Auditor-General's report indicating unqualified audit opinion.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Achieve unqualified audit opinion on financial statements in the annual report
Indicator Responsibility	Chief Financial Officer

Indicator Title	2.1 Number of dysfunctional municipalities reducing non-revenue water by average of 5%.
Definition	With intension to reduce Non-Revenue Water in municipalities, MISA will support identified municipalities (Water Service Authorities) with 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.
Source of data	Technical Support Plans and Municipal Data
Method of Calculation / Assessment	Reduction of Non-Revenue Water in the targeted municipalities over a 5-year period by 5% from beginning of term to the end of the term by end of March 2025.
Means of verification	Progress reports on the implementation of Water Conservation and Water Demand Management Plans, approved by the CD: IDMSC.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement.
Indicator Responsibility	CD: IDMSC

Indicator Title	2.2 Number of dysfunctional municipalities achieving EPWP Infrastructure Sector job opportunities allocations through the mainstreaming of LIC.
Definition	MISA will provide identified and dysfunctional municipalities with a programme management support that seek to institutionalize Labour Intensive Construction methods in the infrastructure projects implemented through the conditional grants and promote training of municipal officials' participants in the implementation/inclusion of LIC in the municipal infrastructure operations and maintenance programmes and or projects as part of the President's Economic Stimulus initiative. Identified projects for LIC would be in the sector of water, sanitation, roads, waste management, electricity, and telecommunication projects. MISA will support municipalities to implement their projects in accordance to LIC Guidelines to achieve the annual infrastructure sector targets.
Source of data	Database of programme participants and improvement in LIC reporting
Method of Calculation / Assessment	Captured created employment opportunities in the Expanded Public Works Programme Reporting System (ERS) tool for reporting employment opportunities
Means of verification	Progress reports of municipalities supported with LIC methods including number of employment opportunities created through the support programme.

Assumptions	<ul style="list-style-type: none"> Continued allocation of funds over the MTSF and determination of baseline reporting; 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; Overall allocation of a municipality MUST entail 20% LIC content; and Municipalities have the capacity to capture information onto the ERS (Data Capturers) Municipalities infrastructure projects to maximize LIC.
Disaggregation of Beneficiaries (where applicable)	55%-woman participants; 55% youth participants; and 2% people with disabilities participants.
Spatial Transformation (where applicable)	Selected and dysfunctional municipalities, with priority given to the unemployed target groups.
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Increased LIC content in the conditional grant funded projects implemented by municipalities.
Indicator Responsibility	Chief Director: IDMSC

Indicator Title	2.3 Number of dysfunctional municipalities with increased MIG allocations for repairs & maintenance (given benchmark and baseline) using 10% of their MIG allocations.
Definition	<p>Development and reviewing of technical reports and business plans for MIG Allocations for good asset management practices, repairs and maintenance of infrastructure and assist with the implementation. MISA will also advice municipalities in conforming to MIG reforms that provides for development/implementation of Asset Management Plans/Practices including Repairs & Maintenance processes of infrastructure. The technical assistance work in the MIG funded repairs and refurbishment of infrastructure will include:</p> <ul style="list-style-type: none"> Conducting assessments of the infrastructure assets and/or service delivery system condition Advising on the initiation of the repairs and refurbishment projects Developing or reviewing technical reports for MIG funding projects approval; Repairs and refurbishment projects implementation monitoring and /or contracts management; Providing infrastructure and systems operational guidance Asset management plan, operational technical policies and procedures development;

Source of data	National Treasury, COGTA, MIG Office, Annual Reports and Municipalities
Method of Calculation / Assessment	Municipalities must utilize 10% of their MIG allocations to implement Repairs and Maintenance mechanisms.
Means of verification	Quarterly progress reports on municipalities supported by MISA to undertake Repairs and Maintenance of their infrastructure.
Assumptions	The assumption is that there are no ready repairs and maintenance projects under MIG funding and implementation will commence in 2024/25 financial year. Also, it is assumed that the municipalities will have unallocated budgets for 2024/25 and there is supportive buy-in from municipalities.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	2.4 Achieving 85% expenditure on MIG allocation by municipal year end in dysfunctional municipalities.
Definition	<p>MISA will provide technical assistance in project planning, preparation and management to improve performance throughout the MIG Project life cycle in identified dysfunctional Municipalities. MISA's technical assistance will entail, amongst other things visiting project sites in selected municipalities for verification of work done prior to reimbursement and disbursement of MIG funds in order to generate quarterly progress reports to this effect. Technical assistance will include one or more of the following:</p> <ul style="list-style-type: none"> • Development or review of technical reports and other related documentation for project registration; • Development or review of planning documents such as MIG implementation Plan, ToRs for service providers, designs, drawings and contract documentation; • Undertaking site inspections for pre-appraisal and/or verification of work done; • Providing technical advice at MIG coordinating forums or meetings with COGTA, Provincial MIG and other relevant stakeholders for MIG programme.
Source of data	MIG Performance Progress Report as issued by National COGTA & National Treasury (DoRA reports). The SoLG report and MSIP on identified dysfunction municipalities.

Method of Calculation / Assessment	Reduction of backlogs; Increased access to basic services.
Means of verification	Annual report by MISA on the technical support provided on planning and the implementation of MIG programme in selected municipalities and how they impact on increased access to basic services.
Assumptions	Municipal officials will cooperate fully with MISA support; and Responsibility of technical reports and business case approval will be given to MISA on the MIG Framework. DCOG programs will equally assist municipalities to solve their challenges namely administration, governance, political and financial.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	100% achievement of target
Indicator Responsibility	CD: IDMSC

Indicator Title	2.5 Number of dysfunctional municipalities with SPLUMA compliant spatial plans implemented.
Definition	<p>MISA will facilitate the implementation of SPLUMA compliant plans and systems or related activities in identified dysfunctional Municipalities to address the spatial disparities. SPLUMA compliant plans and systems implementation will include on or more of the following:</p> <ul style="list-style-type: none"> • GIS and e-lodgement systems; Municipal Planning Tribunals; Land Development Applications processing and related activities in dysfunctional municipalities. <p>In instances where the implementation of the above mentioned require funding, the Municipality will budget for, or MISA will assist where funding is possible subject to availability of budget. However, MISA will where possible pursue relevant government agents to prioritise funding for the implementation of SPLUMA compliant plans, systems and related activities.</p>
Source of data	SPLUMA compliant plans and systems
Method of Calculation / Assessment	Simple Count
Means of verification	Annual report on the implementation of SPLUMA compliant municipal spatial plans and systems

Assumptions	<ul style="list-style-type: none"> • Municipalities will budget for the implementation of SPLUMA compliant plans and systems. • MISA will allocate budget for the implementation of SPLUMA compliant plans and systems
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	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.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement.
Indicator Responsibility	CD: IDMSC

Indicator Title	2.6 Percentage increase in households with access to water supply services in 22 dysfunctional municipalities.
Definition	MISA will assist the selected dysfunctional municipalities to improve on access to water supply services. The objective of this outcome is to assist the identified dysfunctional municipalities through various support mechanisms to plan and implement infrastructure development in a coordinated and integrated manner, in order to achieve increased access to basic water.
Source of data	N/A
Method of Calculation / Assessment	Percentage increase in households with access to water supply services starting with a baseline of existing services.
Means of verification	Annual report on the percentage increase in households with access to water supply services.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Beneficiaries will focus on youth, unemployed, single headed families and women together with grant dependant requirements.
Spatial Transformation (where applicable)	Reduction in the contamination of natural resources and preservation of a clean environment.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement.
Indicator Responsibility	CD: IDMSC

