



UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA

ANNUAL PERFORMANCE PLAN FOR 2023/24

The 2023/24 Annual Performance Plan of the Universal Service and Access Agency of South Africa is compiled with the latest available information to the Agency.

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ACCOUNTING AUTHORITY STATEMENT

I am pleased to present the Universal Service and Access Agency of South Africa (USAASA) Annual Performance Plan (APP) for the 2023/24 financial year, as year four of the five-year Strategic Plan for 2020-2025.

In the face of an extremely challenging global and domestic economic environment, the plan to streamline the information and communications technologies (ICTs) state-owned entities (SOEs), outlined in the National Integrated ICT Policy White Paper of 2016, is gaining momentum. The White Paper sets the policy framework for transforming South Africa into an inclusive, innovative digital and knowledge society. The focus is on building a digital economy to fulfil the commitments of the National Development Plan and achieve the 2030 Vision, particularly in light of the Fourth Industrial Revolution. The rationalization of ICT SOEs is necessary for achieving the efficiencies needed to establish an innovative digital and knowledge society.

Delivery under the White Paper requires significant shifts to policy to create a more transparent and equitable ICT environment. The way is paved for a legislative programme that will amend laws where necessary, set up new structures or institutions, guide government interventions, improve access to modern communications and postal infrastructure, and improve the ability of all citizens to meaningfully participate in the digital economy. It will allow government to roll out quality communications and broadband infrastructure to all areas, ensuring universal services and access. The ultimate goal is to ensure that everyone – regardless of who they are, where they live, or their social or economic standing – can benefit from the opportunities offered by ICT.

The White Paper Policy recommended that:

- 1) The Universal Service and Access Agency of South Africa (USAASA) is to be dissolved; and
- 2) The Universal Service and Access Agency (USAF) be transformed to create the Digital Development Fund (DDF), a distinct fund that will provide support for both infrastructure and targeted demand stimulation projects and programmes.

As per the policy recommendations of the White Paper, USAASA will be dissolved, but the Universal Service and Access Fund (USAF) managed by USAASA will be repurposed as the Digital Development Fund. Instead, the management and administration of the USAF will be transferred to South African Postbank (SOC) Limited, under the control and instructions of the Minister.

Postbank is well-suited to manage the fund, given its financial skills and experience with the Universal Service and Access Policy to be developed by the Minister. The USAF will remain a separate Schedule 3A public entity, but all governance, management, and operational responsibilities will be carried out by the Postbank Board, CEO, and staff.

Although the administration of the USAF can only be formally transferred to the Postbank once the enabling legislation is in place, the provision will be made for an interim arrangement, following consultation with the National Treasury and the Department of Public Service and Administration. The administrative and legislative processes will be undertaken concurrently to fast-track the dissolution process in line with the pronouncement made by the Minister.

For the period of this Annual Performance Plan, the USAF and its administrator USAASA will continue with the deployment of electronic communication infrastructure until such time that the respective transfer and dissolution is formally promulgated. The Entity will continue to broaden universal access to 'digital broadcasting services'. The USAF will focus on ensuring subsidies are

issued to qualifying households as part of the assigned responsibility to enable qualifying indigent households to receive set-top-boxes free, thereby broadening access to digital broadcasting services.

I commend the USAASA Annual Performance Plan 2023-2024 to South African citizens and hope that our proposals are easy to read and understand. As the Accounting Authority of the institution, I give my full support to this 2023-2024 Annual Performance Plan, and I have complete confidence in the management and staff's ability to implement this plan.



Ms. Daphne Zukiswa Rantho

Chairperson of the Interim Board

CHIEF EXECUTIVE OFFICER STATEMENT

In line with the DPME Revised Framework for Strategic Plans and Annual Performance Plans (2020) and the requirements of the Public Finance Management Act (PFMA), USAASA has undertaken a comprehensive process, led by the Board, towards the development of this Annual Performance Plan for the fourth year of the five-year Strategic Plan 2020-2025.

A thorough analysis of USAASA's performance in the previous term (2014-2019) was conducted in developing the Strategic Plan for 2020-2025, which reflects USAASA's vision as *"universal ICT access and service for all"*.

Towards this vision and, in support of the National Development Plan, the five-year Strategic Plan reflects USAASA's contribution to strengthening universal access and service in order to unlock the potential of a connected society to grow the economy, create jobs, and contribute to reducing inequality and poverty. This aligns to the outcome of the Revised 2019-2024 Medium-Term Strategic Framework (MTSF), to *"improve competitiveness through ICT adoption"*.

The National Integrated ICT Policy White Paper of 2016 recommended that USAASA is to be dissolved; and that the USAF be transformed – subsequently the decision to transfer the management and administration of the USAF to the South African Postbank (SOC) Limited, under the control and instructions of the Minister, has been made.

In this light, and until the formal promulgation of these decisions, this Annual Performance Plan for 2023/24 presents the focus of USAASA on:

- 1) Preparedness for the implementation of the dissolution of the Agency.
- 2) Strengthening the governance and control environment to improve the audit outcome.
- 3) Implementing activities in response to the Gender-based Violence and Femicide National Strategic Plan.
- 4) Implementing activities in support of public/stakeholder participatory strategies; and
- 5) Assessing progress towards the MTSF targets for access to broadband service in the country.

Given the fact that USAASA's budget and resources have declined pending the dissolution of the Agency, the plan is ambitious, but achievable.

I am thankful to the Minister and the Director-General for their policy direction, guidance, and support. I express my sincere gratitude to the Board for their steadfast support and wise counsel.

In closing, I affirm my commitment to lead USAASA to the best of my ability, as it strives to realise the priorities, outcomes, and outputs reflected in this plan.



Ms. Chwayita Madikizela

Acting Chief Executive Officer

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan for 2023/24:

- 1) Was developed by the management team of the Universal Service and Access Agency of South Africa, under the guidance of the Board of Directors.
- 2) Considers all the relevant policies, legislation, and other mandates for which the Universal Service and Access Agency of South Africa is responsible.
- 3) Accurately reflects the outputs and targets which the Universal Service and Access Agency of South Africa will endeavour to achieve over the 2023/24 financial year.



Mr. Sidney Mongala
Chief Financial Officer (Acting)

20/04/2023

Date



Vacant
Head Official responsible for planning

20/04/2023

Date



Ms. Shwayita Madikizela
Chief Executive Officer (Acting)

20/04/2023

Date

APPROVED BY:



Ms. Daphne Zukiswa Rantho
Chairperson of the Interim Board (Accounting Authority)

20/04/2023

Date

Mr Mondli Gungubele, MP

Minister for Communications and Digital Technologies (Executive Authority)

Date

ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AFCFTA	African Continental Free Trade Agreement
APP	Annual Performance Plan
BBI	Broadband Infraco SOC
BDM	Broadcasting Digital Migration
CEO	Chief Executive Officer
COVID-19	Novel Coronavirus Disease 2019
DCDT	Department of Communications and Digital Technologies
DDF	Digital Development Fund
DPME	Department of Planning, Monitoring and Evaluation
DQL	Digital Quality of Life Index
ECA	Electronic Communications Act
EMDE(s)	Emerging Market and Developing Economy/ies
ESG	Environmental, Social and Governance
Exco	Executive Committee / Executive Council
FET	Further Education and Training
GDP	Gross Domestic Product
GHG	Green House Gas
GHS	General Household Survey
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IMF	International Monetary Fund
MDDA	Media Development and Diversity Agency
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NSAA	National Spatial Action Area
NSP	National Strategic Plan
PAYE	Pay-as-you-Earn
PFMA	Public Finance Management Act
Postbank	South African Postbank Limited
PRASA	Passenger Rail Agency of South Africa
PWD(s)	Persons With Disability/ies

Q	Quarter
QLFS	Quarterly Labour Force Survey
SABC	South African Broadcasting Corporation
SAPO	South African Post Office
SARB	South African Reserve Bank
SARS	South African Revenue Services
SDL	Skills Development Levy
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOC	State-owned Company
SOE	State-owned Enterprise/Entity
STB(s)	Set-top box(es)
STEM	Science, Technology, Engineering, and Mathematics
UA	Universal Access
UAS	Universal Access and Service
US	Universal Service
USAASA	Universal Service and Access Agency South Africa
USAF	Universal Service and Access Fund

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PART A: OUR MANDATE

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1. UPDATED LEGISLATIVE MANDATES

There are no updates to the legislative mandates reflected in the 2020-2025 Strategic Plan, which reflects as follows:

