



**UNIVERSAL SERVICE AND ACCESS
FUND**

**FIVE-YEAR STRATEGIC PLAN
for
2020/21 – 2024/25**

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ACCOUNTING AUTHORITY AND ACCOUNTING OFFICER STATEMENT

I am pleased to present the Universal Service and Access Fund of South Africa (USAF) Strategic Plan for the 2020-2025 planning period, outlining the mandate, strategic focus and priorities to be pursued.

This five-year Strategic Plan, in support of the National Development Plan, reflects USAF's contribution to strengthening the universal service and access sector, and unlocking its potential to grow the economy, create jobs, and contribute to reduced inequality and reduced poverty. This is in line with the outcome of the 2019-2024 Medium Term Strategic Framework (MTSF) to *"improve competitiveness through ICT adoption"*.

The USAF Strategic Plan responds to the following 2019-2024 Medium Term Strategic Framework (MTSF) priorities:

- 1) Priority 1: Economic transformation and job creation; and
- 2) Priority 6 - A capable, ethical and developmental State.

In responding to the above priorities, this Strategic Plan is built from the foundation of a solid assessment of USAF's performance in the previous term, both successes and challenges, and on the basis of lessons learnt from the assessment.

In terms of Sections 88-89 of the Electronic Communications Act 36 of 2005 ("the ECA"), the primary mandate and functions of USAASA are to:

- 1) Utilise the USAF exclusively for the payment of certain subsidies; and
- 2) Provide incentives to network licensees to construct, operate and maintain networks in underserved areas.

The ECA was amended in 2014, and includes a provision that the Minister, acting with the concurrence of the Minister of Finance, may prescribe additional uses of money held in the USAF.

Informed by this primary mandate, USAF has revisited and reconceptualised its strategic posture and framework in this Strategic Plan, to ensure it is well-articulated and fit for purpose to guide the organisation over the period to 2025.

In fulfilling its primary mandate, for the period to 2020-2025, USAF will focus on achieving the following strategic medium-term results, subject to dovetailing with the Digital Development fund:

- 1) Facilitating the roll-out of adequate Information and Communication Technology (ICT) infrastructure and services to enable universal access in underserved areas in South Africa; and
- 2) Facilitating increased access to digital broadcasting services for needy households in South Africa.

To this end, the organisation will put in place effective annual performance plans, which in turn will inform the performance contracts of management and staff. USAF is confident that it will enhance its capability and capacity, and will continue with its ongoing efforts to strengthen its governance systems and outcomes-based reporting in the period.

In closing, I affirm my commitment to providing leadership that will develop USAF into a well-resourced entity that is optimally positioned for delivering on its mandate; and realise that this can only be achieved through 100% dedication to the achievement of the strategic intent by the entire USAF team.

I acknowledge the continuous support of the Portfolio Committee and the Minister in spurring the entity towards realising its intended impact.

While an immense amount of work lies ahead of us in the next five years, we believe that this Strategic Plan reflects the right ideas, plans and resource considerations to ensure achievement of the ambitious plan.

I fully endorse this Strategic Plan for the period 2020/21-2024/25, as the guiding document for the work and focus of USAF for the five - period.

I thank you.



Mr. Basil Ford

Accounting Authority and Accounting Officer (Caretaker)

THE UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA

OFFICIAL SIGN-OFF

It is hereby certified that this 2020–2025 Strategic Plan:


- 1) Was developed by the management team of the Universal Service and Access Fund of South Africa, under the guidance of the Minister;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Universal Service and Access Fund of South Africa is responsible;
- 3) Accurately reflects the Impact and Outcomes which the Universal Service and Access Fund of South Africa will endeavour to achieve over the period 2020/21–2024/25.



Ms. S. Motlounge

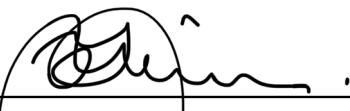
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ABBREVIATIONS AND ACRONYMS

AG	Auditor-General of South Africa
APP	Annual Performance Plan
BDM	Broadcasting Digital Migration
CEO	Chief Executive Officer
CIDB	Construction Industry Development Board
CPS	Construction Procurement System
DCDT	Department of Communications and Digital Technologies
DDF	Digital Development Fund
DPME	Department of Planning, Monitoring and Evaluation
DOC	Department of Communications
DPSA	Department of Public Service and Administration
DTT/DTTV	Digital Terrestrial Television
ECA	Electronic Communications Act
EC	Eastern Cape
ERP	Enterprise Resource Planning
Exco	Executive Committee / Executive Council
GDP	Gross Domestic Product
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IDI	ICT Development Index
IDMS	Infrastructure Delivery Management System
IGS	Infrastructure Gateway Systems
IMF	International Monetary Fund
iNeSI	Ikamva National eSkills Institute
KZN	KwaZulu-Natal
M&E	Monitoring and Evaluation
Mbps	Megabits Per Second
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan

NEMISA	National Electronic Media Institute of South Africa
NHI	National Health Insurance
NOC	National Operations Centre
NSAA	National Spatial Action Area
NT	National Treasury
OD	Organisational Development
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PMDS	Performance Management and Development System
PwD(s)	People With Disability/ies
Q	Quarter
RDP	Reconstruction and Development Plan
SA	South Africa
SAPO	South African Post Office SCM
	Supply Chain Management
SDG	Sustainable Development Goal
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SMART	Specific, Measureable, Achievable, Realistic and Time-bound
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SOE	State-Owned Enterprise
SONA	State of the Nation Address
SOP	Standard Operating Procedure
STB(s)	Set-Top Box(es)
TV	Television
UN	United Nations
USAASA	Universal Service and Access Agency South Africa
USAF	Universal Service and Access Fund
VAT	Value-Added Tax
.ZADNA	.za Domain Name Authority

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INTRODUCTION AND CONTEXT TO THE STRATEGIC PLAN

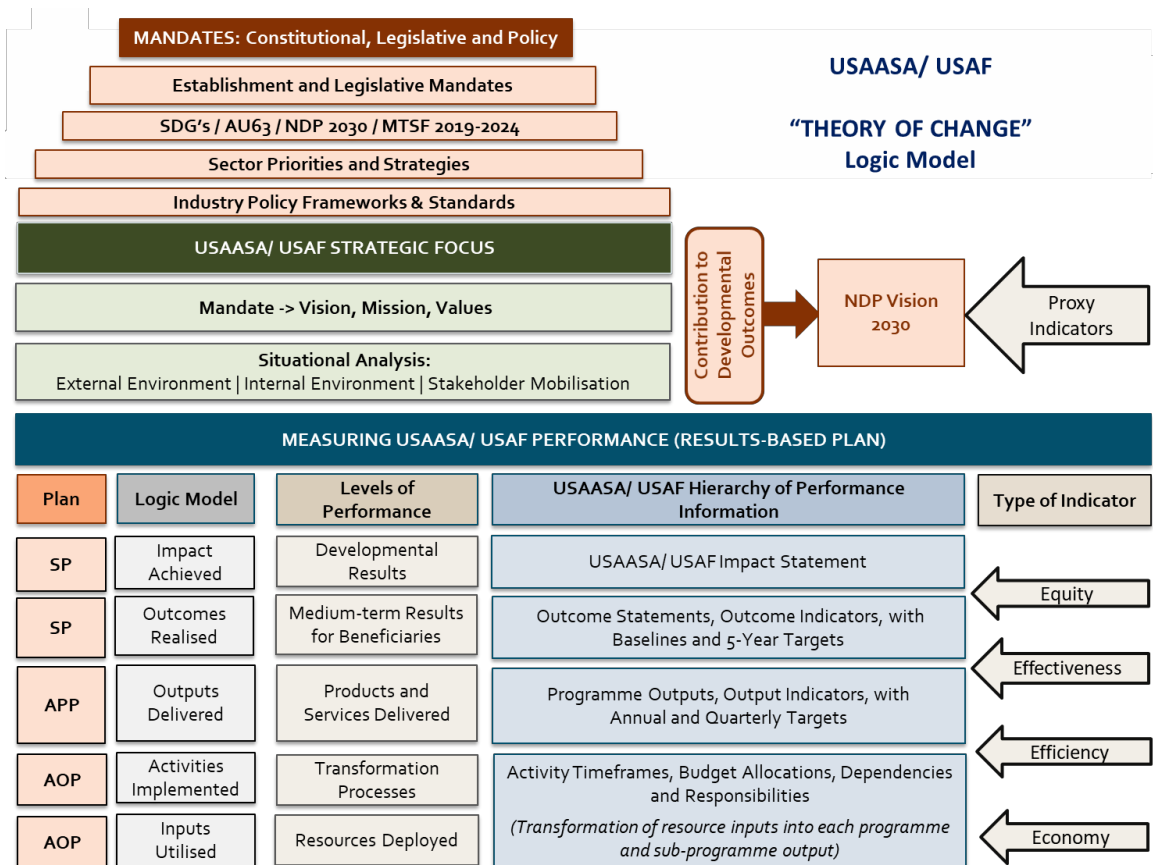
With the advent of the 6th administration of a democratic South Africa, post the national and provincial elections in May 2019, the Department of Planning, Monitoring and Evaluation (DPME) have issued the revised Framework for Strategic Plans and Annual Performance Plans (2019). In terms of the PFMA and the Framework, all government departments, government components and public entities are required to produce and table a 2020-2025 strategic plan and the aligned annual performance plan.