Indicator Title	2.7 Number of dysfunctional Water Service Authorities (WSA) with Dysfunctional (Critical Risk) Wastewater Treatment Works (WWTWs) improved to High Risk WWTWs.										
Definition	<p>Whilst the Green Drop assessment by the Department of Water and Sanitation (DWS) focuses on the entire value chain (sewer collector, pumping, treatment, discharge) of the wastewater business within the municipalities (or other WSIs), the Cumulative Risk assessment focuses on the wastewater treatment function specifically. The Green Drop risk analysis (CRR) focuses specifically on the wastewater treatment function. Dysfunctional WWTWs are those that scored a Cumulative Risk Rating (CRR) of between 90% and 100% in the 2022 Green Drop Report published by the DWS.</p> <p>The CRR is a critical element of the Green Drop Accreditation Score calculation. It covers hydraulic capacity of the plant, operational flows, chemical, microbiological, effluent, sludge compliance and technical skills. The CRR scales are as follows:</p> <table border="1"> <thead> <tr> <th>CRR</th><th>WWTW status</th></tr> </thead> <tbody> <tr> <td>90-100%</td><td>Dysfunctional or Critical Risk</td></tr> <tr> <td>70<90%</td><td>High Risk</td></tr> <tr> <td>50<70%</td><td>Medium Risk</td></tr> <tr> <td>50%</td><td>Low Risk</td></tr> </tbody> </table> <p>The National Green Drop Report 2022 indicates that overall, 334 out of 850 wastewater treatment plants countrywide are in a critical state. MISA in collaboration with SALGA and DWS has commenced drafting the Green Drop Improvement plans in the identified dysfunctional municipalities. Further to that MISA will assist municipalities in upgrading, refurbishment and maintenance of WWTW activities through projects initiation, design reviews, approvals and implementation, sewer inspections, plant audits, development of risk abatement and operation and maintenance plans and operations and monitoring policies and procedures.</p>	CRR	WWTW status	90-100%	Dysfunctional or Critical Risk	70<90%	High Risk	50<70%	Medium Risk	50%	Low Risk
CRR	WWTW status										
90-100%	Dysfunctional or Critical Risk										
70<90%	High Risk										
50<70%	Medium Risk										
50%	Low Risk										
Source of data	DWS Green Drop Reports and Risk Rating Reports.										
Method of Calculation / Assessment	Number of dysfunctional water services authorities with 50% WWTW reducing the CRR to less than 90%.										
Means of verification	Quarterly progress reports										
Assumptions	The assumption is that funding will be made available for refurbishment, upgrading, repairs and maintenance through various grants viz. MIG, WISG, own funding, private and donor funding. DWS will produce annual Green Drop										

	Progress Report
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	2.8 Number of dysfunctional Water Service Authorities (WSA) with Dysfunctional (Critical Risk) Water Treatment Works (WTWs) improved to High Risk WTWs.										
Definition	<p>Whilst the Blue Drop assessment by the Department of Water and Sanitation (DWS) focuses on the entire value chain (from catchment to consumer) of the water business within the municipalities (or other WSIs), the Cumulative Risk assessment focuses on the wastewater treatment function specifically. The Blue Drop Risk Rating (BDRR) focuses specifically on each water supply system function. Dysfunctional WTWs are those that scored a BDRR of between 90% and 100% in the 2022 Blue Drop Progress Report published by the DWS.</p> <p>The BDRR is a critical element of the Blue Drop Accreditation Score calculation. BDRR focuses on four critical risk areas namely treatment capacity, water quality, technical skills and Water Safety Planning. R. The BDRR scales are as follows:</p> <table border="1"> <thead> <tr> <th>BDRR</th><th>WTW status</th></tr> </thead> <tbody> <tr> <td>90-100%</td><td>Dysfunctional or Critical Risk</td></tr> <tr> <td>70<90%</td><td>High Risk</td></tr> <tr> <td>50<70%</td><td>Medium Risk</td></tr> <tr> <td>50%</td><td>Low Risk</td></tr> </tbody> </table> <p>The National BDRR profile for the country provides that 23% are in the critical risk category. MISA in collaboration with SALGA and DWS has commenced drafting the Blue Drop Improvement plans in the identified dysfunctional municipalities. Further to that MISA will assist municipalities in upgrading, refurbishment and maintenance of WTW activities through projects initiation, design reviews, approvals and implementation, sewer inspections, plant audits, development of</p>	BDRR	WTW status	90-100%	Dysfunctional or Critical Risk	70<90%	High Risk	50<70%	Medium Risk	50%	Low Risk
BDRR	WTW status										
90-100%	Dysfunctional or Critical Risk										
70<90%	High Risk										
50<70%	Medium Risk										
50%	Low Risk										

	risk abatement and operation and maintenance plans and operations and monitoring policies and procedures.
Source of data	DWS Blue Drop Progress Reports and Risk Rating Reports.
Method of Calculation / Assessment	Number of dysfunctional water services authorities with 50% WTW reducing the BDRR to less than 90%.
Means of verification	Quarterly progress reports
Assumptions	The assumption is that funding will be made available for refurbishment, upgrading, repairs and maintenance through various grants viz. MIG, WISG, own funding, private and donor funding. DWS will produce annual Green Drop Progress Report
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	2.9 Percentage increase in households with access to solid waste removal services in the identified 22 dysfunctional municipalities.
Definition	<p>MISA will assist the selected dysfunctional municipalities to improve on access to solid waste removal services. This will be done through the implementation of the innovative technologies in solid waste programme through funding from existing municipal grants (MIG, EPWP, CWP, PES etc). This related work will be done through one or more of the following;</p> <ul style="list-style-type: none"> • Assistance in developing sorting and recycling initiatives • Assistance with site management • Assistance for funding application for plant and equipment • Assistance with MIG funding for construction of transfer stations and/or material recycling facilities.
Source of data	<ul style="list-style-type: none"> • IWMP and DFFE reports. • Close out reports from previous solid waste management programmes.
Method of Calculation / Assessment	Percentage increase in households with access to solid waste removal services starting with a baseline of existing services.
Means of verification	Annual report on the percentage increase in households with access to solid waste removal services.

Assumptions	<ul style="list-style-type: none"> • That Municipalities are keeping existing records of the percentage of waste disposal which go to landfills. • Approval of the business case for funding. • Municipal budget for the plans Co-operation and buy-in by the relevant sector departments.
Disaggregation of Beneficiaries (where applicable)	Beneficiaries will focus on youth, unemployed, single headed families and women together with grant dependant requirements.
Spatial Transformation (where applicable)	Reduction in the contamination of natural resources and preservation of a clean environment.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement.
Indicator Responsibility	CD: IDMSC

Indicator Title	2.10 Percentage increase in households with access to electricity supply in the 22 dysfunctional municipalities.
Definition	<p>MISA will support the selected dysfunctional municipalities 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"> • Implementation of the Network Performance Monitoring Strategy to measure frequency and duration of electrical network interruptions. • Identification municipalities in developing and or implementing strategies for management of electricity supply which will be aimed at improving access to electricity. • Improving capacity by supporting the implementation of integrated national electrification programme (INEP) through development of business plans and conducting site inspections. • MISA will provide technical support to municipalities based on the needs identified by the infrastructure inspections and analysis. • Provide support in the development of Energy Master Plans to selected municipalities
Source of data	Municipal energy master plans, municipal network diagrams, INEP reports, MISA infrastructure assessments reports.
Method of Calculation / Assessment	Simple Count
Means of verification	Annual report on the implementation of electricity supply management strategies including performance monitoring of municipal electrical network approved by CD: IDMSC.