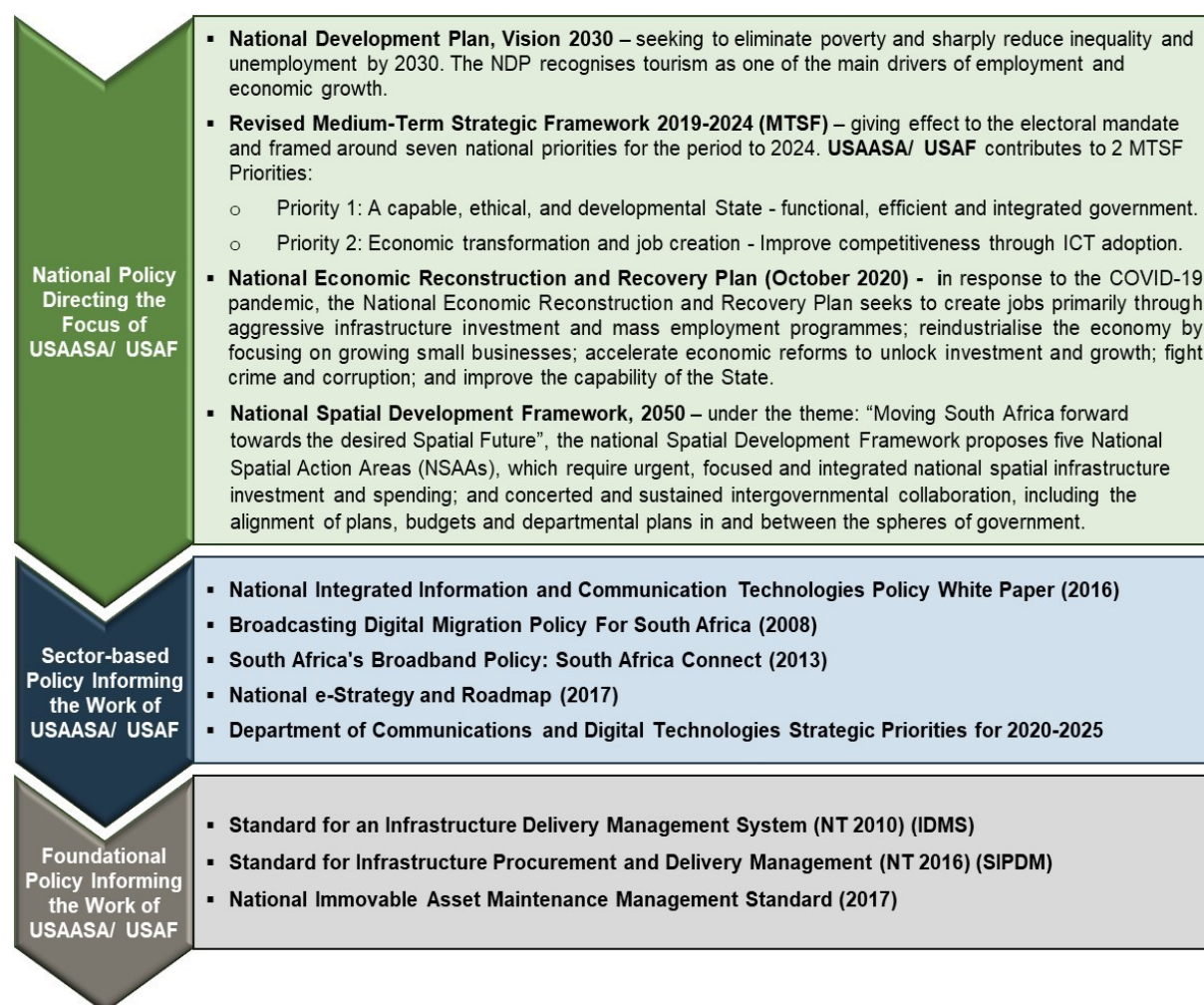
Figure 1: USAASA Legislative Mandates

Constitutional Mandate	<p>The Constitution of the Republic of South Africa (Act No. 108 of 1996) – specifically:</p> <ul style="list-style-type: none"> Chapter 3 – pertaining to Cooperative Government, assigns functions to the three spheres of government. Schedules 4 and 5 of Section 41(1) – define the relationship and principles underlying cooperation between the spheres of government. Section 16.1 states that “<i>everyone has the right to freedom of expression</i>”. 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 access to telecommunication resources, facilities, and equipment is a basic human right in South Africa. Section 32 further describes the “<i>right to information</i>”, 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. Section 217 – When an organ of state contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost effective.
USAASA Establishment Mandate	<ul style="list-style-type: none"> Electronic Communications Act (No. 36 of 2005, as amended) (ECA) – Sections 80-91 prescribe the existence, mandate, functions, and duties of the Agency. The ECA also establishes the Universal Service and Access Fund (USAF), which is financed by contributions from telecommunication licensees. Public Finance Management Act (No. 1 of 1999, as amended) (PFMA) - lists USAASA as a Schedule 3A national public entity, which is accountable to the Minister and Parliament. All prescripts and regulations arising from the PFMA are applicable to its governance and operations.
Legislation Informing USAASA’s Operations	<ul style="list-style-type: none"> Infrastructure Development Act, 2014 (No. 23 of 2014), as amended Electronic Communications and Transactions Act (No. 25 of 2002), as amended State Information Technology Agency Act (No. 88 of 1998), as amended
Various legislation pertaining to the governance and control environment and institutional arrangements	

1.2. UPDATED POLICY MANDATES

The policy mandates reflected in the 2020-2025 Strategic Plan remain relevant:

Figure 2: USAASA Policy Mandates



2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The institutional policy and strategic stance outlined in the 2020-2025 Strategic Plan is updated as follows:

2.1. UNIVERSAL SERVICE (US) AND UNIVERSAL ACCESS (UA) POLICY STANCE

Where universal service (US) refers to individual access, traditionally viewed as household telephone penetration, universal access (UA) refers to public or communal access, typically a public payphone, but also including other public access points. The basket of services and targets

for each of these definitions varies from country to country and is based on national priorities and national and international commitments.

UA was typically an interim goal towards universal service in developing countries with characteristic low tele-densities. UAS is a blended term used interchangeably in reference to US and UA.

Emerging in the 1960s, universal access and service (UAS) was a concept typically emanating from developed countries where the majority of the population was already connected. Thus, the focus of UAS Policy was to add the unconnected minority of subscribers to the network – typically the addition of between 5–10% of the population to the network. The principle of network externalities argues that every additional subscriber added to the network adds value to all existing subscribers.

UAS is an evolutionary concept which evolves and expands as one level has been achieved. There is a progression to the next level, for example, the universality of voice services was the initial focus of UAS Policy, and this has progressed to data access and broadband as this has increasingly become more important.

UAS Policy is driven by the anticipated benefits of access to communications and is underpinned by availability, affordability, and accessibility. The networked infrastructure must have ubiquitous population coverage, thus being available to the population at large, regardless of where they live. Further, services must be affordable to ensure widespread uptake and must be available to all who want access regardless of gender, disability, and location. Awareness and ability are increasingly becoming integral components of the fundamentals underpinning UAS Policy. It is fundamental that UAS policies are evidence-based, appropriate, realistic, and linked to national objectives and priorities to have relevance.

The World Bank has estimated that for every 10% of broadband connectivity 1.38% of Gross Domestic Product (GDP) growth may be realised. The socio-economic benefits and the consequent imperative for connectivity have been a cornerstone of South African communications policy since the 1996 White Paper on Telecommunications and this principle has been reaffirmed in the National Development Plan.

Post-apartheid South Africa inherited a country with vast inequalities – a country polarised by a minority of the population with access to networks and services, while the vast majority of the population had no access at all. Consequently, a UAS Policy for South Africa had to be crafted and mechanisms developed to provide access for close to 90% of the unconnected population.

South Africa, like many other developing countries, was at the beginning of regulatory reform, including preparing markets for competition and fostering UAS. Concerns of UAS falling behind the many competing priorities resulted in the creation of a specialist agency, whose sole focus was UAS, to ensure it was a priority on the national agenda.

USAASA and the USAF was thus established, initially for a period of five-years, to promote and facilitate schemes and programmes that would reverse the racially skewed access which was a legacy of apartheid.

The 2001 amendment to the Telecommunications Act removed the five-year review mechanism, enabling USAASA's and the USAF's indefinite existence. This was then carried over into the Electronic Communications Act (ECA) in 2005, and its amendment in 2014.

Broadly, the ECA directs USAASA to:

- 1) Conduct research as a basis for evidence-based policy and regulatory recommendations on universal access and service to the Minister of Communications and ICASA
- 2) Manage the use of the USAF to promote and facilitate universal access and service.

The Act provides for two parallel streams of funding for USAASA. Firstly, a parliamentary appropriation for the operational budget of the Agency, which ought to cover the requisite research that would underpin policy advice on UAS. Secondly, the USAF, which is exclusively intended for the subsidisation of UAS projects. These include:

- 1) Infrastructure for broadcasting and electronic communications.
- 2) Subsidising access of persons of need to broadcast and electronic communications services.
- 3) The subsidisation of services to further education and training (FET), public schools, and access centres.

In terms of the Act, all broadcasters and electronic communications operators contribute 0.2% in accordance with USAF regulations, although the ceiling for contributions to the USAF is 1% of turnover. Broadcasters get an opt-out clause, as they have a choice of contributing to the USAF or the Media and Development Diversity Agency (MDDA). Broadcasters' contributions to the MDDA may be offset against their USAF commitment.

2.2. RESPONSE TO THE INTEGRATED ICT POLICY WHITE PAPER - THE RATIONALISATION OF THE INFORMATION AND COMMUNICATIONS TECHNOLOGY STATE-OWNED ENTITIES

The National Integrated ICT Policy White Paper, 2016, outlines the overarching policy framework for the transformation of South Africa into an inclusive and innovative digital and knowledge society. It directs the government to roll out quality communications and broadband infrastructure to reach all country areas and ensure universal access and services. Further, the rationalisation of the ICT SOEs to gain the efficiencies needed to deliver the establishment of the innovative digital and knowledge society is an essential need.

In response, the decision has been taken to:

- 1) Dissolve the Universal Service and Access Agency (USAASA), and
- 2) Transfer the management and control of the Universal Service and Access Fund (USAF) to the South African Postbank (SOC) Ltd. (Postbank).

However, the administration of the USAF can only be formally transferred to the Postbank once the enabling legislation is in place. A provision will be made for an interim arrangement, following consultation with the National Treasury and the Department of Public Service and Administration, and it is envisaged that the administrative and legislative processes will be undertaken concurrently, to fast-track the dissolution process in line with the pronouncement that has been made by the Minister.

It is understood that, until formal promulgation of the dissolution of USAASA and the transfer of USAF, each entity is still required to produce and report against its own strategic and annual performance plan.

In this light, a key feature of this 2023/24 Annual Performance 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.

3. UPDATES TO RELEVANT COURT RULINGS

There are no new court rulings and/or judgements that have a material impact on the mandate and/or core operations of the Universal Service and Access Agency of South Africa.