In this light, led by the Minister, the Universal Service and Access Fund of South Africa (USAF) management team embarked on a strategic review and planning process, commencing in August 2019 and continuing through to February 2020, towards the development of this 2020-2025 Strategic Plan and the aligned 2020/21 Annual Performance Plan.

Through the process, there was a need to examine, synthesise and assimilate the various strategic, policy and related documents, consider the changes in the performance environment and policy intent, and to develop a USAF Five-Year Strategic Plan that is progressive in nature and practical to implement – commencing with the development of the 2020/21 Annual Performance Plan, as year one of the new five-year strategy.

In facilitating the process towards the development of the Strategic Plan, a “Theory of Change Logic Model” was followed and informed the approach to the various discussions, and to the packaging of the arising strategic data, as follows:

Figure 1: The Theory of Change Logic Model informing the planning approach



The planning process was necessarily iterative and focused on critically examining the strategic framework, impact, outcomes, outputs and performance metrics; to ensure that they are specific, measurable, achievable, realistic and time-bound – in accordance with “SMART” principles.

The result of the above process is then reflected in the sections below, in the form of the Universal Service and Access Fund of South Africa (USAF) five-year Strategic Plan for the period 2020/21-2024/25.

PART A: OUR MANDATE

The Universal Service and Access Fund of South Africa (USAF) Five-Year Strategic Plan, for the period 2020/21-2024/25, is built from the foundation of a sound appreciation of the mandate of the entity, derived from legislation (static mandates) and policy frameworks (dynamic mandates).

1. CONSTITUTIONAL MANDATE

At the apex of the legislative mandate informing the work of USAASA/USAF is the Constitution of the Republic of South Africa, Act 108 of 1996, as the supreme law of the Republic.

Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of the government. All laws of the country must be consistent with the Constitution, and it further requires that all spheres of government work together to address poverty, underdevelopment, marginalisation of individuals and communities, and other legacies of Apartheid and discrimination.

In this light, all government institutions, entities and municipalities ultimately derive their mandate from the Constitution; and the Constitution underscores the importance of intergovernmental, interdepartmental and international co-operation in the delivery of functions and services to, and on behalf of, the people of South Africa.

More specifically:

- 1) Chapter 3 of the Constitution pertaining to Co-operative Government, assigns functions to the three spheres of government.
- 2) Schedules 4 and 5 of Section 41(1) define the relationship and principles underlying co-operation between the various spheres of government.
- 3) Section 16.1 states that “everyone has the right to freedom of expression, which includes:
 - a) Freedom of the press and other media;
 - b) Freedom to receive or impart information or ideas;
 - c) Freedom of artistic creativity; and
 - d) Academic freedom and freedom of scientific research”.
- 4) The right to freedom of expression is interpreted as a right to the resources, facilities and equipment to enable such free expression. It follows that the right to have access to telecommunication resources, facilities and equipment is a basic human right in South Africa.
- 5) In addition, Section 32 describes the “right to information”, and it is common cause that if access is limited due to a lack of ICT resources, facilities and access, then this right cannot be realised.

2. LEGISLATIVE AND POLICY MANDATES

Where the Constitution provides the broad context to the mandate of the Universal Service and Access Fund (USAF), the specific establishment, legislative and policy mandates are outlined in the sections below.

2.1. LEGISLATIVE MANDATES

2.1.1. THE ESTABLISHMENT / CORE LEGISLATIVE MANDATE OF USAF

The Universal Service and Access Fund of South Africa (“the Fund” or “USAF”) is established by an Act of Parliament. The existence, functions, duties and mandate of the Fund is governed by Section 88 of the Electronic Communications Act 36 of 2005 (“the ECA”), which came into operation on 19 July 2006. Further new amendments to the ECA, which have a direct bearing on governance of the Universal Service and Access Agency of South Africa (USAASA), which manages the Fund, came into effect on 21 May 2014.

Further, USAF is listed as a Schedule 3A Public Entity in terms of the Public Finance Management Act (No.1 of 1999, as amended) (PFMA), and is required to ensure full compliance with all prescripts and regulations arising from the PFMA.

The ECA establishes Universal Service and Access Fund, which is financed by contributions from telecommunication licensees. In terms of the Act, the money in the fund must be utilised for specific subsidies to needy persons, underserved areas and schools. Administratively, in terms of Section 89 of the ECA, ICASA is responsible for the collection of USAF contributions on behalf of USAF.

In terms of the Electronic Communications Act the Fund must:

- 1) Utilise the USAF exclusively for the payment of certain subsidies; and
- 2) Provide incentives to network licensees to construct, operate and maintain networks in underserved areas.

The ECA was amended in 2014, and includes a provision that the Minister, acting with the concurrence of the Minister of Finance, may prescribe additional uses of money held in the USAF.

2.1.2. LEGISLATION INFORMING “HOW” THE CORE MANDATE MUST BE DELIVERED

In delivering on its core legislative mandate, USAF is responsible for delivering its functions in line with the following key legislation, which thus directly informs the various day to day operations of the Fund:

Legislation governing the construction /

- Physical Planning Act (No. 125 of 1991), as amended
- Spatial Data Infrastructure Act (No. 54 of 2003), as amended

<p>infrastructure delivery mandate</p>	<ul style="list-style-type: none"> ▪ Spatial Planning and Land Use Management Act (No. 16 of 2013), as amended ▪ National Building Regulations and Building Standards Act (No. 103 of 1977), as amended ▪ National Environmental Management Act (No. 107 of 1998), as amended by Act No. 8 of 2004 ▪ Construction Industry Development Board Act (No. 38 of 2000), as amended ▪ Infrastructure Development Act, 2014 (No. 23 of 2014), as amended
<p>Legislation and regulations pertaining to the governance environment and institutional arrangements</p>	<ul style="list-style-type: none"> ▪ State Information Technology Agency Act (No. 88 of 1998), as amended ▪ Occupational Health and Safety Act (No. 85 of 1993), as amended ▪ Competitions Act (No. 89 of 1998), as amended ▪ Prevention and Combating of Corrupt Activities Act (No. 12 of 2004), as amended ▪ Promotion of Access to Information Act (No. 2 of 2000), as amended ▪ Promotion of Administrative Justice Act (No. 3 of 2000), as amended ▪ Promotion of Equality and Prevention of Unfair Discrimination Act (No. 4 of 2000), as amended ▪ Protected Disclosures Act (No. 26 of 2000), as amended ▪ Skills Development Act (No. 97 of 1998), as amended ▪ Labour Relations Act (No. 66 of 1995), as amended ▪ Basic Conditions of Employment Act (No. 75 of 1997), as amended ▪ Employment Equity Act (No. 55 of 1998), as amended ▪ Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993), as amended ▪ Broad-Based Black Economic Empowerment Act (No. 53 of 2003), as amended ▪ Intergovernmental Relations Framework Act (No. 13 of 2005), as amended ▪ Preferential Procurement Policy Framework Act (No. 5 of 2000), as amended

The abovementioned legislation and acts are not exhaustive, and it is recognised that USAF is subject to, and must comply with, all national and provincial legislation and regulations, and all municipal by-laws, applicable to its functions or the areas in which it operates.

2.2. POLICY MANDATES

Where the above legislation and regulations define the scope of the mandate and regulate how the Universal Service and Access Fund of South Africa (USAF) must operate, various national policy and strategy frameworks give effect to how the mandate should be implemented, and have

direct bearing on the priorities and focus areas of USAF for the 2020/21-2024/25 period of this Strategy Plan.