Assumptions	<ul style="list-style-type: none"> • Approval of the business plans for INEP grant and none lending grants provided by private and public sector. • Municipalities will have relevant electricity network information required in the development of strategies. • Municipalities will provide support to the implementation of the performance tool and development or implementation of electricity supply management strategies. • Municipalities will allocate relevant officials to assist with data collection and completion of the developed network performance tool. • Municipalities or MISA will have budget for the development of Energy Master Plans • Municipalities will implement the developed electricity supply management strategies. • Infrastructure Inspections include inspection of electrical infrastructure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	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.
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	2.11 Number of dysfunctional municipalities where electricity demand is reduced by 10%
Definition	<p>MISA will support the 22 dysfunctional municipalities with the implementation of the Energy Efficiency and Demand Side Management EEDSM programme that aims to lower the demand and effectively managing the consumption of electricity. EEDSM programme includes conversion of high-pressure sodium (HPS) streetlights into LEDs as well as the installation of small-scale embedded generation (SSEG) for municipal and government buildings. In the reporting period, the focus is on converting streetlights.</p> <p>MISA's support will entail the following activities:</p> <ul style="list-style-type: none"> • Preparing business plans for funding of the EEDSM programme • Implementation of the EEDSM programmes: • Rendering technical support • Project and programme management

	<ul style="list-style-type: none"> Reviewing submitted designs
Source of data	Municipal energy master plans, municipal network diagrams, INEP reports, MISA infrastructure assessments reports and relevant electricity network information to implement EEDSM.
Method of Calculation / Assessment	Electricity demand measurements
Means of verification	Annual Report on the implementation EEDSM programme and consequent reduction of electricity demand approved by CD: IDMSC.
Assumptions	<ul style="list-style-type: none"> Cooperation by the supported dysfunctional municipalities, Department of Minerals and Energy (DMRE) and the relevant sector departments. Approval of the business plans for EEDSM Programme and none lending grants provided by public sector. Municipalities will have relevant electricity network information required in the development of strategies. Municipalities will provide support to the implementation of the performance tool and development or implementation of electricity supply management strategies. Municipalities will allocate relevant officials to assist with data collection and completion of the developed network performance tool. Municipalities will implement the developed electricity supply management strategies. Infrastructure Inspections include inspection of electrical infrastructure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to the long-term objective of ensuring that municipalities improve reliability and access to electricity with the aim of improving service delivery.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	2.12 Kilometres of roads maintained to include potholes patching and drainage cleaning in the 22 dysfunctional municipalities.
Definition	MISA will support dysfunctional municipalities with the development and/or implementation of road maintenance programmes using Labour Intensive Construction methods in collaboration with other stakeholders. The work will be

	done through managing maintenance work on the filling of potholes and/or storm drain cleaning.
Source of data	Technical Support Plans and Municipal Data
Method of Calculation / Assessment	Total length of roads maintained in the period ending March 2024.
Means of verification	Q2 and Q4 progress reports on the total length of roads maintained in identified dysfunctional municipalities in the period ending March 2024.
Assumptions	Continued allocation of funds for road maintenance and determination of baseline reporting.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Prioritised dysfunctional municipalities.
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Bi-Annual
Desired performance	Increased number of maintained roads
Indicator Responsibility	CD: IDMSC

Indicator Title	2.13 Number of dysfunctional municipalities provided with technical capacity and skills development for improved service delivery.
Definition	The objective of this intervention is to address the challenge of scares and critical skill shortage in municipalities (local government) by facilitating creation of technical skills pool required to strengthen municipal technical capacity within municipalities for planning, delivery, operations, and maintenance of municipal infrastructure. In addition, MISA will mobilise expert capacity across government and the private sector for deployment to municipalities for interventions in infrastructure planning, implementation, operations and maintenance (O&M) to dysfunctional municipalities.
Source of data	National government, provincial government, strategic partners.
Method of Calculation / Assessment	Simple Count
Means of verification	Q3 – Q4 progress reports on the deployment strategy and implementation on number of experts identified, contracted and deployed with intervention terms.
Assumptions	Availability of experts with key municipal orientation and experience. Readiness and co-operation of municipality to streamline intervention into municipal processes.
Disaggregation of Beneficiaries (where applicable)	N/A

applicable)	
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Bi-Annual
Desired performance	100% Achievement
Indicator Responsibility	CD: TS

Indicator Title	2.14 Number of dysfunctional municipalities with flood risk resilient infrastructure implemented.
Definition	<p>MISA will provide technical assistance in integrated planning, project planning, preparation and management to improve flood risk resiliency throughout the Project life cycle in identified dysfunctional Municipalities. MISA will assist selected dysfunctional municipalities with developing and/ or reviewing the Spatial Development Frameworks (SDFs) and Land Use Plans to incorporate the review of the high flood lines and prohibiting future construction of infrastructure in flood prone areas, and wetlands. This minimises the risks of flood damage to infrastructure.</p> <p>MISA will assist municipalities with upgrading design standards of flood prone infrastructure by reviewing, among other things, design return periods (useful in calculating the riskiness of the structure) to take into account the new maximum probable flood trends due to climate change. Municipalities will further be assisted with reviewing by-laws and building scheme controls. These measures aim to prohibit building in high-risk flood zones as well as reducing the damage that floods may cause for example through enhancing flood attenuation measures such as discouraging paving surfaces unnecessarily and enforcement of the by-law provisions. MISA will also advise municipalities to develop yearly Summer Season Flood Mitigation plans that includes activities such as road stormwater drainage systems cleaning.</p> <p>MISA's technical assistance during projects implementation will entail, amongst other things visiting project sites in selected municipalities for verification of work done prior to ensure meeting quality standards and to generate quarterly progress reports. Technical assistance will include one or more of the following:</p> <ul style="list-style-type: none"> • Development or review of technical reports and other related documentation for project approvals and registration; • Development or review of planning documents such as implementation Plan, Terms of References (ToRs) for service providers, designs, drawings and contract documentation; • Undertaking site inspections for pre-appraisal and/or verification of work done;

	<ul style="list-style-type: none"> Providing technical advice at coordinating forums or meetings with other relevant stakeholders including the National Disaster Management Centre (NDMC), Sector Departments and Provincial Departments.
Source of data	Infrastructure Grants Programmes Performance Progress Report as issued by National Transferring Officers, Reports by the National Disaster Management Centre (NDMC), Sector Departments and Provincial Departments. The State of Local Government (SoLG) report and MSIP on identified dysfunction municipalities.
Method of Calculation / Assessment	Reduction of flood damage Increased resiliency of infrastructure to flood risk
Means of verification	Quarterly progress reports by MISA on the technical support provided on planning and the implementation of resilient infrastructure in selected municipalities and how they reduce flood damage
Assumptions	Municipal officials will cooperate fully with MISA support; and DCOG programs will equally assist municipalities to solve their challenges namely administration, governance, political and financial.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% achievement of target
Indicator Responsibility	CD: IDMSC

Indicator Title	3.1 Number of dysfunctional municipalities with improved infrastructure procurement practices applying various procurement strategies.
Definition	<p>MISA has an obligation to support municipalities to deliver services in an efficient and effective manner, including procurement of infrastructure in compliance to relevant legislation (this will result in improved grant performance, compliance to legislation and value for money on grants spent). The following Support will be provided to the dysfunctional municipalities:</p> <ul style="list-style-type: none"> municipalities with worst weaknesses on SCM and procurement processes, poor infrastructure expenditure and poor compliance to legislation will be prioritised and assisted throughout the reporting period to overcome their challenges. municipalities with no compliant SCM policies in place and procurement documents not being prepared according to the prescribed standards and norms will receive a hand hold assistance and be provided with guidance on