However, USAASA, as the Universal Service and Access Fund administrator, might be exposed to litigation arising out of the previous contracts entered into for the procurement of set-top boxes. Should such litigation arise, the Agency will assess the legal implications and potential impediments to its operations and seek to mitigate the inherent risks.

PART B: OUR STRATEGIC FOCUS

In response to the strategic priorities of the sixth administration, and informed by instructing legislation and policy, the Universal Service and Access Agency of South Africa (USAASA) has defined its role/purpose (primary object), in the 2020-2025 Strategic Plan, as to:

- 1) **Strive to promote the goal of universal access and universal service.**
- 2) **Foster the adoption and use of new methods of attaining universal access and universal service.**
- 3) **Conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services, and electronic communications facilities.**
- 4) **Continually survey and evaluate the extent to which universal access and service have been achieved, and**
- 5) **Manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act.**

Aligned to this understanding, USAASA then articulates its strategic focus – its vision, mission, and its institutional values, and its planned results - for the period to 2025 as follows:

OUR VISION

Universal ICT access and service for all.

OUR MISSION

To promote and pursue the goal of universal access and service, and to contribute to building South Africa's sustainable knowledge society through a response to the 4IR, innovation, research, monitoring, evaluation and advisory services, and

To effectively manage the Universal Service and Access Fund (USAF), whose mission is to:

- 1) **Facilitate the roll-out of adequate Information and Communication Technology (ICT) infrastructure to enable universal access to underserved areas in South Africa.**
- 2) **Facilitate ICT service to underserved areas, thereby contributing to poverty and unemployment in South Africa.**

OUR VALUES	DESCRIPTION
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, and have honesty and respect in all interactions with stakeholders.
Accountability	We foster employee ownership and responsibility in ensuring quality service.

OUR VALUES	DESCRIPTION
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' contributions are respected.

OUR IMPACT STATEMENT
USAASA as a fully functional organisation to facilitate the progressive realisation of the goal of universal access and universal service in South Africa.

OUR OUTCOMES		
Outcome 1: An optimised delivery system to support achievement of the mandate	Outcome 2: A respected thought leader on universal access and universal service.	Outcome 3: A well-governed and high-performance organisation, delivering on its mandate

The above strategic framework and the two Outcomes inform the rolling annual performance plans over the period of the Strategic Plan.

Reflected in this Annual Performance Plan are the 2023/24 planning priorities, outputs, performance indicators, annual targets and budget allocations, as year four of the five-year strategic plan.

1. UPDATED SITUATIONAL ANALYSIS

Universal Service and Access Agency of South Africa (USAASA) executes its mandate and seeks to achieve its strategic intent in a complex environment, impacted by global, regional, and national events. In turn, the organisation requires the correct institutional environment to enable delivery of its strategic intent.

1.1. EXTERNAL ENVIRONMENT ANALYSIS

GLOBAL ECONOMIC OUTLOOK

Moving into the final quarter of 2022, the mood around the state of the global economy continues to darken. Many had hoped that the year would see the continuation of a gradual recovery after the devastation caused by COVID-19 lockdowns, but instead new pressures deepened the cracks in global economic integration. The two key challenges of the year, expected to continue into 2023,

are **high inflation** and **low growth**, exacerbated by ongoing supply chain pressures, growing geopolitical tensions, and the conflict between the Russian Federation and Ukraine.

“In short, the worst is yet to come, and for many people 2023 will feel like a recession.”

*IMF World Economic Outlook,
Countering the Cost-of-Living Crisis, October 2022*

IMF estimates, in October 2022, had global inflation rising from 4.7% in 2021 to 8.8% in 2022, moderating to 6.5% in 2023 and 4.1% in 2024. According to the World Bank, markets expect inflation to peak in mid-2022, but levels will remain high for some time to come, necessitating continued hikes in interest rates¹.

Inflationary pressures have triggered money tightening, which has facilitated a ‘powerful appreciation’² of the US dollar against most other currencies, including the South African Rand. In the attempt to rein in inflation, money tightening measures also reduce demand. The IMF notes that inflation could be more difficult to bring down than anticipated and create tighter global financial conditions.

2022 has been a year of downward revised growth targets as analysts attempt to adjust expectations to a rapidly evolving economic environment. Global growth for the rest of the 2020s is expected to remain subdued compared to the 2010s. The IMF forecasts that global growth will slow from 6.1% in 2021 to 3.2% in 2022. For 2023 the IMF forecasts 2.7% growth but warns that there is a 25% chance it may fall below 2%³. As of the middle of 2022, the World Bank forecasts 5.7% for 2021 followed by 3% in both 2022 and 2023.

Output in Sub-Saharan Africa increased by between 4.1% and 4.6% in 2021, according to the World Bank and IMF respectively, which represented a fair recovery after a 2% overall contraction in 2020, the year of the most severe COVID-19 restrictions. Very **high inflation**, persistent **unemployment**, and growing **poverty and food insecurity** rank among the region’s most pressing challenges moving forward.

Pandemic-related economic losses were particularly acute in the region, and Sub-Saharan Africa is the only emerging market and developing economy (EMDE) region where per capita incomes are not expected to return to their 2019 levels by 2023⁴.

The African Continental Free Trade Agreement (AfCFTA) represents an opportunity for Sub-Saharan Africa nations to strengthen cooperation and find new economic synergies, thereby

¹ World Bank. 2022. *Global Economic Prospects, June 2022*. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1843-1. License: Creative Commons Attribution CC BY 3.0 IGO.

² IMF World Economic Outlook, October 2022 Update

³ IMF World Economic Outlook, October 2022 Update

⁴ World Bank. 2022. *Global Economic Prospects, June 2022*. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1843-1. License: Creative Commons Attribution CC BY 3.0 IGO.

reducing reliance on more distant trading partners and strengthening the region's ability to determine its own future.

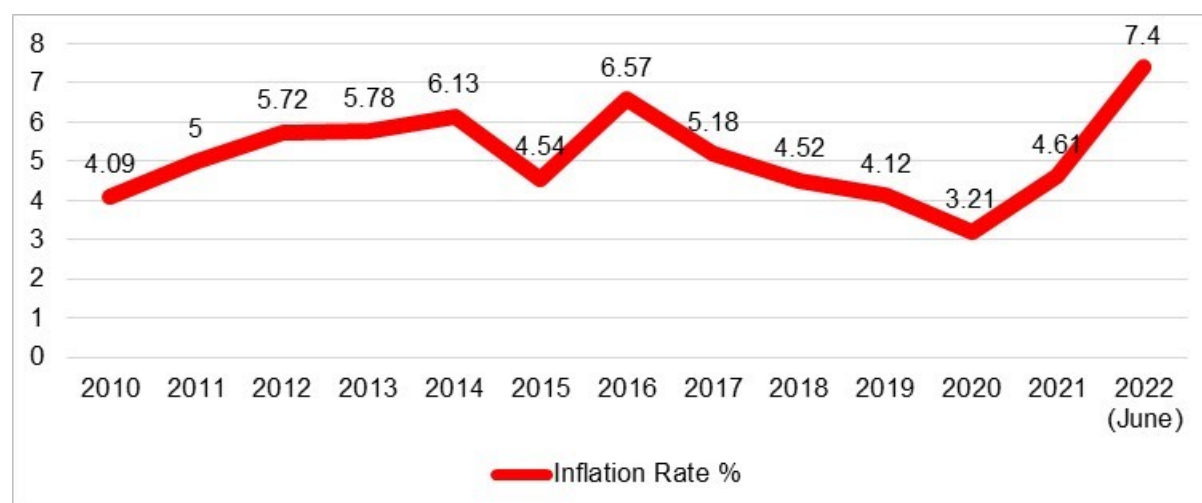
SOUTH AFRICAN SOCIO-ECONOMIC OUTLOOK

The local economy was not performing optimally some time before COVID-19 lockdowns further devastated businesses, productivity, and jobs. As is the case in the rest of the world economy, **high inflation** and **low growth** are current key challenges for South Africa, along with an unsustainably high **unemployment rate**. This presents a particularly difficult challenge for government, as interventions designed to curtail inflation may well exacerbate unemployment, and policies designed to lower unemployment may stoke inflation higher.

High Inflation

Like the rest of the world, South Africa has had to contend with much higher than expected inflation in 2022, with the knock on effects of high energy costs creating a cost of living crisis. If supply of energy commodities becomes increasingly unstable, energy rationing is a possible near future scenario.

Figure 3: South African Inflation Rate 2010–2021



Headline inflation reached 7.4% in June 2022. The target range is 3-6%. The upper limit has been breached for some time, and indications are that it may take a while to bring back down. SARB has responded to the inflationary pressure by raising the policy rate four times during the current hiking cycle, with further increases likely to be necessary to bring inflation back within target⁵, particularly if the Reserve Bank seeks to reduce headline inflation to 3%. The rate has only been

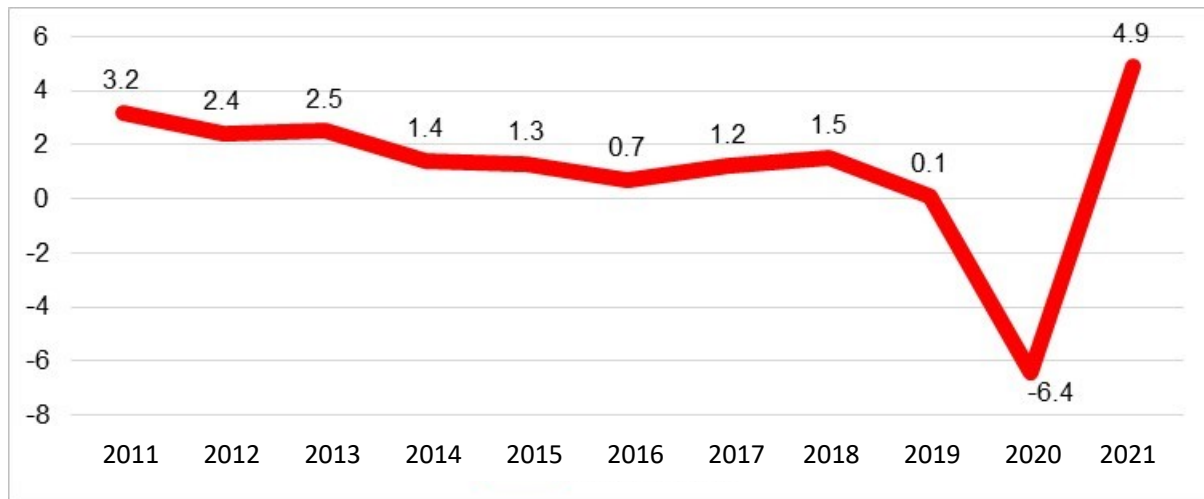
⁵ World Bank. 2022. *Global Economic Prospects, June 2022*. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1843-1. License: Creative Commons Attribution CC BY 3.0 IGO.

close to the 3% mark once over the last thirteen years, when it dropped to 3.21% during the year of the most severe lockdowns in 2020.