National Policy Framework	Implication
Longer Range (Developmental) Priorities:	
<p>The National Development Plan, Vision 2030</p>	<p>Adopted by Cabinet in 2012, the NDP is the visionary blueprint of government, with business and society as collaborative partners – seeking to eliminate poverty and sharply reduce inequality and unemployment by 2030.</p> <p>All of government is challenged to ensure their medium and short-term planning and M&E are aligned to the NDP.</p> <p>Inclusive growth and development, an active and united citizenry and a capable State are among the visionary elements of the NDP 2030.</p> <p>The NDP identifies the following critical actions to realise the 2030 vision:</p> <ol style="list-style-type: none"> 1) A social compact to reduce poverty and inequality and raise employment and investment; 2) A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes; 3) Steps by the State to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption; 4) Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers; 5) An education accountability chain, with lines of responsibility from the State to the classroom; 6) Phase in national health insurance, with a focus on upgrading public health facilities; 7) Public infrastructure investment at 10 percent of gross domestic product (GDP) financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water; 8) Interventions to ensure environmental sustainability and resilience to future shocks; 9) New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps; 10) Reduce crime by strengthening criminal justice and improving community environments. <p>Key NDP chapters relevant to USAF include:</p> <ol style="list-style-type: none"> 1) Chapter 3: Economy and employment. 2) Chapter 4: Economic infrastructure. 3) Chapter 9: Improving education, training and innovation.
<p>UN Sustainable Development Goals (SDGs)</p>	<p>Adopted by the United Nations in 2015, the 17 SDGs and their 169 key indicators build on the successes of the Millennium Development Goals, while including new areas, such as climate change, economic inequality,</p>

National Policy Framework	Implication
	<p>innovation, sustainable consumption, peace and justice, among others. The SDGs set a common sustainable development agenda for pursuit by all signatory nations, including South Africa.</p> <p>South Africa's contribution to the SDG negotiation process was informed by the priorities of its National Development Plan (NDP).</p> <p>Echoing the intent of the National Development Plan, in support of the SDGs, South Africa can realise the goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the State, and promoting leadership and partnerships throughout society.</p> <p>Key SDGs relevant to USAF include:</p> <ul style="list-style-type: none"> ▪ Goal 8 - Decent work and economic growth. ▪ Goal 9 - Industry innovation and infrastructure. ▪ Goal 11 - Sustainable cities and communities.
<p>African Union Agenda 2063</p>	<p>Aligned to the UN SDGs, the African Union Agenda 2063 reflects the following aspirations:</p> <ol style="list-style-type: none"> 1) A prosperous Africa based on inclusive growth and sustainable development; 2) An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance; 3) An Africa of good governance, democracy, respect for human rights, justice and the rule of law; 4) A peaceful and secure Africa; 5) An Africa with a strong cultural identity, common heritage, values and ethics; 6) An Africa where development is people-driven, unleashing the potential of its women and youth; 7) Africa as a strong, united and influential global player and partner.
<p>National Spatial Development Framework, 2050</p>	<p>Under the theme: "Moving South Africa forward towards the desired Spatial Future", the national Spatial Development Framework sets out an action plan to bring about radical spatial transformation at scale, and manage and mitigate national risks (current and emerging),</p> <p>It proposes a set of five National Spatial Action Areas (NSAAs), which require urgent, focused and integrated national spatial infrastructure investment and spending; and concerted and sustained intergovernmental collaboration, including the alignment of plans, budgets and departmental plans in and between the spheres of government.</p>
<p>National Broadband Policy and SA Connect Strategy, Phase 2</p>	<ol style="list-style-type: none"> 1) Broadband must reach a critical mass in South Africa; 2) Access to broadband must be affordable; 3) Demand-side skills must be developed, so broadband services can be used effectively;

National Policy Framework	Implication
	<p>4) Supply-side skills must be developed, so that the economic and innovative potential of broadband can be exploited.</p> <p>Specific focus areas and 2025 targets arising from these policies are discussed in the sections below.</p>
<p>National Priorities for the Next five Years:</p>	
<p>State of the Nation Address (June 2019) (6th Administration Apex Priorities)</p>	<p>Seven areas identified by the President as priorities in the next five years are:</p> <ol style="list-style-type: none"> 1) Economic transformation and job creation; 2) Education, skills and health; 3) Consolidating the social wage through reliable and quality basic services; 4) Spatial integration, human settlements and local government; 5) Social cohesion and safe communities; 6) A capable, ethical and developmental State; 7) A better Africa and world. <p>The five goals the State aims to achieve by 2030 (NDP timeline):</p> <ol style="list-style-type: none"> 1) No person in South Africa will go hungry; 2) The economy will grow at a much faster rate than the population; 3) Two million more young people will be in employment; 4) Schools will have better educational outcomes and every ten-year-old be able to read for meaning; 5) Violent crime will be halved or better.
<p>Medium-Term Strategic Framework 2019-2024 (MTSF)</p>	<p>The MTSF is a high-level strategic document and is the central organising framework to guide the five - year implementation and monitoring of the NDP, 2030.</p> <p>The MTSF is constituted in two parts:</p> <ol style="list-style-type: none"> 1) Five-Year National Plan – a targeted set of focused priorities for the five - year period, reflecting the contributions of the public sector, private sector and civil society to the priorities; 2) Five-Year Sectoral Outcomes – a set of sectoral delivery priorities that are key to improving the impact and outcomes of individual government sectors. <p>In line with the electoral mandate, the 2019-2024 MTSF identifies the priorities to be undertaken in the period to 2024 to put the country on a positive trajectory towards the achievement of the 2030 vision. It sets targets for implementation of the priorities and interventions for the five - year period, and states the Outcomes and Indicators to be monitored.</p> <p>Specific focus areas arising from the MTSF are discussed in section 3 below.</p>
<p>Department of Communications</p>	<p>Towards the attainment of its vision and mission statement – <i>“leading SA’s inclusive digital transformation journey through creating an enabling</i></p>

National Policy Framework	Implication
<p>and Digital Technologies Strategic Priorities, 2020-2025</p>	<p><i>environment towards a digital society to foster socio-economic growth</i>", the DCDT defines its impact as:</p> <ol style="list-style-type: none"> 1) Improved access and usage of communication and digital services; and 2) Digitally enabled citizens with secure and affordable universal access. <p>DCDT has defined eight Outcomes for the period 2020-2025, as follows:</p> <ol style="list-style-type: none"> 1) Increased access to secure digital infrastructure; 2) Enabling policies and strategies for digital transformation; 3) Transformed digital society; 4) Well-governed SOEs that are strategically supported to deliver on their mandate; 5) Rationalised SOEs to optimally develop on their mandate; 6) Improved locally developed content, applications and services; 7) Self-sustainable ICT SMMEs; and 8) High-performing organisation to enable achievement of the Department's mandate. <p>Specific USAF alignment to the DCDT priorities is discussed in section 3 below.</p>
<p>National Policies and Standards Relevant to the Infrastructure Sector:</p>	
<p>Standard for an Infrastructure Delivery Management System (NT, 2010) (IDMS) (Revision Pending) and Standard for Infrastructure Procurement and Delivery Management (NT, 2016) (SIPDM) (New regulation implementation in September 2019)</p>	<p>IDMS is a government management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes, which transform inputs into outputs. It comprises the following five systems:</p> <ol style="list-style-type: none"> 1) Infrastructure planning system; 2) Infrastructure Gateway Systems (IGS); 3) Construction Procurement System (CPS); 4) Programme and project management system; 5) Operations and maintenance system. <p>The IDMS is designed to be linked to the Medium-Term Expenditure Framework (MTEF) and has a strong focus on outcomes, risk management, value for money and the effective and efficient functioning of the procurement and delivery management system in compliance with relevant legislation.</p> <p>It includes a supply chain management (SCM) system, and can be readily integrated into the various systems that accounting officers and accounting authorities are required to implement.</p> <p>A key element of the IDMS implementation is to ensure that the compliance requirements of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) are met, which was issued as an instruction by National Treasury in terms of Section 76(4)(c) of the Public Finance Management Act (No.1 of 1999) for implementation by 1 July 2016.</p>

National Policy Framework	Implication
<p>National Immovable Asset Maintenance Management Standard (CIDB, 2017)</p>	<p>The standard establishes a system of principles or practice specifications for the management and care of immovable assets subsequent to initial construction or acquisition.</p> <p>It focuses on the requirements for the establishment of asset care objectives, strategies and plans; the implementation, monitoring and review of preventative and corrective maintenance activities, and the roles and responsibilities for effective maintenance of infrastructure assets.</p>

Where the above sections reflect USAF's alignment to legislation and the national and provincial policy stance for the 6th Administration, the specific longer-term policy and strategy trajectory of USAF, as it informs the 2020-2025 Strategic Plan, is outlined below.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

Introduced in Section 2 above, the National Development Plan, Vision 2030 (NDP, 2012) is the national framework for the development of the South African economy and society broadly. The NDP describes the critical role of innovation, research and development in fostering sustained competitiveness and profitability in the economy, in the face of a world economy that is rapidly transforming into a knowledge and network economy.

Evidence suggests that an increase in public investment in innovation, research and development, and related infrastructure and access, will enable South Africa's economic development, competitiveness and sustainable growth.

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

3.1. USAF LINE OF SIGHT TO THE 2020-2025 MTSF, AND ALIGNMENT TO THE DCDT 2020-2025 PRIORITIES

The table below provides specific detail on the USAF’s contribution to the 2019-2024 Medium Term Strategic Framework (MTSF) and the strategic priorities and outcomes of the Department of Communications and Digital Technologies (DCDT). It reflects how the USAF, in this Strategic Plan, has considered its alignment to, and support of these outcomes through the alignment of its strategic focus, impact and outcomes.