	<p>how-to put-up policies which are up to date and complaint with legislation.</p> <ul style="list-style-type: none"> • municipalities with no responsive procurement strategies to respond to the challenges faced (especially for maintenance works) will be assisted to also look establish framework agreement contracts to overcome their infrastructure delivery challenges. Guidelines and procedures will be shared with municipal officials.
Source of data	Consolidated AGSA Report of the municipalities; State of Local Government Report, any other reports on the performance of municipalities emanating from TSS and other units within MISA. This includes reports from National Treasury, were applicable.
Method of Calculation / Assessment	Simple Count (each municipality assisted)
Means of verification	Quarterly progress reports indicating the nature of support rendered to municipalities and draft SCM Policies with Procurement strategies available for utilisation by municipalities (including guidelines and procedures).
Assumptions	<ul style="list-style-type: none"> • Municipalities will support the programme • Municipalities have human resource capacity for the purpose of skills transfer [Staff at all levels within the municipalities will be readily available for workshops, meetings, training sessions and individual meetings] • Other municipal challenges are attended to by the relevant responsible agents or role-players; • Municipal Councils adopting SCM policies which have infrastructure procurement provisions (and Framework Agreements); • Municipalities utilizing Framework agreements, where suitable. • Decisions will be taken promptly and not delay the project.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year to-date)
Reporting Cycle	Quarterly
Desired performance	100%
Indicator Responsibility	CD: Framework Contracts and Infrastructure Procurement

Indicator Title	3.2 Number of Plans towards spatial transformation in the Eastern Seaboard Region completed
Definition	The objective of this indicator is to support the realisation of government's plan to develop the Eastern Seaboard, which includes the development of a new smart

	<p>coastal African city for the improvement of economic growth and alleviation of poverty. The planning phase of the project includes the following priority plans, studies and strategies:</p> <ul style="list-style-type: none"> • The development of the Regional Spatial Development Framework (RSDF), • Renewable Energy Feasibility Study, • Regional Master Plan • Regional Integrated Transport Plan. <p>This support will be provided through the effective coordination of all relevant stakeholders (the three spheres of government, private sector, traditional leadership and all of society) through the District Development Model approach in various IGR platforms.</p>
Source of data	National government, Stats SA, municipalities, non-governmental organisations and research institutions.
Method of Calculation / Assessment	Simple count of plans and studies completed
Means of verification	Quarterly progress reports on the plans and studies produced for the Eastern Seaboard Development (New Smart Coastal African City) as well as the intergovernmental relations forums convened towards the planning, coordination and implementation of the project.
Assumptions	Availability of credible information, resources and the three spheres of government, willingness to collaborate and buy-in to develop the Eastern Seaboard.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This target will contribute to Outcome 4: Spatial Integration, Human Settlements and Local Government. It will also contribute to the Sustainable Development Goal of making cities and human settlements inclusive, safe, resilient and sustainable.
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD: PMO

Indicator Title	3.3 Number of projects prepared for investment mobilisation within ESD region.
Definition	<p>MISA will in collaboration with the four districts municipalities within the Eastern Seaboard, will agree on key catalytic projects to be prepared and packaged for investments.</p> <p>The criteria to identify catalytic projects will include, amongst others, the capability to be scaled to cover the developmental objectives of the ESD. e.g., Infrastructure</p>

	projects can serve more than one district across the Eastern Seaboard region.
Source of data	National government, Stats SA, municipalities, non-governmental organisations, research institutions, business
Method of Calculation / Assessment	Number of projects prepared and packaged for investment
Means of verification	Bi-annual progress reports on projects prepared and packaged for investment promotion.
Assumptions	Availability of catalytic projects that has potential to cover the envisaged ES region.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This target will contribute to Outcome 4: Spatial Integration, Human Settlements and Local Government. It will also contribute to the Sustainable Development Goal of making cities and human settlements inclusive, safe, resilient and sustainable.
Calculation Type	Non-cumulative
Reporting Cycle	Bi-annual
Desired performance	100% Achievement
Indicator Responsibility	CD: PMO

Indicator Title	3.4 Number of dysfunctional district and metro spaces with identified infrastructure related interventions implemented.
Definition	In consultation with sector departments and other interested stakeholders, MISA will identify infrastructure related intervention from approved DDM plans and implement the targeted interventions based the areas identified within dysfunctional district and metro spaces.
Source of data	Infrastructure plans, municipal reports, IDPs, District One Plan.
Method of Calculation / Assessment	Number of targeted infrastructure related interventions implemented from identified District One Plans
Assumptions	District One Plan developed for each District and Metros.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement.
Indicator Responsibility	CD: IAA

Indicator Title	3.5 Increased municipal infrastructure investment through innovative mechanisms.
Definition	The conditional municipal grants system will be used to leverage additional funding for infrastructure investment (including climate resilient infrastructure) in dysfunctional municipalities through innovative mechanisms. Innovative mechanisms include the Private Sector Participation Model, pledging of conditional grants and land base mechanisms (e.g., development charges, tax incremental finance, pooled financing, project financing, PPP).
Source of data	Municipal Data
Method of Calculation / Assessment	Simple Count
Means of verification	Annual Report on the number of municipalities supported to access funding for infrastructure investment through leveraging of existing national transfers and other innovative mechanisms.
Assumptions	Willingness of municipalities to commit conditional grants and implement innovative mechanisms.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Municipalities accessing additional funding through leveraging of national transfers.
Indicator Responsibility	CD: Infrastructure Financing

ANNEXURE A

UPDATED STRATEGIC PLAN 2020 – 2025

Background to the Updated Strategic Plan 2020 – 2025

MISA during the latter stages of the 2022/23 financial year, has embarked on a comprehensive strategic review process, which will culminate in the development of a long-term strategy for the organisation, that will better position the organisation to increase its impact on Local Government Service Delivery. Revisions done on the Strategic Plan was mostly done based on the revised Medium Term Strategic Framework (MTSF) and to align our strategic plan with our planned targets as captured in our 2023/24 APP.

PART C: MEASURING OUR PERFORMANCE

Revised Strategic Plan (To align both with the revised MTSF and APP 2023/24)

NDP Five Year Implementation Plan Priority			A capable, ethical and developmental state	
Outcome	Outcome Indicator	Baseline	Five-year target	
A capable and ethical government	Compliance with the organisation ethical management strategy to foster a culture of ethical conduct within the organisation.	New	100%	Compliance with the ethical management strategy.
Functional, efficient and integrated government	Maintenance of unqualified audit opinion annually	Unqualified audit opinion with no material findings for 2018/19 financial year	Unqualified audit opinion for each year until 2024	

NDP Five Year Implementation Plan Priority			Economic transformation and job creation	
Outcome	Outcome Indicator	Baseline	Five-year target	
Effective water management system for the benefit of all	Stabilising Non-Revenue Water in selected Municipalities	41% average Non-Revenue Water across all municipalities.	5% decrease in Non-Revenue Water in selected municipalities	
Efficiency in infrastructure management	Increased percentage of operational expenditure spent on Operations and Maintenance in districts	0.8% of operational expenditure spent on Operations and Maintenance across all municipalities	8% of operational expenditure spent on Operations and Maintenance in all 44 Districts	
	Increase in the percentage expenditure on MIG	66% of MIG receiving municipalities spent at least 90% of MIG	90% of MIG receiving municipalities spending at least 90% of MIG	

NDP Five Year Implementation Plan Priority			Economic transformation and job creation	
Outcome	Outcome Indicator		Baseline	Five-year target
	Improved compliance on Infrastructure procurement related legislation		New Indicator	40 Municipalities with improved compliance on infrastructure procurement related legislation.
Enhanced intergovernmental and inter- departmental coordination through the implementation of the District Development Model	Number of District and metro spaces with identified infrastructure related interventions implemented		New Indicator	45 Dysfunctional District and metro spaces
Quality and quantum of infrastructure investment to support growth and job creation improved	Number of municipalities supported to access funding for infrastructure investment through leveraging of existing national transfers and other innovative mechanisms.		6 Districts implementing Long-term Infrastructure Investment Plans	13 Districts implementing Long-term Infrastructure Investment Plans

NDP Five Year Implementation Plan Priority			Spatial integration, human settlements and local government	
Outcome	Outcome Indicator		Baseline	Five-year target
A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas.	Number of districts supported with the development and/or implementation of SPLUMA compliant plans in line with the District Development Model.		39 Districts	44 districts supported development and/or implementation of SPLUMA compliant plans
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase	Number of districts supported to improve capacity to deliver infrastructure to increase access to water services		39 Districts	44 districts supported to deliver infrastructure to increase access to water services.