Low Growth

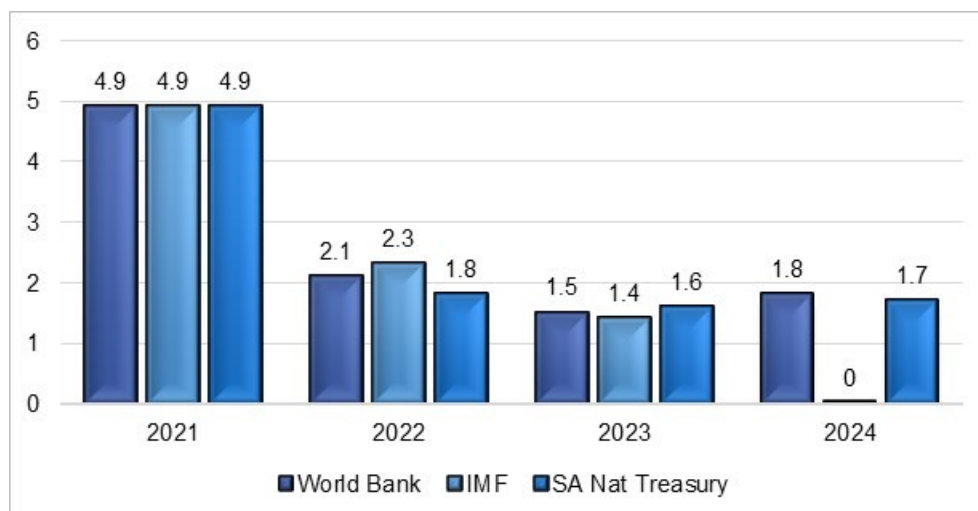
As discussed above, economic growth is depressed at a global level, and South Africa does not operate independently of the rest of the world. However, as is illustrated in the figure below, the economy has not been performing to potential for many years. The country's average annual GDP growth rate between 1994 and 2022 is 2.39%.

Figure 4: South Africa GDP Growth 2011–2021



The World Bank forecasts growth in South Africa of 2.1% in 2022, and 1.5% for the 2023 financial year. The IMF predicts 2.3% and 1.4% respectively. National Treasury's forecasts are more conservative, foreseeing real economic growth in the country of just 1.8% in 2022, 1.6% in 2023, and 1.7% in 2024. This level of growth is well below that needed to achieve any of the country's significant economic development and unemployment reduction goals.

Figure 5: South African GDP Growth Forecasts



After posting growth of 1.7% in the first quarter of 2022, South African GDP contracted by 0.7% in the second quarter, largely due to flooding in the manufacturing hub of KwaZulu-Natal and a countrywide escalation of loadshedding by the national electricity utility. Seven industries recorded negative growth between the first and second quarter of 2022, with manufacturing, agriculture, mining, and quarrying topping the list of biggest losers⁶.

In the primary sector, agriculture, forestry, and fishing decreased by 7.7% in the second quarter of 2022, due mainly to a falloff in the production of animal products. The mining and quarrying industry decreased by 3.5%, with gold, coal, manganese ore, and diamonds all seeing a decrease in production.

In the secondary sector, the second quarter of 2022 saw attrition, with eight out of ten manufacturing industries recording contractions. Overall manufacturing decreased by 5.9%, reducing GDP growth by 0.7%. Petroleum, chemical, rubber, and plastic products were hardest hit; although food and beverages, motor vehicles, parts, accessories, and other transport equipment also saw reductions. Iron and steel manufacturing, non-ferrous metal and metal products, and machinery also made notable negative contributions to growth.

The electricity, gas, and water industry shrank by 1.2% due to decreases in consumption (presumably related to decreases in supply), and the construction industry finished the second quarter down 2.4%.

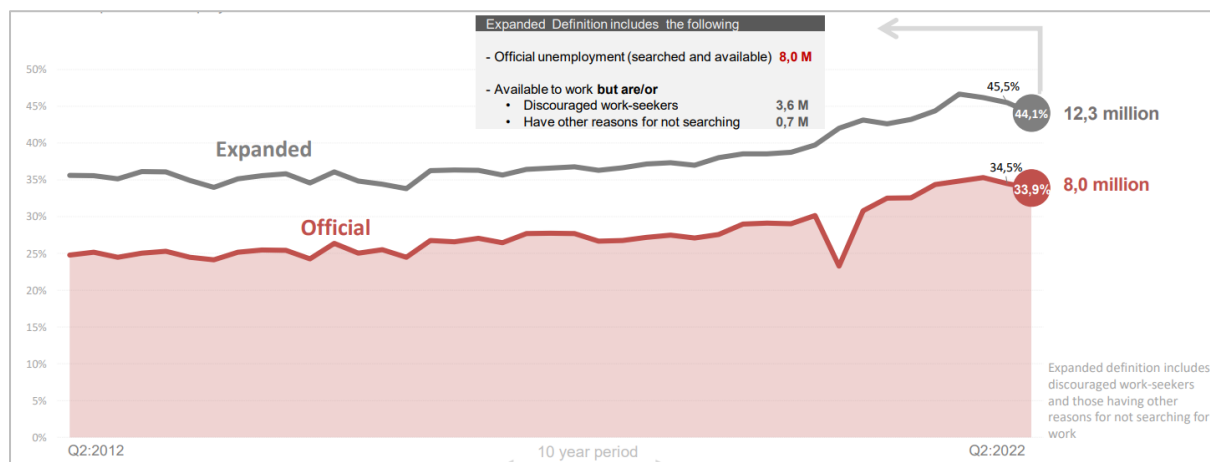
In the tertiary sector the second quarter of 2022 saw a slowdown of wholesale and retail trade, with trade, catering, and accommodation shrinking by 1.5%, which equated to a 0.2% drop in GDP growth for the nation. The transport, storage and communication industry increased by 2.4%. Finance and business services were also up by 2.4%, due to increased activity in financial intermediation, insurance and pension funding, auxiliary services, and real estate.

General government services contracted by 1.4%, mainly due to lower employment numbers in local and national government and state agencies and institutions. The personal services industry increased by 0.1%.

High Unemployment

As is illustrated in the figure below, South Africa's unemployment problem is not a new phenomenon or a consequence of COVID-19, but a systemic and steadily worsening feature of the country's economy. With around 8 million people of working age unable to find employment and a further 4.3 million who have given up trying, it is clear that economic growth and job creation are not keeping track with the country's population growth, and the political promise of decent work for all remains very much unfulfilled.

⁶ Stats SA, *Gross Domestic Product, Second Quarter 2022*

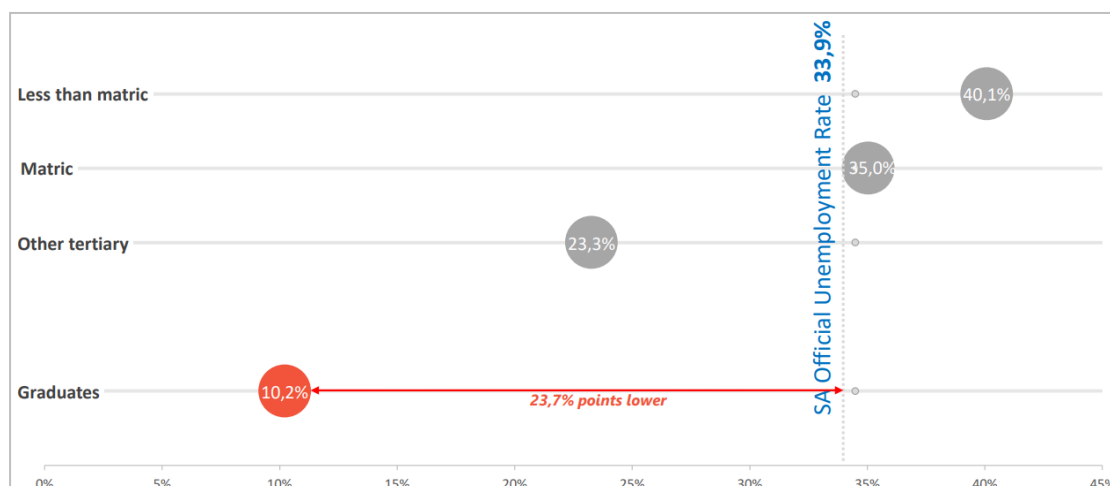
Figure 6: Expanded vs Official Unemployment Rate over the Last Ten Years


Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

As has been lamented at length, the situation is particularly dire for the youth of the country, with nearly two thirds of job seekers under 24 years old unable to find employment. Four in ten people under 35 do not have a job.

One need only look at unemployment by level of education (see figure below) to notice the clear connection between education and employability. 40% of the country's unemployed did not finish high school. A further 35% completed school but did not study further. The unemployment rate among university graduates, by contrast, is just 10.2%, a full 23.7% lower than the official national unemployment rate.