Relevant MTSF Priority and Impact	Relevant MTSF Outcomes and Interventions	DCDT Strategic Plan Response (Relevant Priorities and Outcomes)	Addressed by USAASA / USAF Focus Areas (Informing the Outcome of this Strategic Plan)
<p>Priority 1: Economic transformation and job creation: <u>2024 Impact:</u> Unemployment reduced to 20%-24% with 2 million new jobs, especially for youth; economic growth of 2%-3% and growth in levels of investment to 23% of GDP</p>	<p>Outcome 2: Improve competitiveness through ICT adoption:</p> <ol style="list-style-type: none"> 1) Spectrum licensing, broadband rollout and reducing the cost of communications <ul style="list-style-type: none"> ▪ 4G and 5G coverage of high demand spectrum allocated by end of 2020 and 2021, respectively; ▪ Inquiry into the licensing framework for 5G within 6 months after the World Radio Communications Conference 2019; ▪ 80% of population have access to the internet by 2024; ▪ South Africa will be the cheapest in Africa for 1G data by 2024. 	<ol style="list-style-type: none"> 1) Increased access to secure digital infrastructure; 2) Enabling policies and strategies for digital transformation; 3) Transformed digital society; 6) Improved locally developed content, applications and services. 	<ol style="list-style-type: none"> 1) Facilitation of Digital migration 2) Development of market intelligence and understanding of universal access and universal service trends and needs 3) Research and development of viable alternatives to achieving universal access and universal service that reflect the current and future technology
	<p>Outcome 1: More decent jobs created and sustained, with youth, women and persons with disabilities prioritised:</p>	<ol style="list-style-type: none"> 6) Improved locally developed content, applications and services; 7) Self-sustainable ICT SMMEs. 	<ol style="list-style-type: none"> 1) Utilising USAASA and USAF procurement as a tool

Relevant MTSF Priority and Impact	Relevant MTSF Outcomes and Interventions	DCDT Strategic Plan Response (Relevant Priorities and Outcomes)	Addressed by USAASA / USAF Focus Areas (Informing the Outcome of this Strategic Plan)
	<p>1) Create jobs through Job Summit commitments, Operation Phakisa and other public sector employment programmes.</p> <p>Outcome 3: Industrialisation, localisation and exports:</p> <p>1) Support localisation and industrialisation through government procurement</p> <p>Outcome 5: Reduce concentration and monopolies and expanded small business sector:</p> <p>1) Facilitate the increase in number of functional small businesses with a focus on township economies and rural development.</p> <p>Outcome 10: Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities:</p> <p>1) Expand government spend on women, youth and persons with disabilities through preferential procurement.</p>		<p>2) Enterprise and contractor development</p>
<p>Priority 6: A capable, ethical and developmental State: <u>2024 Impact:</u> Public value and trust, and active</p>	<p>Outcome 1: Improved governance and accountability:</p> <p>1) Strengthen the governance system of state-owned entities.</p> <p>Outcome 2: Functional, efficient and integrated government:</p>	<p>4) Well-governed SOEs that are strategically supported to deliver on their mandate;</p> <p>5) Rationalised SOEs to optimally develop on their mandate;</p>	<p>1) Effective governance, management and leadership to enable delivery of the mandate</p>

Relevant MTSF Priority and Impact	Relevant MTSF Outcomes and Interventions	DCDT Strategic Plan Response (Relevant Priorities and Outcomes)	Addressed by USAASA / USAF Focus Areas (Informing the Outcome of this Strategic Plan)
<p>citizenry and partnerships in society</p>	<p>1) Enhance productivity and functionality of public sector institutions in supporting people-centred service delivery;</p> <p>2) Improve financial management capability in the public sector;</p> <p>3) Measures taken to reduce wasteful and fruitless expenditures; and irregular expenditure in the public sector.</p> <p>Outcome 3: Professional, meritocratic and ethical public administration:</p> <p>1) Programme for building a professional public administration.</p> <p>Outcome 4: Social compact and engagement with key stakeholders:</p> <p>1) Participatory governance mechanisms and citizen engagement.</p> <p>Outcome 5: Mainstreaming of gender, youth and disability, empowerment and development institutionalised:</p> <p>1) Implementation of gender, youth and disability responsive planning, budgeting, interventions, policies and legislations.</p>	<p>8) High-performing organisation to enable achievement of the Department's mandate.</p>	

3.2. OTHER KEY POLICY / STRATEGY CONSIDERATIONS

At the time of developing this Strategic Plan for 2020-2025, certain key emerging policy directives and strategy considerations, requiring directive from the Shareholder, have not been finalised and/or are unknown, *inter-alia*:

- 1) The legislative mandate of USAASA and the USAF is clear. However, while USAASA must manage the Universal Service and Access Fund (USAF) in terms of its mandate, there is no relevant management budget made available from the Fund to do so, including for example, to defend litigations arising against the fund.
- 2) The National Integrated Information and Communication Technologies Policy White Paper (September 2016), and the Government e-Strategy and Roadmap (November 2017), while not yet finalised or enacted:
 - a) Proposes the creation of a “Digital Development Fund”, which would replace the USAASA and redirect the USAF;
 - b) The DDF would be responsible, in the main, for identifying, awarding and managing projects in the Universal Access and ICT space. The proposal further recommends removing “Policy Setting and Regulation” from the USAASA/USAF scope; and
 - c) It is recognised that this would have major implications on the mandate, nature and scope of USAASA and USAF moving forward. However, this cannot be planned for at this stage.
- 3) The National Response to the 4th Industrial Revolution policy and strategy is still being developed, and USAASA and USAF may play a role in this space moving forward. However, the nature, scale, scope and role of USAASA and USAF in this regard is not yet known.
- 4) The model and mechanism for the future roll-out of the implementation of the Broadcasting Digital Migration (BDM) Policy is not yet finalised - the DCDT is responsible for the administration of the BDM Policy and the overall oversight of the BDM programme implementation. However, the oversight responsibility and management – and funding arrangements – have not yet been finalised.

In this light, a key feature of this Strategic Plan is, therefore, the need to maintain it as a dynamic document, and to ensure ongoing relevance and alignment with the policies and strategies of the shareholder and various stakeholders as they emerge.

4. RELEVANT COURT RULINGS

At the time of developing this Strategic Plan for 2020/21-2024/25, there are no specific court rulings that have a significant, ongoing impact on USAASA or USAF’s operations or business obligations.

PART B: OUR STRATEGIC FOCUS

In response to the broad legislative mandates and policy framework outlined in Part A, and in developing its Strategic Plan for 2020–2025, the Universal Service and Access Fund (USAF) began by reviewing and defining its high-level strategic posture – its statement of role/purpose (primary object).

Informed by instructing legislation and policy, USAF defines its role/ purpose as to:

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

Aligned to this mandate understanding, USAF then articulates its strategic focus – its vision, mission and its institutional values - for the period 2020/21–2024/25 as follows:

5. VISION

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

In response, the USAF has the following vision:

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

6. MISSION

In achieving its vision, the Universal Service and Access Fund of South Africa defines its mission (aim) as follows:

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

7. VALUES

In working towards the achievement of its vision and mission, the Universal Service and Access Fund of South Africa subscribes to the following internal values which are in line with the *Batho-Pele* principles:

Value	Description - What it means in practice
Batho Pele	We believe in providing excellent, efficient and effective service to all customers and stakeholders.
Integrity	We uphold high standards of trust; condemn bribery and corruption; honesty and respect in all interactions with stakeholders.
Accountability	We foster employee ownership and responsibility in ensuring quality service.
Innovation	We support employee creativity in delivering all our services.
Transparency	We encourage openness in all our activities.
Teamwork	We strive to create a harmonious work environment, where all employees and contributors are respected.

The values require targeted management focus to ensure they are visible and “lived”, and they should be assessed as part of the performance management approach of the Universal Service and Access Fund of South Africa, under direction of the Caretaker and the Chief Executive Officer.

8. SITUATIONAL ANALYSIS

The Universal Service and Access Fund of South Africa executes its mandate, and seeks to achieve its vision and mission, in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate.