NDP Five Year Implementation Plan Priority			Spatial integration, human settlements and local government	
Outcome	Outcome Indicator	Baseline	Five-year target	
household access to basic services	Number of districts supported to improve capacity to deliver infrastructure to increase access to sanitation services	39 Districts	44 districts supported to deliver infrastructure to increase access to sanitation services.	
	Number of districts supported to reduce waste disposal to landfill sites	New Indicator	44 districts supported to reduce waste disposal to landfill sites.	
	Number of districts supported to improve capacity to deliver infrastructure to increase access to electricity services	39 Districts	44 districts supported to deliver infrastructure to increase access to electricity services.	

1.1 Explanation of Planned Performance over the Five-Year Planning Period

1.1.1 Contribution of outcomes to achievement of MTSF objectives

A capable and ethical government

The institutionalization of financial disclosure will promote transparency and accountability in MISA and enhance public confidence in the entity. Implementation of the financial disclosure framework will enable executive authority to identify and manage conflict of interest to ensure better decision making in MISA, towards creating a capable and ethical government.

Functional, efficient and integrated government

The Public Finance Management Act, 1 of 1999 (as amended) and other relevant legislation requires of heads of government institutions and assigned oversight bodies to ensure prudent management of financial and other resources to optimise the impact of government programmes on citizens' lives. To comply with this requirement, MISA strives to prevent wasteful, fruitless and irregular expenditure over the next five years. The implementation of an effective system of internal control as would immensely contribute to the minimisation of this kind of expenditures. It is crucial for management in MISA to implement an effective system of internal control and measures to avert irregularities in the performance its functions and the roll-out of both the strategic plan and annual performance plans (APPs). This kind of system typically comprises policies, processes, standard operating procedures and other internal control measures to be followed by everyone involved in the execution of the entity's functions.

Effective water management system for the benefit of all

South Africa is a water scarce country and municipalities have the responsibility to reduce the current volume of water losses, take care and protect water resources by adopting and implementing sound water conservation and demand management strategies. Water conservation and water demand management are aimed at, amongst others, promoting economic efficiencies, social development, social equity, environmental protection and sustainability of water supply and water services. In the MTSF period, MISA will contribute towards the conservation of water by supporting municipalities, across all districts, to develop and implement water conservation and water demand management plans with the view to stabilising non-revenue water and curb further increases in the levels of non-revenue water in selected municipalities. Targeted support will be directed where the impact of support can be maximized.

Efficiency in infrastructure Management.

This outcome seeks to ensure that the triple constraints (time, cost and scope) are well balanced. This means that the project must be delivered with time, cost and scope without a compromise to one of the constraints. Efficiency will be achieved through the use of a combination of logically related practices, methods and processes (project management methodologies) that determine how best to plan, develop, control and deliver projects for continuous process until successful completion and termination. The main objective of delivering and expediting the implementation of infrastructure projects efficiently is to improve service delivery.

Delays in the procurement at the municipal space largely result in the poor delivery and maintenance of infrastructure. The rollout of IDMS and provision of support to municipalities to institutionalise IDMS will improve and expedite the procurement of goods and services ensuring a responsive local government in delivery of basic services to communities.

Enhanced inter-governmental and inter-departmental coordination through the implementation of the District Development Model

Lack of coherence in planning and implementation has made monitoring and oversight of government's pro- gramme difficult. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment. In addressing these challenges, the Government launched "a new integrated district-based approach" to address service delivery challenges and job creation, pro- mote and support local businesses, and also involve communities in development. This outcome seeks to contribute to the coordinated approach in planning and delivery services to the communities through the implementation of District Development Model (DDM). MISA's focus area in the implementation of DDM will be coordinated infrastructure planning, delivery, operation and maintenance. This coordination will be realised at the district or metropolitan space by participating in the district hubs to drive the DDM. MISA will coordinate all agencies involved in infrastructure delivery at National, Provincial and Local spheres of government.

Quality and quantum of infrastructure investment to support growth and job creation improved.

Investment in Infrastructure development is key as it will unlock the service delivery challenges faced by many municipalities as a result of under investment in infrastructure development and management. MISA will, through partnerships with various stakeholders (such as government departments and financiers), support municipalities with exploration of alternative funding mechanisms to improve the quality and quantum of infrastructure. To ensure that adequate infrastructure is provided in municipalities, proper planning and project preparation is required. MISA will also support municipalities with preparation of the projects to ensure that they meet the requirements of potential investors. MISA will play a coordinating

role and assist municipalities with the development of their submissions and proposals to various financiers with strong emphasis on the project identification and packaging.

Climate change mitigation and adaptation is rapidly becoming an integral part of infrastructure development that municipalities need to embrace when planning for infrastructure development. There are funding products available at a national and global level earmarked for projects that are responsive to climate change mitigation and adaptation. MISA will support municipalities to identify and prepare projects for submission to access funding for climate change mitigation and adaptation. In addition, MISA will advocate for the integration of climate change related activities/projects into the alternative funding mechanisms to be developed by financiers.

MISA will also support the development of long-term infrastructure development plans under this outcome. 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 development of long-term infrastructure investment plans will enable municipalities to adopt a longer-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 long-term infrastructure investment plans will be implemented through the mobilization of private partners to support local government by investing in infrastructure projects which will unlock the service delivery challenges.

The long-term municipal investment plans serve as a vehicle for the implementation of the DDM. The DDM advocates for a 'one plan' for each district space which will enable the whole of government to implement interventions that are responsive to the development challenges and gaps identified in the district spaces. MISA has been assigned the responsibility to coordinate the municipal infrastructure component of the district development model. MISA's role will be mainly to support the districts with the profiling of the state of municipal infrastructure, development of interventions and implementation thereof. 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.

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

MISA will support municipalities to address apartheid spatial settlement patterns by improving spatial planning and land use management practices. This will be achieved by fostering compliance with relevant pieces of legislation and policy frameworks, such as the SPLUMA and the IUDF. Municipalities will be supported to develop SPLUMA compliant spatial plans and to develop and implement spatial development frameworks that support future infrastructure development initiatives. Spatial plans that promote racial integration, inclusive

social and economic opportunities, optimal usage of scarce resources and address poverty will be developed and implemented together with municipalities.

Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services.

MISA, working with other stakeholders, will contribute towards improved municipal solid waste management in South Africa by supporting municipalities to adopt and implement sound solid waste management technologies. Initiatives to be undertaken will contribute towards the reduction of solid waste disposal to the landfill sites and thereby promoting sustainable waste management, economic growth, and ecological and environmental protection.