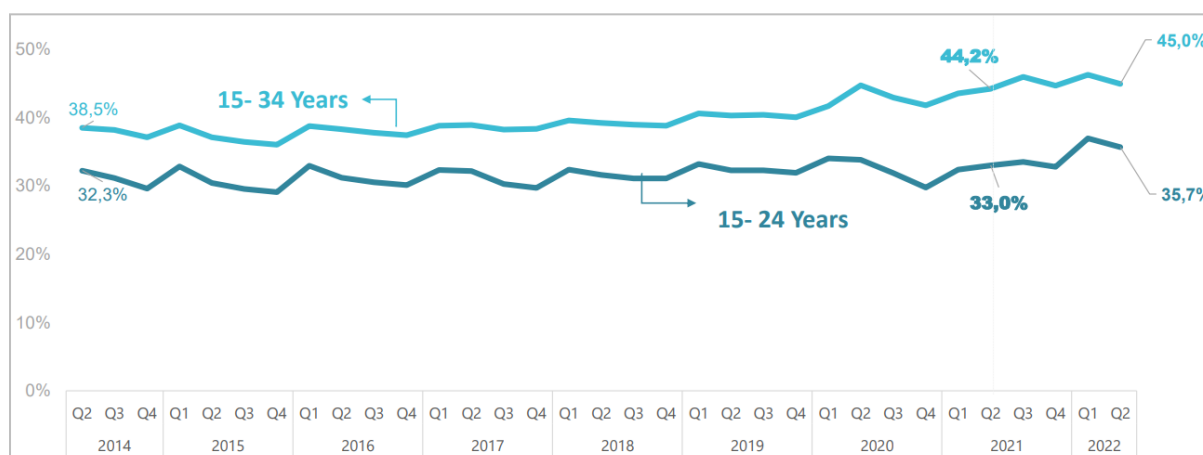
Whilst 10% unemployment among graduates may be considered high, it is likely to be partially related to the types of courses that young people opt to study. Graduates with STEM skills are in high demand, where graduates from humanities departments may experience stiffer competition for fewer available posts. Similarly, the fact that around a quarter of those with 'other tertiary qualifications' are unable to find work may speak to the quality and relevance of the sector's educational offerings.

Figure 7: Official Unemployment Rate by Level of Education, 2022 Q2


Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

As it stands in the second quarter of 2022, approximately 3,7 out of 10,2 million young people aged 15-24 years were not in employment, education, or training (NEET). When expanding the age group to 34 years old on the upper end, 45% of the country's youth is not only excluded from participating in the economy right now but has ever diminishing hope of being able to do so in the future.

Figure 8: NEET Rate for Ages 15-24 and 15-34, 2014-2022



Source: Stats SA, Quarterly Labour Force Survey (QLFS), Q2:2022

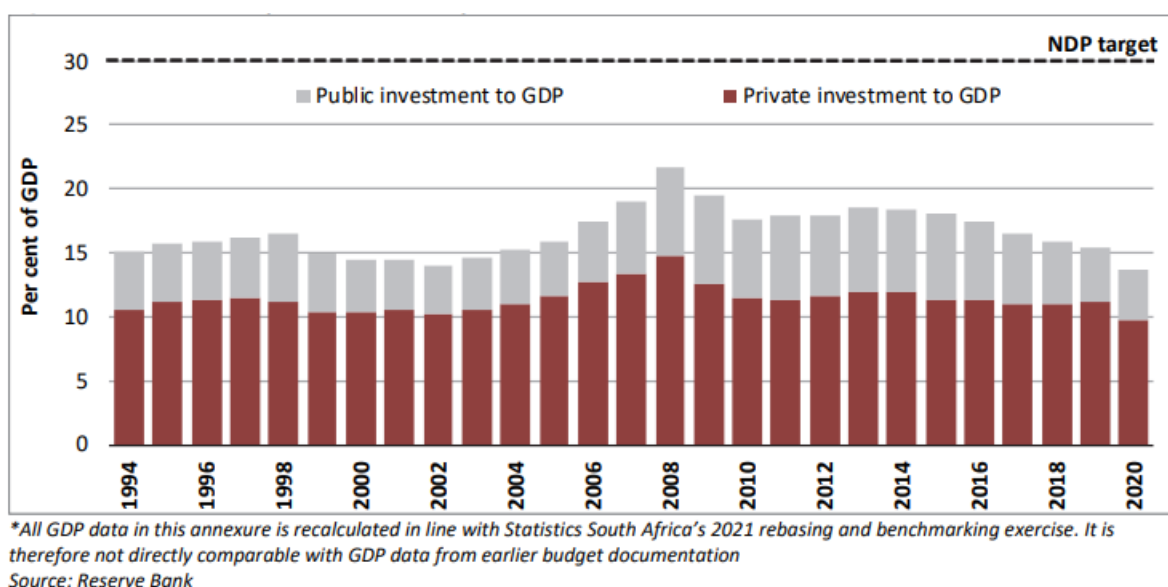
Poverty is a consequence of unemployment, and to a large degree, unemployment is a consequence of an undereducated workforce. If lowering unemployment is a priority, then improving the educational outcomes in the country is urgent, as the world continues to digitise, automation advances and competition intensifies, and increasingly sophisticated skillsets will be required in the workplace.

Aside from the global headwinds of slow growth and imminent recession, South Africa's hopes of economic recovery and growth are seriously undermined by factors within its own borders, most notably challenges in operations of key SOEs, such as Eskom, Transnet, PRASA, and others.

Infrastructure Development

The NDP highlights the critical importance of infrastructure development as an enabler of socio-economic transformation. It also identifies the urgent need to modernise infrastructure after decades of underinvestment in critical areas, such as water and energy supply. The NDP asserts that this will require higher levels of public and private investment in infrastructure, approximated at 30% of GDP.

However, combined capital investment by the public and private sectors amounted to 13.7% of GDP in 2020, less than half of the 30% NDP target. Since 1994, 2008 is the only year to make it to 20%. There has been a significant drop off in government spending over the last five years due to weak growth, high wage bill, rising spending pressures, and the financial support provided to SOEs.

Figure 9: Public and Private Sector Capital Investment as a Share of GDP, 1994–2020

Source: National Treasury, National Budget 2022, Annexure D

Over the ten years between 2010 and 2020, public sector capital investment averaged 5.8% of GDP, and private sector 11.2%. In order to reach the NDP target, public sector investment would need to grow from 3.9% of GDP in 2020, to 10% in 2030. Likewise, investment from the private sector would need to more than double, from 9.8% in 2020 to 20% in 2030.

Over the last few years work on infrastructure projects has been hindered not only by COVID-19 lockdowns and restrictions, but by the proliferation of mafia style gangs claiming to be community business forums. Using threats and intimidation, the criminal representatives demand 30% of the contract price for work they and their members are neither willing nor able to execute. These multiplying cases of thuggish extortion cause continuous stoppages and seriously impede progress on critical infrastructure projects, which will ultimately drive up their cost.

Tightening Monetary Policy and South African Debt

By mid-2022 there was serious downward pressure on the currency, with the Rand trading near its lowest level against the US dollar since 2020. Among other issues, this means that the country's dollar denominated debt becomes more expensive to service, putting further pressure on an already strained fiscus.

Figure 10: Summary of South African Budget 2022/23 Ranked by Value

Budget Item	Rand Value
Learning and Culture	R441.5 billion
Social Development	R364.4 billion
Debt Service Costs	R301.8 billion
Health	R259 billion

Budget Item	Rand Value
Community Development	R236.3 billion
Economic Development	R227.1 billion
Peace and Security	R220.7 billion
General Public Services	R69.2 billion

Source: National Treasury Budget Review, 2022

Rising government debt and, by extension, debt service costs, will continue to erode public spending capacity, potentially leaving gaps in public services delivery and infrastructure development.

SOUTH AFRICAN ICT SECTOR OUTLOOK

Rapid digital transformation is reshaping the global economy, permeating virtually every business sector and infiltrating every aspect of personal daily life. The way people learn, work, trade, access services and information, and even socialise is now increasingly mediated by digital technology. A well-functioning digital economy drives economic growth and creates job opportunities.

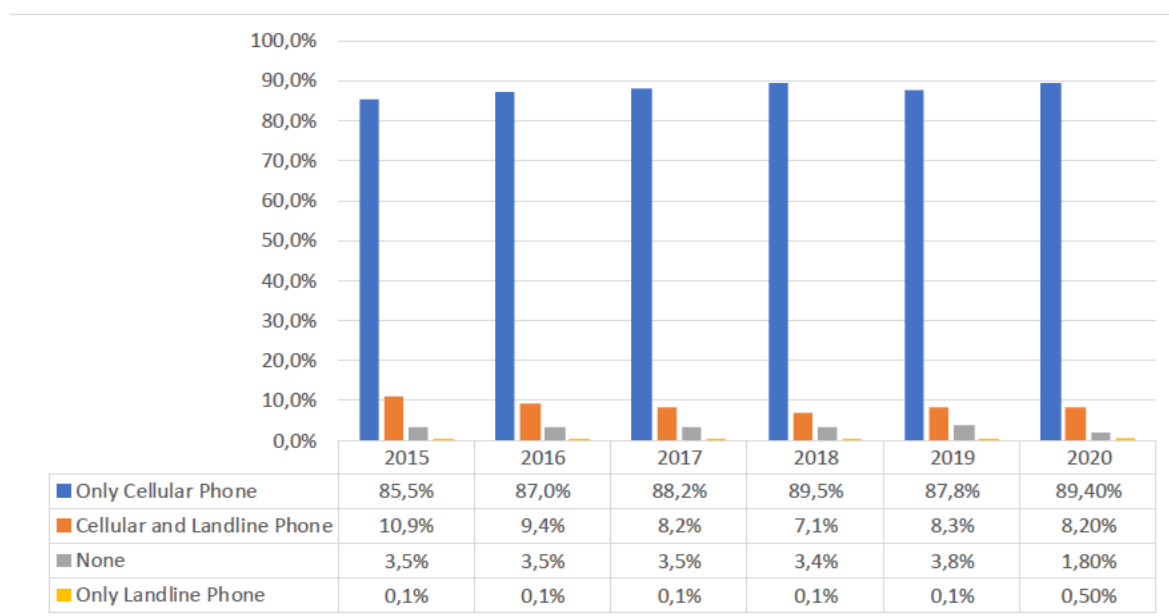
South Africa ranked 68th out of 110 countries in the Digital Quality of Life Index 2021. Although South Africa dropped down nine places from the previous year, it surpassed Kenya and Morocco to claim the top spot in Africa.