8.1. EXTERNAL ENVIRONMENT ANALYSIS

8.1.1. MACRO ECONOMIC ENVIRONMENT

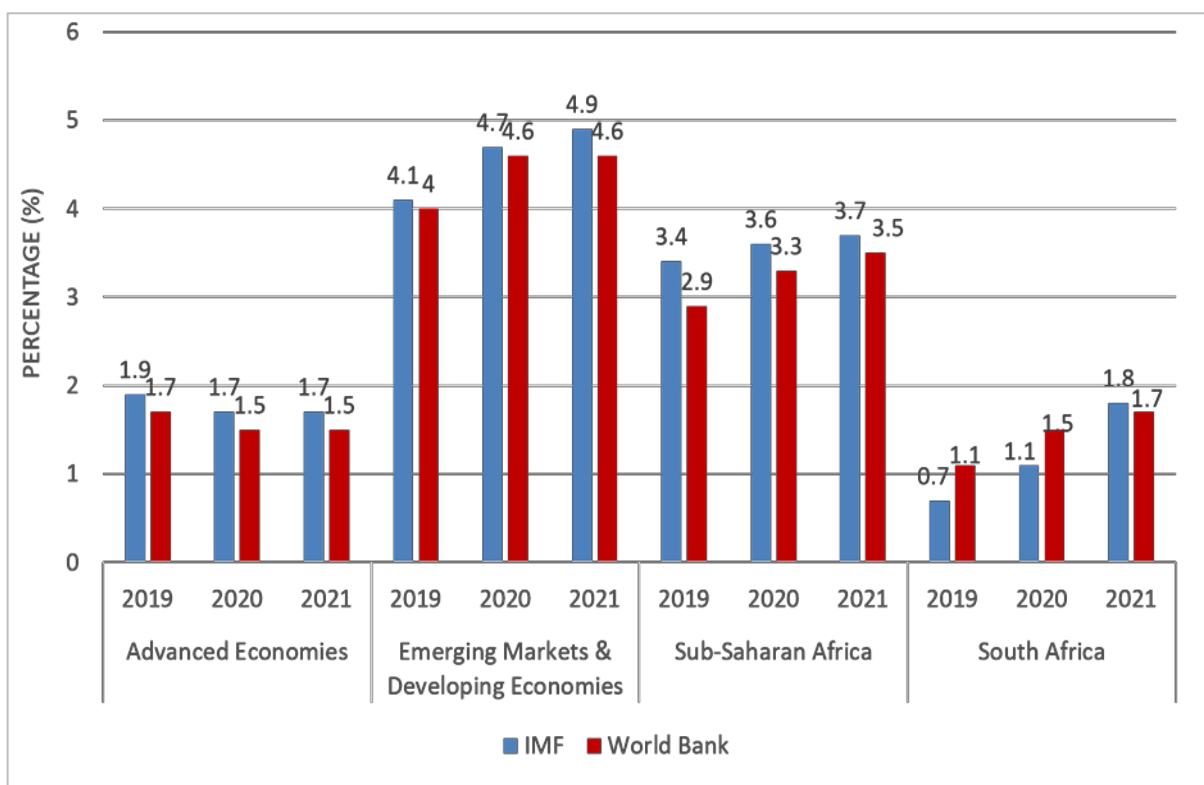
On 15 March, the President of South Africa, Cyril Ramaphosa, declared a national state of disaster, and announced measures such as immediate travel restrictions and the closure of schools from 18 March 2020. On 17 March, the National Coronavirus Command Council was established, "to lead the nation's plan to contain the spread and mitigate the negative impact of the coronavirus". On 23 March, a national lockdown was announced, starting on 26 March 2020. On 21 April, a 500-billion-rand stimulus was announced in response to the pandemic. Ramaphosa announced that from 1 May 2020, a gradual and phased easing of the lockdown restrictions would begin, lowering the national alert level to 4.

World economic growth is slowing. The IMF predicts 3% global growth for 2019, the lowest since the 2008 financial crisis. Multiplying global risks have contributed to slowing growth in both developed and developing economies. Brexit, tariffs and trade wars have contributed to an increasingly negative economic outlook, along with a generalised increase in political tension and uncertainty, as well as a growing unease at the unprecedented levels of central bank interventions in key economies.

The IMF noted that first quarter GDP in China was stronger than forecast, but indicators for the second quarter of 2019 suggest an overall weakening of activity. A slowdown in China means a slowdown in the world, as that nation’s demand has been key to global growth over the past few decades. Elsewhere in emerging Asia, as well as in Latin America, economic activity has been well below expectation. The Eurozone, a key South African trading partner, is also slowing¹.

South Africa’s forecast growth for 2019 was 1.5% at the time of the February 2019 Budget Speech. By the October Medium-Term Budget Policy Statement (MTBPS), it had been revised down to 0.5%, reflecting weaker exports and total inbound investment.

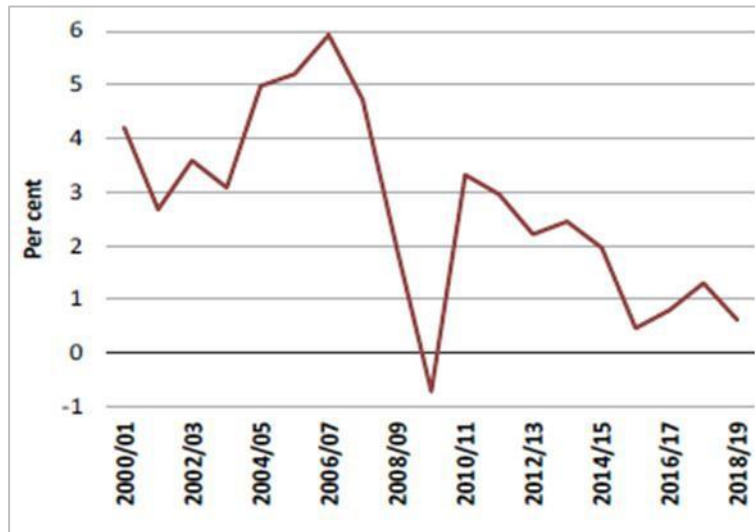
Figure 2: GDP growth forecasts 2019-2021



As South Africa’s GDP growth trend has continued to decline, debt levels have continued to rise. Exacerbating the less favourable global conditions, local contributing factors to the slowdown have included policy uncertainty, electricity supply instability, lower investment levels, insufficient SOC investment, and poor educational outcomes².

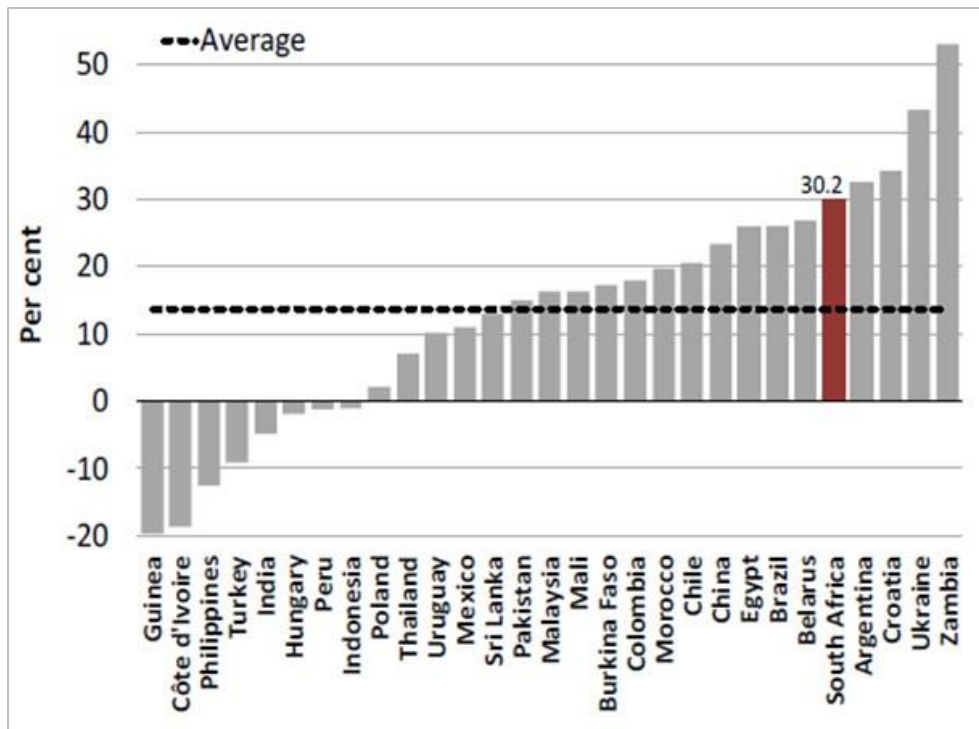
¹ IMF World Economic Outlook Update, 23 July 2019 ² 2019 MTBPS