There is a need for the government to restore public confidence in municipal services, such as provision of water. Access to and reliability of water service remain a challenge despite the gains achieved over the previous years. MISA will support municipalities to conduct infrastructure assessments with the view to developing and implementing sustainable solutions to water challenges in municipalities. MISA will support municipalities to develop and implement water and sanitation infrastructure master plans as well as reliability plans. Access to and reliability of sanitation services also remain a challenge despite the gains achieved over the previous years. MISA will support municipalities to conduct infrastructure assessments with the view to developing and implementing sustainable solutions to sanitation challenges in municipalities.

Provision of reliable energy services will enable municipalities to retain their customer base and improve the municipal revenue through the sale of energy. Currently municipalities are not able to measure the performance of their energy provision networks and are not able to measure the duration and frequency of outages. There is a need for municipalities to understand the frequency and duration of interruptions so that they can be able to better maintain their network and improve services to their customers. MISA aims to support municipalities in developing the correct tool to measure network performance through the set of indices according to NRS 048 Part 6 and EEE standards. MISA also aims to support municipalities in better managing their energy provision in order to reduce network losses and improve revenue for the municipalities by developing plans that will improve the management of energy supply systems.

1.1.2 Enablers to the achievement of five-year targets

The table below presents a description of enablers to the achievement of the five-year targets:

Outcome	Outcome Indicator	Five-year target	Enabler
A capable and ethical government	Compliance with the organisation ethical management strategy to foster a culture of ethical conduct within the organisation.	100% Compliance with the ethical management strategy.	<ul style="list-style-type: none"> Continuously keeping abreast of latest regulations and ethical practises.
Functional, efficient and integrated government	Maintenance of unqualified audit opinion annually	Unqualified audit opinion for each year until 2024/25	<ul style="list-style-type: none"> Continuously keeping abreast of latest regulations, financial governance and ethical practises. Effective administrative systems.
Effective water management system for the benefit of all	Stabilising Non-Revenue Water in selected Municipalities	5% decrease in Non-Revenue Water in selected municipalities	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities. Funds to implement water conservation and water demand management plans.
Efficiency in infrastructure management	Increased percentage of operational expenditure spent on Operations and Maintenance in districts.	8% of operational expenditure spent on Operations and Maintenance in all 44 Districts.	<ul style="list-style-type: none"> Project Management methodologies Technical expertise to provide support to municipalities. Adequate funding.
	Increase in the percentage expenditure on MIG.	90% of MIG receiving municipalities spending at least 90% of MIG	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities
	Improved compliance on Infrastructure procurement related legislation.	40 Municipalities with improved compliance on infrastructure procurement related legislation	<ul style="list-style-type: none"> Municipalities taking ownership and embracing guidance and recommendations issued by MISA. Strong culture of consequence management in municipalities.
Enhanced intergovernmental and inter-departmental coordination through the implementation	Number of District and metro spaces with identified infrastructure related interventions implemented	45 dysfunctional district and metro spaces.	<ul style="list-style-type: none"> Project Management methodologies Technical expertise to provide support to municipalities

Outcome	Outcome Indicator	Five-year target	Enabler
of the District Development Model			<ul style="list-style-type: none"> Funding availability
Quality and quantum for infrastructure investment to support growth and job creation improved	Number of municipalities supported to access funding for infrastructure investment through leveraging of existing national transfers and other innovative mechanisms.	13 Districts implementing Long-term Infrastructure Investment Plans	<ul style="list-style-type: none"> Resource allocation to establish the district hubs and capacitate the hubs to deliver on its mandate. Effectiveness of existing IGR structures to ensure by-in and support.
A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas.	Number of districts supported with the development and/or implementation of SPLUMA compliant plans in line with the District Development Model.	44 Districts supported.	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities. Enforcement of SPLUMA regulations and by-laws.
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services.	Increase in municipal technical capacity for effective and efficient infrastructure management.	Improvement in all 44 Districts	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities. Ownership of capacity development initiatives by municipalities Improved coordination of capacity development initiatives across the three spheres of government
	Number of districts supported to improve capacity to deliver infrastructure to increased access to water services.	44 Districts supported.	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities. Funds to implement new projects and augment the capacity of existing infrastructure.
	Number of districts supported to improve capacity to deliver infrastructure to increased access to sanitation services.	44 Districts supported.	<ul style="list-style-type: none"> Technical expertise to provide support to municipalities. Funds to implement new projects and augment the capacity of existing infrastructure.

Outcome	Outcome Indicator	Five-year target	Enabler
	Number of districts supported to reduce waste disposal to landfill sites.	44 Districts supported.	<ul style="list-style-type: none"> • Technical expertise to provide support to municipalities. • Funds to implement new projects and augment the capacity of existing infrastructure.
	Number of districts supported to improve capacity to deliver infrastructure to increased access to electricity services.	44 Districts supported.	<ul style="list-style-type: none"> • Technical expertise to provide support to municipalities. • Funds to implement new projects and augment the capacity of existing infrastructure.

1.1.3 Outcomes contribution to the achievement of intended impact

The table below presents how the MISA outcomes are expected to contribute towards the achievement of intended impact:

Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
Improved access to sustainable services through the strengthening of municipalities' capacity to provide reliable municipal infrastructure in a manner that creates jobs for local communities and contribute to economic growth.	A capable and ethical government	This outcome requires MISA officials to disclose any financial interests in order to identify and manage possible conflict of interests	The implementation of financial disclosure framework will promote transparency and accountability in MISA and enhance public confidence.
	Improved Functional, efficient and integrated government	This outcome requires MISA management to manage financial and other resources allocated for the performance of its functions and implementation of its strategic plan in a prudent way by implementing effective internal control systems, consistently complying with applicable legislation and regulation and following good practices in the execution of its mandate.	The implementation of an effective internal control systems enhances the capacity of the organisation to prudently utilise its resources in the execution of the strategy. This in turn increases the possibility of maximising the impact of its programmes on the country and the economy.
	Effective water management system for the benefit of all	The stabilisation of Non-Revenue Water, Unaccounted for Water with the objective of assisting	Creating an enabling environment for socio-economic investment opportunities through the

Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
		identified municipalities to conserve, Manage, and improve revenue on water supply. The long-term objective of this outcome is to assist identified Municipalities to improve reliability of water supply systems and water security.	provision of reliable and sustainable water services and improved revenue collection by the local Municipality.
	Efficiency in infrastructure management	The objective of this outcome is to support municipalities to implement infrastructure projects in an effective and efficient manner in line with applicable standards. MISA will also undertake capacity building initiatives that are aimed at improving employability of youth, in local government, through skills training. The initiatives will also support the development of municipal officials as well as internal procedures and systems for enhanced infrastructure management. MISA will also assume a central role in coordinating technical capacity development initiatives that are aimed at improving municipal capacity coordination and reducing wastage and duplication of government efforts and resources. This outcome also seeks to support municipalities to apply innovative mechanisms to access alternative funding sources for infrastructure development. This is due to the fact that the national fiscus is heavily constrained to fund all the infrastructure requirements and demands.	This will promote sustainable, quality and cost-effective infrastructure projects that will contribute to sustainable, reliable and quality service delivery. The interventions to be undertaken will also contribute towards the building of technical skills pipeline for local government, as envisaged in the National Development Plan.

Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
	Enhanced intergovernmental and inter-departmental coordination through the implementation of the District Development Model	This entails the identification of infrastructure projects from approved DDM plans and resources allocated for improved basic service delivery	This will guide infrastructure development and economic growth.
	Quality and quantum for infrastructure investment to support growth and job creation improved	Investment in Infrastructure development is key as it will unlock the service delivery challenges faced by many municipalities as a result of under investment in infrastructure development and management. To ensure that adequate infrastructure happens in municipalities, proper planning and project preparation is required. MISA will also support municipalities with preparation of the projects to ensure that they meet the requirements of potential investors.	The implementation of this outcome will strengthen municipalities' capacity to provide reliable municipal infrastructure in a manner that creates jobs for local communities and contribute to economic growth.
	A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas	Improvement of spatial planning and optimising land use. The objective of this indicator is to measure the effort that identified municipalities adopt in ensuring that their long-term infrastructure investment programmes are spatially referenced and are planned and implemented in a coordinated manner. This will be improving Economic Growth with ripple effects of contributing in solving the Country's triple challenges of poverty, unemployment and inequality.	This will guide infrastructure development and contribute to economic growth.
	Improved municipal capacity to deliver	Measure of reduction of waste disposal to landfill sites and improving recycling	Creating an enabling environment for socio-economic investment

Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
	basic services, quality infrastructure and integrated public transport to increase household access to basic services.	and re-use of waste generated by households and industries. The objective of this outcome is to assist the identified municipalities to improve Solid Waste Management. The ripple effect for the implementation of these plans is to ensure that identified municipalities reduce the contamination of natural resources and preserve clean environment. This outcome also seeks to improve the provision of water and sanitation services, and reliability thereof. The objective of this outcome is to assist identified Municipalities to plan and implement infrastructure investment plans in a coordinated and integrated manner. This outcome seeks to improve the provision of energy services and reliability thereof. The objective of this outcome is to assist identified Municipalities to plan and implement infrastructure investment plans in a coordinated and integrated manner.	opportunities through promotion of sound solid waste management principles and reliable infrastructure for water, sanitation and energy services.

2 Key Risks

Outcome	Key Risk	Risk Mitigation
A capable and ethical government	Non-compliance to ethics and integrity programmes	<ul style="list-style-type: none"> • Enforcement of consequence management • Awareness of ethics and integrity regulatory frameworks
Functional, efficient and integrated government	Non-compliance with to rules, laws and policies	<ul style="list-style-type: none"> • Enforce implementation of Internal controls Policies and SOPs • Maintain an effective compliance programme.

Outcome	Key Risk	Risk Mitigation
Effective water management system for the benefit of all	Lack of funding and technical skills from municipalities to develop and implement revenue enhancement strategy.	<ul style="list-style-type: none"> Support municipalities to develop business case to develop and implement revenue enhancement strategies.
Efficiency in infrastructure delivery	Lack of buy-in and ownership by municipalities.	<ul style="list-style-type: none"> Institutionalization of the IDMS, Standards, Processes, procedures and methodologies through the involvement of the municipalities' leadership.
	Reluctance by municipalities to participate in the framework contracts in view of regulation 32 perceptions.	<ul style="list-style-type: none"> Treasury to be engaged to provide an assurance regarding the legality of using the Framework Contracts.
	Over-reliance on Consultants.	<ul style="list-style-type: none"> Recruitment of permanent and skilled technical personnel and pairing of experienced professionals with Young Graduates.
	Lack of capacity to present bankable projects for private sector funding.	<ul style="list-style-type: none"> Project preparation support to municipalities.
Enhanced intergovernmental and inter-departmental coordination through the implementation of the District Development Model	Reluctance by municipalities to participate in the implementation of the District Development Model	<ul style="list-style-type: none"> Thorough engagements with municipalities with regard to the adoption of District Development Model
Quality and quantum of infrastructure investment to support growth and job creation improved.	Non availability of bankable projects for municipal infrastructure development to enable growth and job creation.	<ul style="list-style-type: none"> Project preparation support and capacity building to 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	Municipalities not prioritizing spatial planning and lack of technical skills.	<ul style="list-style-type: none"> Thorough engagements with municipalities and other relevant stakeholders and fast-tracking the recruitment processes. The adoption of District Development Model
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services.	<ul style="list-style-type: none"> Lack of strategy to implement recycle programmes for solid waste. Lack of infrastructure asset management plans. Lack of buy-in from municipalities. 	<ul style="list-style-type: none"> Support municipalities to source funding to develop strategies to recycle solid waste. Support municipalities to source funding for development of infrastructure asset management and O&M

Outcome	Key Risk	Risk Mitigation
	<ul style="list-style-type: none"> • Lack of infrastructure asset data and management plans. 	<p>implementation.</p> <ul style="list-style-type: none"> • Engage municipalities upfront about the programme and its advantages. • Support municipalities to develop infrastructure data and or to source funding for the development of infrastructure data.

PART D: TECHNICAL INDICATOR DESCRIPTION

Indicator Title	Compliance with the organisation ethical management strategy to foster a culture of ethical conduct within the organisation.
Definition	To provide management with the status of implementing the financial disclosure framework to promote ethical culture against fighting corruption
Source of data	Financial Disclosure Report, Ethics management plan
Method of Calculation / Assessment	Simple count
Assumptions	Approved financial disclosure and ethics management reports by the Accounting Officer
Disaggregation of Beneficiaries (where applicable)	NA
Spatial Transformation (where applicable)	NA
Reporting Cycle	Non-cumulative
Desired performance	Produce annual financial disclosure reports approved by the Accounting Officer
Indicator Responsibility	Deputy Director: Risk Management

Indicator Title	Maintenance of unqualified audit opinion annually.
Definition	To ensure that all financial management processes and general internal control measures are adhered to resulting in accurate, valid and timely financial information produced, as well as compliant performance management
Source of data	Financial and performance management systems used within the public sector
Method of Calculation / Assessment	Number of material audit findings
Assumptions	Effective internal control system, adequate human resource capacity and effective oversight
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	To obtain clean audits
Indicator Responsibility	Chief Financial Officer

Indicator Title	Stabilising Non-Revenue Water in selected Municipalities
Definition	Stabilize the level of municipal Non-Revenue Water in MISA selected Municipalities within the 44 districts with the objective of assisting to conserve and manage water demand and improve revenue on water supply services. The long-term objective of this outcome is to assist MISA selected municipalities to improve reliability of water supply service and water security through improved management of their water services. Municipalities will be selected where maximum impact can be achieved.
Source of data	Annual Progress Reports indicating the stabilisation of the level of Non-Revenue Water.
Method of Calculation / Assessment	% of Non-Revenue Water
Assumptions	<ul style="list-style-type: none"> Water Conservation and Water Demand Management Plans have already been developed in at least 50% of targeted Municipalities. Municipalities budgeted for implementation of WCWDM Plans.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the citizens of the identified Municipalities
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement
Indicator Responsibility	DDG: TSS

Indicator Title	Increased percentage of operational expenditure spent on Operations and Maintenance in districts
Definition	MISA will support municipalities with the development and implementation of Operations and Maintenance Plans within the 44 Districts.
Source of data	Progress reports on the implementation of operations and maintenance plans.
Method of Calculation / Assessment	Number of districts implementing the operations and maintenance plans
Assumptions	Funding constraints by municipalities to implement the operations and maintenance plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target

Desired performance	Improvement in infrastructure management
Indicator Responsibility	DDG: TSS

Indicator Title	Increase in the percentage expenditure on MIG
Definition	The improvement of MIG expenditure through the provision of technical support to MIG receiving municipalities. MISA will support identified municipalities through the District Development Model in achieving improved expenditure on MIG.
Source of data	Annual MIG Expenditure Progress Reports obtained from the MIG MIS.
Method of Calculation / Assessment	Simple Count of Percentage Expenditure in relation to the MIG Allocation for each MIG receiving municipality.
Assumptions	Municipal PMUs are in place and are properly resourced.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement
Indicator Responsibility	DDG: TSS