Conducted by the cybersecurity company Surfshark, the third annual edition of the Digital Quality of Life Index (DQL), a global digital wellbeing study, covered 90% of the global population and evaluated countries based on a set of five fundamental digital wellbeing pillars. South Africa ranked 87th for e-infrastructure, 85th for e-security, and 57th for both e-government and internet quality. The country managed to pull itself out of the bottom half when it came to internet affordability, ranking 26th out of the 110 countries being evaluated.

According to the affordability index, people in South Africa had to work 98 minutes to afford the cheapest broadband internet package, and just 59 seconds to afford the cheapest 1GB of mobile internet, which was three minutes less than the year before. The global average time people had to work to afford 1GB of mobile data was approximately 10 minutes.

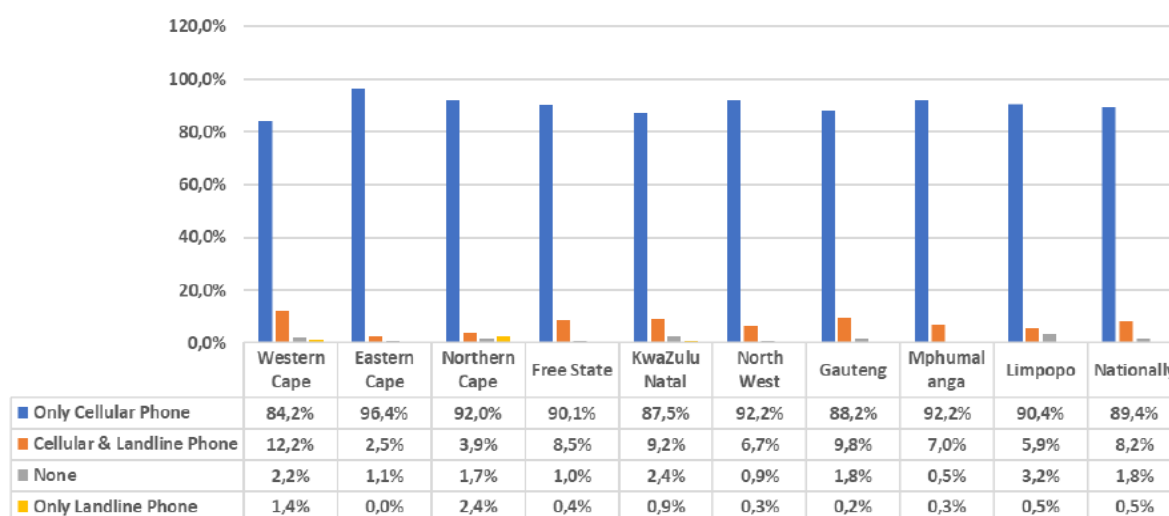
As of January 2021, South Africa had 38.13 million active internet users. This highlights how many South Africans do not have access, and how far behind the country is in fulfilling the goal of 80% of the population with access to the internet by 2024.

According to the 2020 General Household Survey (GHS), nearly 90% of households (89.4%) used only cellular phones as a means of communication. 8.3% of households used both cellular phones and fixed lines (landlines). A steady 0.1% have a landline only. The proportion of households that have no access to either a cellular phone or a landline decreased from 3.8% in 2019 to 1.8% in 2020.

Figure 11: Proportion of Households with Functional Landline and/or Cellular Telephone

Source: StatsSA GHS, 2015,2016,2017,2018, 2019 & 2020

On a provincial level, the Eastern Cape had the highest number of cellular only users at 96.4%, followed by North West and Mpumalanga, both at 92.2%. Gauteng had the fewest at 88.2%. Limpopo had the largest number of households with access to neither a landline nor a cellular phone at 3.2%, and Mpumalanga had the lowest at 0.5%. Northern Cape had the highest number of households with a landline only, at 2.4%.

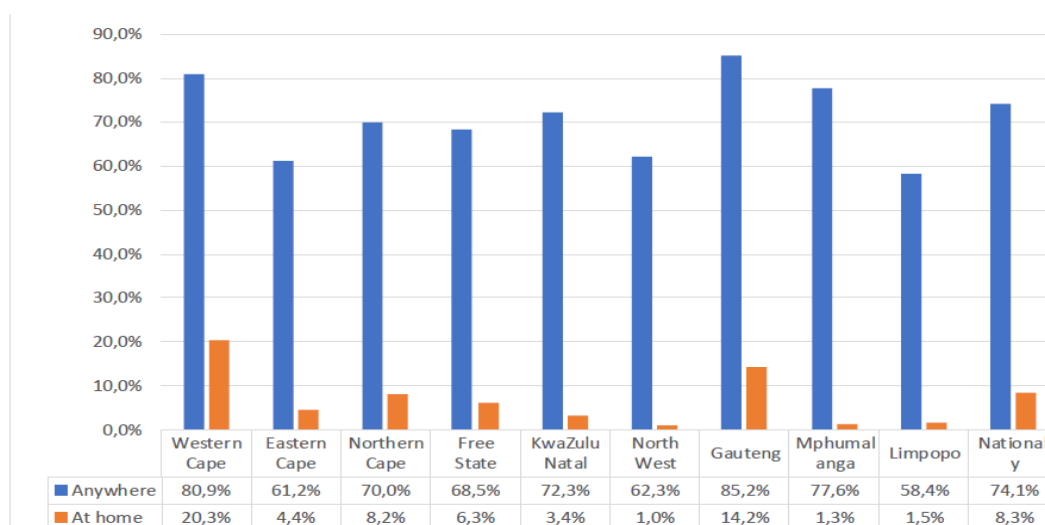
Figure 12: Percentage of Households with Functional Landline and Cellular Phones by Province

Source: StatsSA GHS, 2020

The national proportion of households that have access to the internet stood at 74.1% in 2020. This percentage is as high as it is mainly because at least one member of the household had access to the internet through mobile devices or laptops. At the provincial level, Gauteng had the

highest proportion of households who have access to the internet at 85.2%, followed by the Western Cape at 80.9%. Limpopo had the lowest proportion of households that have access to the internet at 58.4%.

Figure 13: Percentage of Households with Access to the Internet at Home* by Province



* at least one member of household has access to the internet

Source: StatsSA GHS, 2020

As is seen in the table below, the percentages of people who have access to internet at home is very low, with only Gauteng and the Western Cape breaking past the 10% mark. Mobile devices are the most common means of access by some margin: 66.8% in metros, 71.6% in urban areas, and 52.9% in rural areas.

Figure 14: Household Access to the Internet by Place of Access, 2020

Place where Internet is	Rural/Urban status	Province (per cent)									
		WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
At home	Metro	25.1	11.3	-	13.6	3.8	-	14.0	-	-	14.0
	Urban	11.9	1.5	8.0	3.0	7.8	1.9	16.3	1.4	5.6	6.8
	Rural	6.2	0.1	8.8	4.5	0.4	0.3	0.0	1.2	0.5	0.8
	Total	20.3	4.4	8.2	6.2	3.4	1.0	14.2	1.3	1.5	8.3
At work	Metro	17.0	16.8	-	17.5	31.6	-	29.1	-	-	26.1
	Urban	17.5	12.2	18.1	9.4	27.5	14.8	16.4	13.9	14.5	16.4
	Rural	24.1	6.4	10.2	9.2	4.3	3.5	0.0	3.2	4.1	4.8
	Total	17.5	11.4	15.9	11.7	20.3	8.4	27.3	7.9	5.9	17.5
Using mobile devices	Metro	64.2	53.7	-	52.3	59.6	-	72.1	-	-	66.8
	Urban	69.7	59.2	62.4	64.2	77.1	73.0	79.8	73.0	77.8	71.6
	Rural	55.8	47.4	64.6	44.8	50.9	48.9	58.1	65.3	52.2	52.9
	Total	65.4	52.2	63.0	59.0	60.2	59.3	73.1	68.7	56.9	64.1
At Internet Cafes or educational facilities	Metro	16.9	16.7	-	15.0	47.1	-	28.7	-	-	28.2
	Urban	12.8	9.1	9.0	10.2	11.4	8.8	25.8	15.9	6.1	13.1
	Rural	21.4	3.1	0.4	9.9	3.3	3.3	0.0	10.4	3.8	4.9
	Total	15.9	9.2	6.6	11.6	22.6	5.6	28.2	12.8	4.2	17.6