Figure 3: South African real GDP growth



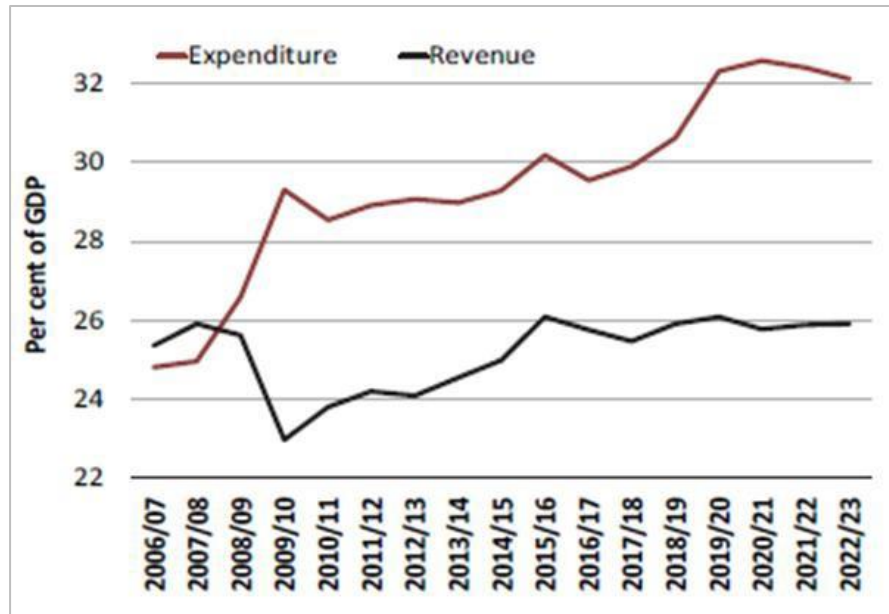
South Africa’s relative global competitiveness has declined due to slower implementation of reforms than peer countries. The government has run large budget deficits since the global financial crisis in 2008/09, amounting to an increasingly unmanageable mountain of accumulated debt. Increased government borrowing has unfortunately failed to equate to effective government spending. South Africa has experienced one of the highest increases in debt to GDP ratio amongst peer nations over the last ten years.

Figure 4: Ten year change in debt to GDP ratio



Of course, a contracting economy means contracting income for government. The current account deficit is expected to run at 3.5% of GDP over the next three years, reflecting low import growth due to weaker domestic demand, low export demand and generalised slowdown of growth across the globe.

Figure 5: Main budget revenue and spending



The estimated total revenues shortfall for 2019/20 is R52.5 billion. This reflects a poor employment outlook, with lower wages and job losses resulting in reduced personal income tax collection. The difficult trading environment means less profit for businesses, which lowers corporate tax. Weak household consumption means the State takes in less revenue through VAT.

Government allocates funds to its central policy objectives – reducing poverty and inequality – through the budget. Over the next three years, spending will total R6.3 trillion, with 48 percent of this amount going towards social grants, education and health.

In the context of weak growth, however, revenue shortfalls and rising spending pressures are threatening government’s ability to maintain existing levels of service provision and infrastructure investment.

- MTBPS, 2019 -

Forecasts for the next few years are less than optimistic both locally and globally. For South Africa, serious economic reforms are urgently needed to boost inclusive economic growth.

The implication of this challenging macro-economic environment is that USAASA and USAF need to deploy their limited resources optimally in pursuit of its mandate, requiring efficiency, effectiveness and economy in its operations and management.

8.1.2. ANALYSIS OF PERFORMANCE AGAINST UNIVERSAL SERVICE AND ACCESS GOALS AND TARGETS (2014 – 2019)

POLICY	PERFORMANCE AGAINST KEY 2020 POLICY TARGETS	
	2020 POLICY TARGETS	PROGRESS AGAINST TARGETS (2019)
<p>SDGs – Connect 2020 Global Targets:</p> <p>GOAL 2: Inclusiveness – Bridge the digital divide and provide broadband for all</p>	<ul style="list-style-type: none"> ▪ 55% of houses in the developing world should have access to the internet. ▪ 50% of individuals in the developing world should be using the internet. ▪ 40% affordability gap between developed and developing countries should be reduced by 40%. ▪ 5% broadband services should cost no more than 5% of average monthly income in developing countries. ▪ 90% of the rural population should be covered by broadband services. ▪ Gender equality among internet users should be reached. ▪ Enabling environments ensuring accessible ICT for PwDs should be established in all countries. 	<ul style="list-style-type: none"> ▪ National Integrated ICT Policy White Paper gazetted on 3 October 2016³. ▪ National e-Strategy 2017-2030 (Digital Society South Africa) gazetted on 10 November 2018⁴. ▪ 11% of households with broadband internet access⁵. ▪ 9.5% of households with access to the internet at home and 59.3% with access to the internet anywhere (home, work, mobile devices, internet cafes or educational facilities)⁶. ▪ 99% population coverage for 3G and 77% population coverage for 4G/LTE⁷.
<p>National Development Plan, Vision 2030</p>	<ul style="list-style-type: none"> ▪ Implementation of an Integrated e-Strategy for the country. ▪ 100% broadband penetration by 2020 (>2mbs). 	<ul style="list-style-type: none"> ▪ 54% of individuals using the internet, of which⁸:

³ Government Gazette RSA, No. 40325, National Integrated ICT Policy White Paper), 3 October 2016

⁴ Government Gazette RSA, No. 41242, National e-Strategy (Digital Society South Africa), 10 November 2017

⁵ After Access Survey 2017, cited in The State of ICT in South Africa, researchICTAfrica.net, Gillward.A et.al, July 2018

⁶ After Access Survey 2017, cited in The State of ICT in South Africa, researchICTAfrica.net, Gillward.A et.al, July 2018

⁷ Stats SA General Household Survey 2016, cited in The State of ICT Sector Report, ICASA, March 2018

⁸ ITU IDI Report 2017, cited in The State of ICT in South Africa, researchICTAfrica.net, Gillward.A et.al, July 2018

POLICY	PERFORMANCE AGAINST KEY 2020 POLICY TARGETS	
	2020 POLICY TARGETS	PROGRESS AGAINST TARGETS (2019)
	<ul style="list-style-type: none"> By 2030 deployment for full range of government, educational and informational services. 	<ul style="list-style-type: none"> 2.84% fixed broadband access and 58.82% mobile cellular access.
New Growth Path – Jobs Driver 3	100 000 new jobs by 2020 in the knowledge intensive sectors of ICT, higher education, healthcare, mining related technologies, pharmaceuticals and biotechnology.	<ul style="list-style-type: none"> Number of schools connected to the internet, based on obligations imposed by ICASA increased from 2 862 in 2016 to 5 268 in 2017⁹.
PICC SIP 15	100% access to digital ICT to all South Africans by 2020, as a driver of new economic opportunities and digital equity.	<ul style="list-style-type: none"> Persons employed in the telecommunications sector has trended as follows¹⁰: <ul style="list-style-type: none"> 2015: 30 951 (40.3% female); 2016: 26 669 (36% female); 2017: 30 881 (36.7% female). Network Readiness Index: SA ranked 65 of 139 countries in 2016, marginal improvement since 2014 (second to Mauritius)¹¹.
National Broadband Policy	<ul style="list-style-type: none"> Broadband must reach a critical mass of South Africa. Access to broadband must be affordable. Demand-side skills must be developed so broadband services can be used effectively. Supply-side skills must be developed, so that the economic and innovative potential of broadband can be exploited. 	
SA Connect Strategy	By 2020: <ul style="list-style-type: none"> Broadband access in Mbps user experience - 90% of population at 5Mbps, 50% of population at 100Mbps. Schools - 100% at 10Mbps, 80% at 100Mbps. 	

⁹ The State of ICT Sector Report, ICASA, March 2018

¹⁰ The State of ICT Sector Report, ICASA, March 2018

¹¹ WEF, 2016, cited in The State of ICT in South Africa, researchICTAfrica.net, Gillward.A et.al, July 2018

POLICY	PERFORMANCE AGAINST KEY 2020 POLICY TARGETS	
	2020 POLICY TARGETS	PROGRESS AGAINST TARGETS (2019)
	<ul style="list-style-type: none"> ▪ Health facilities - 100% at 10Mbps, 80% at 100Mbps. ▪ Public sector facilities - 100% at 10Mbps. <p>By 2030:</p> <ul style="list-style-type: none"> ▪ Broadband access in Mbps per user must be 100% at 10Mbps and 80% at 100Mbps. ▪ Schools – 100% at 1Gbps. ▪ Health facilities – 100% at 1Gbps ▪ Government facilities – 100% at 100Mbps 	

USAASA and USAF's responsibility in terms of the broadband mandate is limited to the roll-out of broadband to underserved areas. In line with Section 88 (3) of the Act, ICASA on the regulatory advice of USAASA published the Under-Served Area Regulation Gazette which provided a definition and list of Under-Served Areas which would be utilised by USAASA to deploy broadband networks and provide broadband networks and infrastructure and subsidised connectivity in order to enable universal access to broadband services by needy persons. The List of Under-Served Areas amounted to 195 local municipalities which would be prioritised for universal access programmes across all provinces.

The DTSPS has further prioritised the eight NHI pilot sites in the following district municipalities: Dr. Kenneth Kaunda; Gert Sibande; OR Tambo; Pixley ka Seme; Thabo Mofutsanyane; Umgungundlovu; Umzinyathi; and Vhembe.