Indicator Title	Improved compliance on infrastructure procurement related legislation
Definition	<ul style="list-style-type: none"> • The improvement of compliance to legislation and practices during the procurement of infrastructure projects. • The support given to identified municipalities in the category such as dysfunctional, with repeat disclaimer opinions and repeated audit findings related to procurement in general, and infrastructure procurement, in particular. • Infrastructure procurement strategies such as Framework Agreements being rolled out for adoption by municipalities.
Source of data	Auditor General Report (MFMA) - Annual reports; Spend Analysis of Municipalities and State of Local Government Report.
Method of Calculation / Assessment	Simple Count / Percentage of compliance improvement / reduction in repeat findings (noncompliance) in each supported municipality.
Assumptions	<p>Municipal SCM units and Bid Committees are in place and are properly resourced.</p> <p>Municipalities adopting Procurement strategies such as Framework Agreement contracts.</p> <p>Strong culture of consequence management.</p>
Disaggregation of	40 Dysfunctional Municipalities (from 66 in the list of dysfunctional municipalities)

Beneficiaries (where applicable)	
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	50% Achievement (from current audit opinion to a better audit outcome)
Indicator Responsibility	DDG: IDMS

Indicator Title	Number of District and metro spaces with identified infrastructure related interventions implemented.
Definition	In consultation with sector departments and other interested stakeholders, MISA will identify infrastructure related intervention from approved DDM plans and implement the targeted interventions based the areas identified within district and metro spaces.
Source of data	Infrastructure plans, progress reports, IDPS, MTSF
Method of Calculation / Assessment	Number of District One Plans (infrastructure components of the One Plan) developed
Assumptions	There will be a One Plan for each District and Metros.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement.
Indicator Responsibility	DDG: IDMS/TSS

Indicator Title	Number of municipalities supported to access funding for infrastructure investment through leveraging of existing national transfers and other innovative mechanisms.
Definition	Improvement of long-term and sustainable infrastructure investment planning in districts, in order to increase long-term investment in infrastructure. The objective of this indicator is to ensure that identified districts develop, adopt and implement infrastructure investment plans which focus on a 10 to 30 years planning horizon to evaluate and simulate the upgrading and extensions required to accommodate the future developments as per the municipal SDF and IDP.

Source of data	Annual progress reports in the development and/or implementation of long-term and sustainable infrastructure investment planning in municipalities.
Method of Calculation / Assessment	Simple count of number of districts where long-term investment plans are in place.
Assumptions	SDF, IDP and other sector plans such as the WSDP, Local Economic Development Plan and Human Settlement Plan are in place.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the citizens of the identified districts
Spatial Transformation (where applicable)	Improved long-term infrastructure investment planning will group infrastructure items into feasible annual capital projects and logically phase them for a multi-year Capex programme, which will inform grant expenditure of the applicable MTEF period.
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement.
Indicator Responsibility	DDG: IDMS

Indicator Title	Number of districts supported with the development and implementation of SPLUMA compliant plans in line with the District Development Model.
Definition	MISA will support municipalities with the development and/or implementation of SPLUMA compliant plans within the 44 Districts. The objective of this indicator is to ensure that municipalities adopt and implement spatial planning processes and systems which are compliant with the Spatial Planning and Land-Use Management Act (SPLUMA), in order to achieve spatial integration, support local economic development and implement long term Infrastructure investment programmes which are planned appropriately, coordinated and spatially referenced.
Source of data	Progress reports on the development and/or implementation of SPLUMA compliant municipal plans
Method of Calculation / Assessment	Simple count of number of districts supported with the development and/or implementation of SPLUMA compliant plans.
Assumptions	<ul style="list-style-type: none"> SPLUMA compliant plans have already been developed in at least 50% of targeted Municipalities and only require support on implementation. Municipalities budgeted for the implementation of SPLUMA compliant plans.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the citizens of the identified Municipalities.
Spatial Transformation (where applicable)	This indicator will contribute in the long-term towards spatial integration, economic growth and solving the triple challenges of poverty, unemployment and inequality.

Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement.
Indicator Responsibility	DDG: TSS

Indicator Title	Number of districts supported to improve capacity to deliver infrastructure to increase access to water services
Definition	MISA will support Municipalities to improve provisioning of household access to water within 44 Districts. The objective of this outcome is to assist identified municipalities through various support mechanisms to plan and implement infrastructure development in a coordinated and integrated manner, in order to achieve increased access to basic water.
Source of data	Annual Progress reports on the support provided to identified municipalities.
Method of Calculation / Assessment	Simple count of number of Districts supported to improve capacity
Assumptions	Baseline data on the level of access to basic water services for households which is readily available.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the residents of the identified Municipalities
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement.
Indicator Responsibility	DDG: TSS

Indicator Title	Number of districts supported to improve capacity to deliver infrastructure to increase access to sanitation services
Definition	MISA will support Municipalities to improve provisioning of household access to sanitation within 44 Districts. The objective of this outcome is to assist identified Municipalities through various support mechanisms to plan and implement infrastructure development in a coordinated and integrated manner, in order to achieve increased access to basic sanitation services.
Source of data	Annual Progress reports on the support provided to identified municipalities
Method of Calculation / Assessment	Simple count of number of Districts supported to improve capacity.
Assumptions	Baseline data on the level of access to basic sanitation services for households which is readily available.
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the residents of the identified Municipalities

applicable)	
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement.
Indicator Responsibility	DDG: TSS

Indicator Title	Number of districts supported to reduce waste disposal to landfill sites
Definition	MISA will support Municipalities to Improve the reduction of solid waste disposal by Landfill within 44 Districts. This will be achieved through the development and/or implementation of Integrated Waste Management Plans, which targets and prioritises improving recycling and re-use of waste and a reduction in waste generation. The objective of this outcome is to assist the identified Municipalities to improve Solid Waste Management.
Source of data	Progress reports on the development and/or implementation of Integrated Waste Management Plans.
Method of Calculation / Assessment	Simple count of number of Districts supported in the development and/or implementation of Integrated Waste Management Plans.
Assumptions	<ul style="list-style-type: none"> • That Municipalities are keeping existing records of the percentage of waste disposal which go to Landfill. • 50% of Municipalities supported by MISA have developed Integrated Waste Management Plans
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the citizens of the identified Municipalities.
Spatial Transformation (where applicable)	Reduction in the contamination of natural resources and preservation of a clean environment.
Reporting Cycle	Annual progress against the five-year target
Desired performance	100% Achievement
Indicator Responsibility	DDG: TSS

Indicator title	Number of districts supported to improve capacity to deliver infrastructure to increase access to electricity services
Definition	MISA will support municipalities with strategies for reliable energy supply services within the 44 Districts with the objective of improving reliability and availability of Energy supply to their customers and to improve service delivery and ensure compliance to the Electricity Distribution Network Code. MISA will provide support to municipalities through establishment of appropriate methodology to measure frequency and duration of network interruptions. MISA

	will assist with establishing ways on improving network performance after implementation of the methodology, hand-holding the municipality to implement methodology on supply interruptions.
Source/collection of data	Progress reports on the implementation of the network reliability methodology.
Method of calculation/assessment	Simple Count of the number of Districts supported with the implementation of network reliability methodology.
Assumptions	There is buy-in by the municipalities
Disaggregation of beneficiaries	N/A
Spatial Transformation where applicable	N/A
Reporting cycle	Annual progress against the five-year target
Desired performance	100% Achievement
Indicator responsibility	DDG: TSS