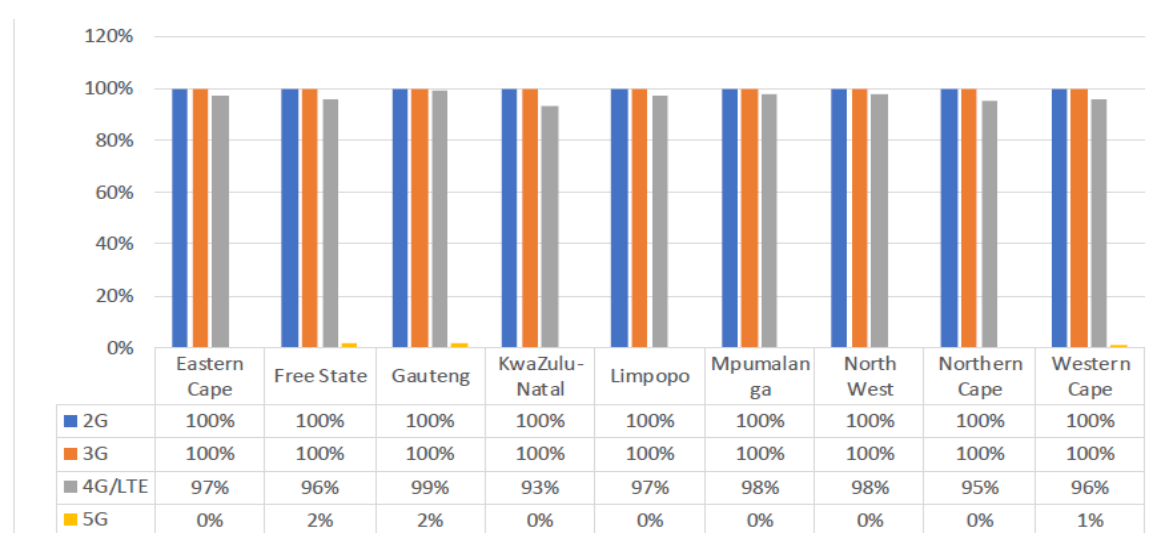
Source: StatsSA GHS, 2020

Rural Population Coverage

According to the licensees, all provinces have 100% 2G and 3G coverage as of 2021. 4G/LTE coverage ranges from 93% in KwaZulu-Natal to 99% in Gauteng. Only three provinces have any 5G coverage: Gauteng (2%), Free State (2%), and the Western Cape (1%).

5G is still a relatively new technology, and it has some inherent implementation problems. Whilst it delivers very fast connection speeds to devices within line of sight of a transmitter, the signal is notoriously fragile and is disrupted by common obstacles, such as buildings and trees. In order to create blanket, consistent coverage, 5G literally needs a transmitter on every corner, and perhaps a few in between. The proposition of lightning fast mobile internet connection speeds is somewhat curtailed by the limitations of the signal.

Figure 15: Population Covered per Province, 2021



Source: ICASA Electronic Communications Questionnaire 2021

UPDATED PESTEL ANALYSIS

P	Political	<ul style="list-style-type: none"> ▪ Growing tension between the world's most powerful players threatens to disrupt the decades old economic and political status quo, reshaping global cooperation and trade patterns. ▪ Locally, as economic growth slows, joblessness rises, and the cost-of-living crisis intensifies, the public is tiring of the call to <i>"have hope and be patient"</i>. ▪ The July 2021 unrest raised questions about the government's ability to enforce the law, protect property, and maintain public order. Runaway food inflation affects the unemployed and poor most dramatically and could spark unrest more widespread than previously seen. ▪ Policy uncertainty and a seeming lack of efficacy of economic recovery plans is further eroding the credibility of public institutions, along with unprecedented levels of loadshedding and chaotic politicking in coalition run municipalities.
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E	Economic	<ul style="list-style-type: none"> ▪ Having just begun to emerge from the massive disruption and economic losses caused by COVID-19 mitigation efforts, the global economy is again on shaky ground as long-standing geopolitical tensions boiled over into war in Ukraine. ▪ Global growth estimates have been revised downwards and are likely to contract further as high inflation persists for longer than forecast, creating concerns that constricting global growth will develop into a recession. ▪ Tightening monetary policy and rising interest rates in advanced economies will make debt more expensive for emerging markets and create downward pressure on their currencies. ▪ Global supply chains are likely to see more regular disruptions due to an increasingly fractious geopolitical environment, as well as bottlenecks in the system. Trade patterns are being rethought as fragilities and inefficiencies are exposed. ▪ South Africa needs to be cautious of an overreliance on buoyant commodity prices and focus on building a diverse and robust local economy poised to take advantage of recovery opportunities. ▪ Poor economic growth means that supply opportunities to local and international businesses are reduced, which will suppress SMME growth and increase business failure.
S	Social	<ul style="list-style-type: none"> ▪ Mass unemployment creating widespread poverty is an urgent national challenge. Structural and socio-economic inequality was deepened by the pandemic, and gaps continue to widen. ▪ In a report compiled by the World Economic Forum “<i>social cohesion erosion</i>” was considered a short-term threat in 31 countries, including Argentina, France, Germany, Mexico, and South Africa. ▪ Socio-economic challenges are exacerbated by the underperformance of the education system, with low pass rates generally, and specifically poor results in science, technology, engineering, and mathematics (STEM). As STEM subjects are key to employability in technical and professional occupations, the education system is not delivering the skills youth need to thrive in the current and future economy. Early childhood development is critical to successful outcomes later in the educational process.
T	Technological	<ul style="list-style-type: none"> ▪ Despite being dominated by the global tech giants, the internet has dramatically improved access to information and to markets, and creates unprecedented opportunity for small, independent start-ups of all types. ▪ Automation of administrative, organisational, and management processes facilitate greater efficiencies, especially for SMMEs. ▪ In many industries technology has lowered barriers to entry, provided affordable business administration and support tools, and supplied access to global markets. ▪ Access to technology in South Africa mirrors the patterns of general inequality. Whilst most of the country is covered by cellular networks 2, 3 and 4G, the price of data remains prohibitively high, and speeds are not always adequate for commercial activity. Only the affluent have

		<p>reliable access to high-speed, cost-effective internet through fibre and 5G.</p> <ul style="list-style-type: none"> Most transactions conducted today are completely reliant on technological systems to complete them. The downside to reliance on technology is its fragility and susceptibility to attack and disruption. For most users the technology itself is a 'black box', i.e., the end user has little to no idea how the technology works, or how to fix it when it does not. On a basic level, none of our advanced technology works without a source of electrical power.
E	Environmental	<ul style="list-style-type: none"> Corporate investment decisions are increasingly being influenced by environmental, social, and governance (ESG) considerations, although 'official' ESG scores are still somewhat contentious. Fixed investment in infrastructure and the green economy (including renewable energy and climate friendly industrial processes) is expected to accelerate, supporting the emergence of 'green' industries and occupations. South Africa is the largest greenhouse gas (GHG) emitter in Africa, and the 12th largest globally. The country has committed to ambitious climate change targets in line with the National Development Plan and 'net zero emissions by 2050'. Developed nations are in talks with the South African government regarding loans to fund the 'just transition' away from coal to 'green energies'. Detractors contend that energy sources such as wind and solar are currently inefficient, expensive, and have a high carbon cost to manufacture and install. The assistance being offered is in the form of repayable loans.
L	Legal/ Regulatory	<ul style="list-style-type: none"> Overregulation and onerous compliance requirements are a burden on SMMEs, undermining their role in driving employment and economic performance, as well as discouraging formal registration of small businesses A factor perennially accused of suppression of investment and economic growth is overly rigid labour regulation. Wage bargaining is conducted at a relatively high level and negotiated terms are automatically extended to smaller firms, negatively affecting the development of small businesses, and hindering the employment of youth. Product compliance requirements are extremely expensive, and regulatory burdens are increasing. No real evidence of 'cutting of red tape' is evident. Delays in the amendment of the ECA to include among others the disestablishment of USAASA led by the Department will lead to delayed in the disestablishment of USAASA. The disestablishment can only be finalised once the amendments are finalised and the Act is promulgated.

1.2. INTERNAL ENVIRONMENT ANALYSIS

REFLECTION ON USAASA PERFORMANCE

In light of the looming disestablishment of the Entity, USAASA has experienced significant budget cuts, which have had a negative effect on the capacity and capabilities of the Entity. These constraints have resulted in the reduction in the key functions of USAASA – the research, advisory, monitoring, and evaluation functions have been removed and/or descaled, leaving the Entity primarily as an administrative agent over the USAF.

However, despite this reality, during the second quarter of 2022/23, USAASA achieved 4 out of 5 of its set targets – an 80% performance level. This is an improvement of 13% over Q2 2021/22, where performance against target was at 67%.

UPDATED SWOT ANALYSIS

<div data-bbox="209 880 363 1016"> S </div> <div data-bbox="376 927 596 965"> STRENGTHS </div> <ul style="list-style-type: none"> Established and well-functioning management, governance and oversight structures. Reasonably skilled workforce. District coordinators appointed in the districts in which USAASA operates. 	<div data-bbox="874 880 1029 1016"> W </div> <div data-bbox="1042 927 1294 965"> WEAKNESSES </div> <ul style="list-style-type: none"> Lack of financial and human resources to perform legislative mandates and perform key functions.
<div data-bbox="209 1310 363 1447"> O </div> <div data-bbox="368 1357 643 1395"> OPPORTUNITIES </div> <ul style="list-style-type: none"> The repurposing of the agency as a funder. National policies (SA Connect Strategy, etc.) prioritise broadband access to 90% of the population by 2030 – this means that USAASA will remain relevant and will play a critical role in this success, pending disestablishment. Industry commitments and cooperation. Booming global digital economy. 	<div data-bbox="874 1310 1029 1447"> T </div> <div data-bbox="1031 1357 1182 1395"> THREATS </div> <ul style="list-style-type: none"> A lack of cooperation from implementing entities (SAPO, BBI, Sentech, SABC, etc.), which can affect the delivery of targets. The shifting disestablishment deadline results in uncertainty and may discourage staff from achieving targets.