The key broadband deliverables include:

- 1) Connect a total of 1 295 sites by 2020;
- 2) Connect government facilities, such as local municipal offices;
- 3) Enable and facilitate the adoption of e-Health, e-Education, e-Agriculture and e-Government;
- 4) Roll-out of Wi-Fi hotspots;
- 5) Create opportunities for local SMMEs.

To date, USAF has completed the roll-out of broadband infrastructure at:

- 1) 8 under-served areas/local municipalities as identified in the list of Under-Served Areas mentioned earlier.
- 2) 165 broadband sites in the three years prior to the 2016/17 financial year;
- 3) 295 sites in the OR Tambo District Municipality during the 2016/17 financial year;
- 4) 76 and 199 broadband sites in the underserved municipalities of Impendle Local Municipality (KZN) and Nyandeni Local Municipality (EC), respectively in 2017/18.

A further 2 municipal areas (namely iNgquza Hill and Post St Johns) in the OR Tambo District Municipality are part of the 2020-2021 Annual Performance Plan. This means that there has been a +100% increase in terms of the broadband sites that need to be maintained by USAASA, although there has not been any increase in budget or human resources capacity in order to enable the Agency to deliver on its legislated functional and national policy mandates.

Furthermore, the implementation of the Broadcasting Digital Migration (BDM) Policy - which mandated USAASA to subsidise around 5 million qualifying, needy households (earning below R3200 a month) for acquisition of the set-top boxes (STBs) – has created a challenge in terms of the additional reporting responsibility to the Department of Communications (DOC), as the DOC is responsible for the administration of the BDM Policy and the overall oversight of the BDM Programme implementation.

Despite the requirement emanating from a National Policy, USAASA and USAF has not been adequately resourced to deal with reporting duties emanating from the procurement and installation of the set-top boxes. In addition, a lack of co-operation on the part of the South African Post Office - specifically a failure to support systems integration as USAASA and USAF's distribution partner in the BDM project - has resulted in DTT inventory going missing, due to the inability to implement

effective stock control measures. This is a root cause of one of the audit findings issued by the Auditor-General on USAASA's and USAF's financial statements.

From 2020/21 onwards, arising out of the Cabinet decision (December 2019), this project is now replaced with the issuing of vouchers to qualifying needy households, rather than the supply of set-top boxes, although it is necessary to still distribute the remaining inventory.

The alignment of the USAASA and the USAF activities to the South Africa Connect Policy, 2013 Phase 1 Implementation Plan has posed a direct challenge on the organisations' capacity requirements and organisational structure. More specifically, as discussed in the macroeconomic environment section above, and emphasised by President Cyril Ramaphosa in the 16 February 2018 SONA, "public finances have been constrained, limiting the ability of government to expand its investment in economic and social development".

8.2. INTERNAL ENVIRONMENT ANALYSIS

8.2.1. ANALYSIS OF ORGANISATIONAL CAPACITY AND CAPABILITY (SWOT ANALYSIS)

As acknowledged in the USAF 2018/19 Annual Report, the organisation has been through a particularly tumultuous period. Reasons cited for underperformance relate to, inter-alia:

- 1) Poor execution of procurement plans, lack of contract management of the appointed service providers and heavy reliance on the network monitoring systems of the service providers;
- 2) Poor planning and lack of detailed database of the sites deployed in prior years, in order to inform decision making;
- 3) Inadequate data (Portfolios of Evidence) being submitted to substantiate the claimed connectivity targets and performance claims;
- 4) Lack of a monitoring mechanism for allocated set-top boxes for installation to registered users and also failure by the Agency in monitoring the Service Level Agreement entered into with SAPO for distribution of the set-top boxes; and
- 5) Poor Project Management capability leading to lack of installation management.

Beyond these specific performance indicators, there remain vital areas of performance that need be addressed, including:

- 1) Challenges relating to the implementation of the SAP system; a lack of buy-in to the system by key stakeholders being the major constraint;
- 2) Poor execution of procurement plans, a lack of contract management of the appointed service providers and heavy reliance on the network monitoring systems of the service providers;
- 3) Poor planning and lack of detailed database of the sites deployed in prior years, in order to inform decision making;

- 4) Inadequate data (Portfolios of Evidence) being submitted to substantiate the claimed connectivity targets and performance claims;
- 5) Lack of a monitoring mechanism for allocated set-top boxes for installation to registered users, and also failure by the Agency in monitoring the service level agreement entered into with SAPO for distribution of the set-top boxes; and
- 6) Poor Project Management capability leading to lack of installation management.

As part of the 2020-2025 strategic planning process, USAF utilised planning tools to assess its internal strengths and weaknesses, and external opportunities and threats, as the platform off which to plan and prioritise in developing the 2020-2025 Strategic Plan.

The detailed analysis is available separately, but key issues arising from the analysis are reflected below, as they inform priorities for the 2020-2025 Strategic Plan:

- 1) In the area of continuous effective implementation of its core business, the USAF must:
 - a) Conduct a technical evaluation on the broadband project for the OR Tambo District Municipality, in order to understand the technical challenges in implementation and to learn from mistakes committed, in order to avoid repeating the same mistakes in future deployments;
 - b) Conduct a district-wide baseline and needs assessment study for the UMgungundlovu District Municipality, so that the Fund can understand the current conditions, community needs, aspirations and expectations of the beneficiaries;
 - c) Ensure that the service providers it appoints are not only reliable and competent, but also that they are duly monitored;
 - d) Establish National Operations Centre (NOC) capability to strengthen and support USAF portfolios of evidence, to improve the reliability of USAF information and to reduce the challenges arising from contestation around the reliability of the networks; and
 - e) Develop and maintain strong partnerships and collaborations with sister companies like BBI, SITA, ICASA and Sentech and strengthen relationships with client municipalities.
- 2) In the area of development and management of internal business processes and systems (including technology), USAF must:
 - a) Adopt and rigorously implement enabling internal supporting systems and technologies:
 - Implement project management framework, policies and technology;
 - Have a reliable management information system;
 - Have an in-house network monitoring system; and
 - Have an in-house service desk/call centre to field problems.

- b) Adopt a proper balanced scorecard approach to cascade the APP to operational plan level, and to ensure buy-in of performance requirements and expectations at individual level, and enforce consequence management across the board;
- c) Vigorously promote collaborative internal working relationships.

In terms of its current approved budget structure, USAF is constituted by the following programmes and aligned sub-programmes:

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

These programme focus areas inform the outcomes reflected in the USAF Results-Based Plan, outlined in Part C below.

PART C: MEASURING OUR PERFORMANCE

In the context of the hierarchy of performance information utilised to construct this strategic plan (a “Theory of Change” Logic Model) and where the mandate, vision and mission describe the “longer-term strategic focus” of the organisation; the next level in the hierarchy is to describe the impact and the result areas (outcomes) necessary to deliver against the desired strategic focus.

9. INSTITUTIONAL PERFORMANCE INFORMATION

9.1. MEASURING THE IMPACT

Informed by the above strategic focus statements, the IMPACT statement of the Universal Service and Access Fund of South Africa for the period 2020-2025 is as follows:

Impact Statement	Enhanced access to ICT and digital broadcasting services in identified underserved areas.
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9.2. MEASURING OUTCOMES

Where the impact describes the intended five-year developmental result, the outcomes describe the mid-term results to be achieved in the period of the strategic plan, in alignment with the national priorities and the relevant sector policy and strategy frameworks.

The Universal Service and Access Fund of South Africa has defined two (2) Outcomes to direct its effort and focus to 2025, as follows:

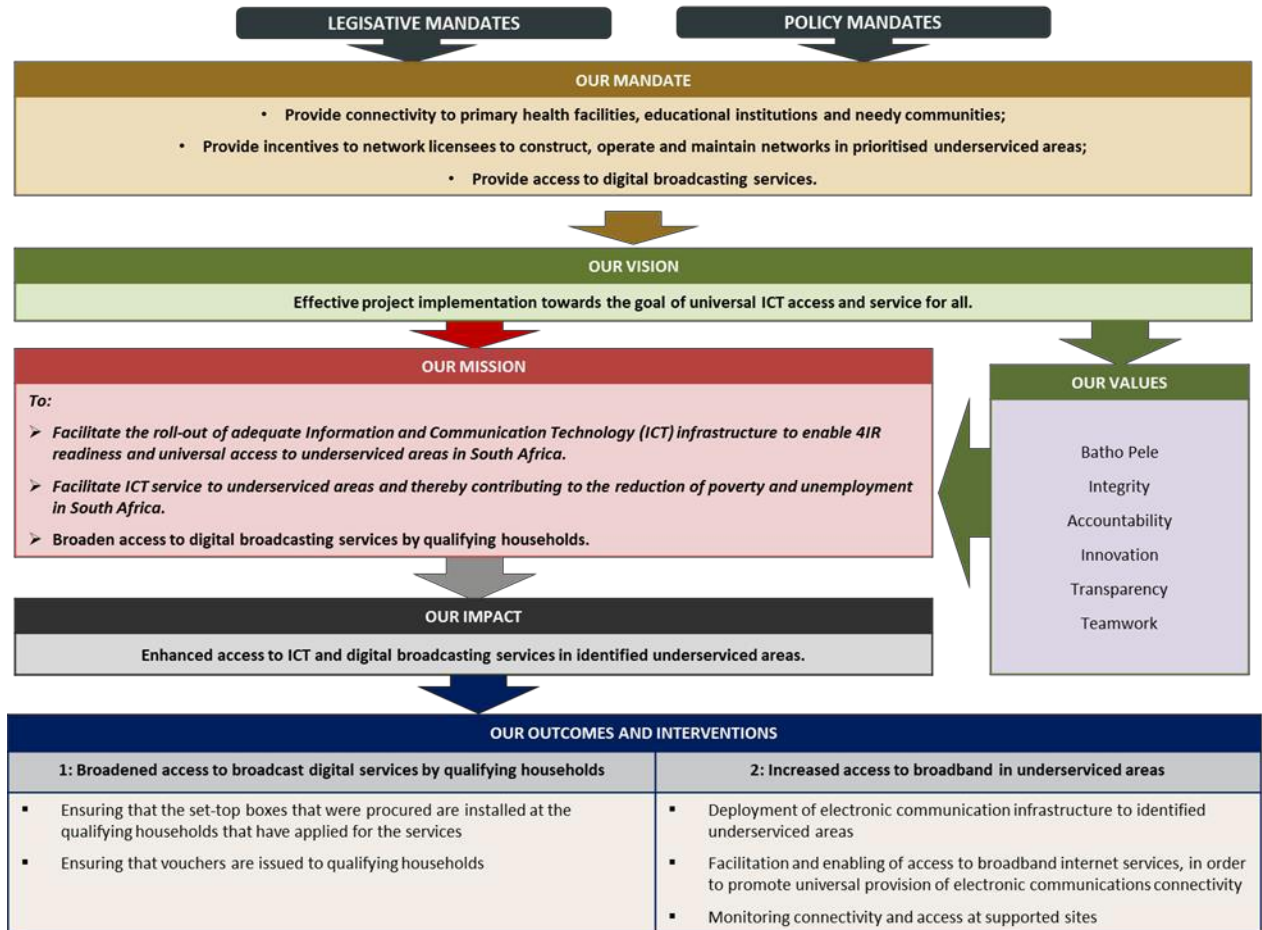
Outcome	Outcome Indicator	Baseline 2020/21	Five-year target (To March 2025)
1: Broadened access to broadcast digital services by qualifying households	Number of qualifying households provided with access to broadcast digital services	511 368 qualifying households (2015/16 – 2018/19)	3.2m qualifying households (Government Technical Advisory Centre (GTAC) Study, January 2019)
2: Increased access to broadband in underserved areas	Number of identified underserved local municipal areas that have access to electronic communication infrastructure	Cumulatively, 8 identified underserved local municipal areas (2013/14 – 2018/19)	Cumulatively, 18 identified underserved local municipal areas by March 2025 (10 new)

3: A well governed and high performance organisation and fund, delivering on its mandate	USAF External Audit outcome	Unqualified audit outcome for 2018/19	Unqualified audit outcome maintained
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9.3. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE YEAR PLANNING PERIOD

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

Figure 6: The USAF strategic focus to 2025



USAASA and the Universal Service and Access Fund’s (USAF) responsibility in terms of the NDP and government priority for universal broadband service and access in South Africa is limited to the roll-out of broadband to underserved areas in the country.

In this regard, USAF is responsible to enhance its project management capacity and capability to realise 2 key pillars of work, namely:

- 1) To facilitate the roll-out of adequate Information and Communication Technology (ICT) infrastructure and services to enable universal access in underserved areas in South Africa; and
- 2) To facilitate increased access to digital broadcasting services for needy households in South Africa.

In turn, the Outcomes reflect the medium-term results to 2025 in the 2 key pillars of work, as follows:

- 1) Roll-out of adequate Information and Communication Technology (ICT) infrastructure and services to enable universal access in underserved areas, with a focus on:
 - a) Deployment of electronic communication infrastructure which is crucial to delivering broadband services to South Africans, and to overcoming the so-called "digital divide" between connected urban citizens and those living in rural areas. To mitigate these issues, it is critical that electronic communication infrastructure is delivered and thereafter monitored; and
 - b) Facilitation and enabling of access to broadband internet services to identified municipalities and areas, in order to promote universal provision of electronic communications connectivity.

- 2) Increased access to digital broadcasting services for needy households in South Africa, with a focus on:
 - a) Ensuring that the set-top boxes that were procured in previous financial years are installed at the qualifying households that have applied for the services; and
 - b) Ensuring that vouchers are issued to qualifying households through the Universal Service and Access Fund, as part of the assigned responsibility to enable qualifying needy households to receive set-top boxes.

10. KEY RISKS

The table below reflects the key strategic risks identified by the company as at September 2019, and aligned to this Strategic Plan for 2020-2025, including risk mitigation measures.

Outcome	Key Risk	Risk Mitigation
1: Broadened access to broadcast digital services by qualifying households	Failure to install the targeted number of digital services	Installation plan Project management Office
2: Increased access to broadband in underserved areas	Failure to realise the increase in access for targeted underserved areas	Installation plan Engagement of and/or partnership with organ(s) of state (subject to deviation approval by National treasury)

The detailed Universal Service and Access Fund of South Africa Risk Register is reviewed monthly by Exco.

11. PUBLIC ENTITIES

The Universal Service and Access Fund of South Africa does not have any Public Entities.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

12. OUTCOME 1: BROADENED ACCESS TO BROADCAST DIGITAL SERVICES BY QUALIFYING HOUSEHOLDS

Outcome Indicator 1.1	Number of qualifying households provided with access to broadcast digital services
Definition	The qualifying households are defined in the Government Technical Advisory Centre (GTAC) study at 3.2m nationally. The indicator tracks cumulative progress towards the provision of access to broadcast digital services for the qualifying 3.2m households through vouchers.
Source of data	GTAC Study, January 2019 PMO Installation report Voucher issuance report
Method of Calculation / Assessment	Simple count
Assumptions	The voucher is adequately supported by other funds necessary to buy an Integrated Digital Television (IDTV) Assuming sufficient funds are available
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Reporting Cycle	Annual progress against the five-year target
Desired Performance	Meeting, or potentially exceeding, the target for the strategic plan period 2020/2021 – 2024/2025
Indicator Responsibility	Executive Operations

13. OUTCOME 2: INCREASED ACCESS TO BROADBAND IN UNDERSERVED AREAS

Outcome Indicator 2.1	Number of identified underserved local municipal areas that have access to electronic communication infrastructure
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Definition	The Master List defines the identified underserved municipal areas nationally, aligned to the national Priority Development Areas. The indicator tracks the cumulative number of these underserved areas that have been supported with access to electronic communication infrastructure since the programme began
Source of data	Master list Connectivity report
Method of Calculation / Assessment	Simple count
Assumptions	The outcome is specific to the USAASA mandate – universal service and access in underserved areas, nationally
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Targets and sequence are defined by the districts identified at national level (PDAs), as reflected in the Master List.
Reporting Cycle	Annual progress against the five-year target
Desired Performance	Meeting, or potentially exceeding, the target for the strategic plan period 2020/2021 – 2024/2025
Indicator Responsibility	Executive Operations

14. OUTCOME 3: A WELL GOVERNED AND HIGH PERFORMANCE ORGANISATION AND FUND, DELIVERING ON ITS MANDATE

Outcome Indicator 3	USAF External Audit outcome
Definition	External audit outcome in pursuit of sound financial and administrative management, and enhanced governance.
Source of data	External Audit Report from the AGSA.
Method of Calculation / Assessment	Verification of external Audit Report from the AGSA.
Assumptions	USAASA and USAF systems and processes, and internal controls, have been strengthened to enable achievement of the strategic plan target
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable

Reporting Cycle	Annual progress against the five-year target
Desired Performance	Meeting the target for the strategic plan period 2020/2021 – 2024/2025
Indicator Responsibility	Chief Financial Officer

ANNEXURE TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DELIVERY MODEL

USAASA and USAF deploys its infrastructure and connectivity support in targeted municipal areas as defined in the Master List. The Master List defines the identified underserved municipal areas nationally, aligned to the national Priority Development Areas.

USAASA and USAF participate in various ICT steering committees and forums at national level, and in the targeted municipal areas, to ensure coordination and integration in the implementation of its programmes.