USAASA's response to the threats and weaknesses

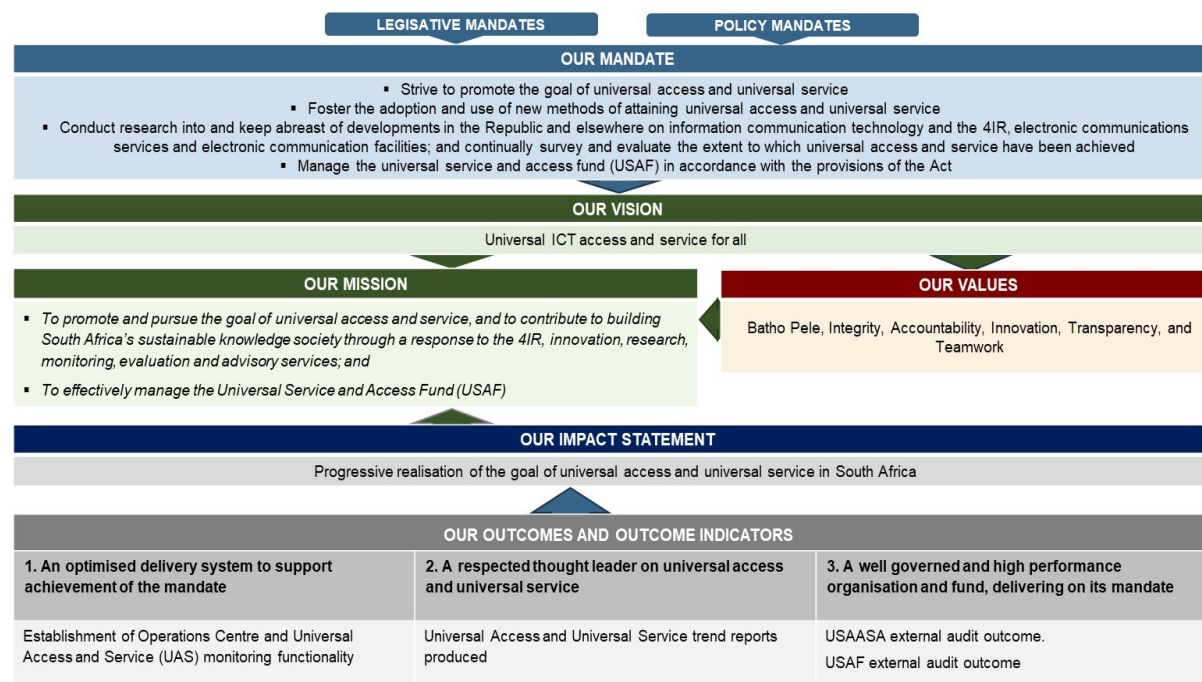
- Routine engagements with various implementing entities for the execution of USAF's mandate.

- Conducting regular monitoring and evaluation to ensure the proper administration of USAF's mandate.
- Participating in multistakeholder Projects Steering Committees and Engagement Platforms that are established by the Department to monitor and oversee the execution of our mandate.
- Disestablishment Committees and Workstreams that are established in the Department and USAASA to plan, advise and monitor the implementation of the disestablishment process.
- Department fast-tracking the finalisation of the amendments to the ECA to effect the implementation of the disestablishment of USAASA and transfer of USAF to Postbank.
- Proper and timely communication of disestablishment decisions with USAASA Board and staff.

PART C: MEASURING OUR PERFORMANCE

A visual representation of the USAASA strategic framework for the period 2020-2025 is presented below:

Figure 16: The USAASA Strategic Framework, 2020 to 2025



The outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2023/24, as reflected below.

Note: In line with the decision to dissolve USAASA and transfer the USAF, the focus of the 2023/24 Annual Performance Plan shifts to enabling the implementation of this decision. However, the outcomes are retained to allow for assessment and evaluation of USAASA performance against these outcomes from 2020 to date.

1. INSTITUTIONAL PERFORMANCE INFORMATION

The Universal Service and Access Agency of South Africa is constituted by the following programmes and aligned business functions, which inform the packaging of this Annual Performance Plan:

Programme	Subprogrammes
Programme 1 - Business Support	<ul style="list-style-type: none"> Office of the Chief Executive Officer Corporate Services Communication and Marketing

Programme	Subprogrammes
	<ul style="list-style-type: none"> Information Communication Technology Office of the chief Financial Officer Company Secretariat Legal Services Internal audit Risk Management
Programme 2 - Business Intelligence	<ul style="list-style-type: none"> Planning, Monitoring and Evaluation Research

The above programmes contribute to the achievement of the outcomes through programme level outputs, output indicators, and annual and quarterly targets, as reflected in the sections below.

1.1. PROGRAMME 1: BUSINESS SUPPORT

1.1.1. PROGRAMME 1 - PURPOSE

The purpose of Programme 1: Business Support is to provide strategic leadership, management and support services to the Agency, and to the Universal Service and Access Fund (USAF).

In contributing towards the Universal Service and Access Agency of South Africa (USAASA) desired impact of the ***“progressive realisation of the goal of universal access and universal service in South Africa”***, the Business Support Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: An optimised delivery system to support achievement of the mandate.

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

The 2023/24 performance plan of Programme 1 is then reflected in the log frame tables below:

1.1.2. PROGRAMME 1 - OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND ANNUAL TARGETS

Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1: An optimised delivery system to support achievement of the mandate	USAASA disestablished	Percentage implementation of the 2023/24 roadmap for USAASA disestablishment	N/A	N/A	New indicator	Approval of FY2023/24 roadmap for USAASA disestablishment	FY2023/24 roadmap for USAASA disestablishment implemented	N/A	N/A
	Gender-based Violence and Femicide plan implemented	Percentage implementation of activities in the USAASA response plan for National Strategy Plan on Gender-based Violence and Femicide	N/A	N/A	New indicator	USAASA Strategic Plan (NSP) on Gender-based Violence implemented	FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide implemented	FY2024/25 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide implemented	N/A
	Board-approved Stakeholder Strategy and Plan implemented.	Percentage implementation of activities in the USAASA stakeholder strategy and plan	N/A	New indicator	Board-approved Stakeholder Strategy and Plan implemented	The highest governing structure approved Stakeholder Strategy and Plan implemented	The highest governing structure approved Stakeholder Strategy and Plan implemented	The highest governing structure approved Stakeholder Strategy and Plan implemented	N/A
3: A well-governed and high-performance organisation and fund, delivering on its mandate	All valid invoices paid within 30 days	Percentage of valid invoices paid within 30 days	New indicator	100% of valid invoices paid within 30 days	-	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	N/A

1.1.3. PROGRAMME 1 – INDICATORS, ANNUAL AND QUARTERLY TARGETS

Output Indicator	Annual Target 2023/24	Quarterly Targets			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Percentage implementation of the 2023/24 roadmap for USAASA disestablishment	FY2023/24 roadmap for USAASA disestablishment implemented	Implementation of the Quarter 1 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the Quarter 2 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the Quarter 3 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the Quarter 4 deliverables of the FY2023/24 roadmap for USAASA disestablishment
Percentage implementation of activities in the USAASA response plan for National Strategy Plan on Gender-based Violence and Femicide	FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide implemented	Development and approval of FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide	Implementation of the Quarter 2 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide.	Implementation of the Quarter 3 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide	Implementation of the Quarter 4 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide
					Development of draft FY2024/25 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide.
Percentage implementation of activities in the USAASA public/stakeholder participatory strategies and plan	The highest governing structure approved Stakeholder Strategy and Plan implemented	Approval of FY2023/24 USAASA public/ stakeholder participatory strategies response plan	Implementation of the Quarter 2 deliverables of the FY2023/24 USAASA public/ stakeholder participatory strategies response plan	Implementation of the Quarter 3 deliverables of the FY2023/24 USAASA public/ stakeholder participatory strategies response plan	Implementation of the Quarter 4 deliverables of the FY2023/24 USAASA public/ stakeholder participatory strategies response plan
Percentage of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days

1.1.4. PROGRAMME 1 – EXPLANATION OF PLANNED PERFORMANCE

In fulfilling its purpose, the Business Support Programme will continue to provide business management and support to the Universal Service and Access Fund (USAF), with a focus on:

- 1) Consistently improving the enterprise risk maturity in terms of not only managing the enterprise-wide risks, but also finding ways to take advantage of opportunities to advance the business objectives of USAASA and the USAF.
- 2) Ensuring that the organisation is implementing and enhancing its record keeping and ICT systems, to ensure they are integrated and responsive to business needs.
- 3) Enforcing financial management and internal control measures designed to achieve a positive audit outcome in terms of financial performance and compliance with legislation.
- 4) Ensuring that the organisation strengthens and improves its procurement and demand planning, to support strengthened budget management and financial management and planning; and
- 5) Ensuring effective human capital management and development, especially considering the uncertainties arising from the disestablishment of USAASA.

1.2. PROGRAMME 2: BUSINESS INTELLIGENCE

1.2.1. PROGRAMME 2 - PURPOSE

The purpose of Programme 2: Business Intelligence is to promote effective and efficient service delivery of universal services and access in underserved and underserved areas through planning, monitoring, reporting and evaluation, and research.

In contributing towards the Universal Service and Access Agency of South Africa (USAASA) desired impact of the ***“progressive realisation of the goal of universal access and universal service in South Africa”***, the Business Intelligence Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 2: A respected thought leader on universal access and universal service.

The 2023/24 performance plan of Programme 2 is then reflected in the log frame tables below:

1.2.2. PROGRAMME 2 - OUTCOMES, OUTPUTS, OUTPUT INDICATORS, AND ANNUAL TARGETS

Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
3. A respected thought leader on universal access and universal service	Service provider performance SLA monitoring reports	Number of quarterly assessments of performance against service provider SLA conducted	N/A	N/A	N/A	New indicator	4x Quarterly assessments of performance against service provider SLA	4x Quarterly assessments of performance against service provider SLA	N/A

1.2.3. PROGRAMME 2 – INDICATORS, ANNUAL AND QUARTERLY TARGETS

Output Indicator	Annual Target 2023/24	Quarterly Targets			
		Q1 Apr - Jun 2023	Q2 Jul - Sep 2023	Q3 Oct - Dec 2023	Q4 Jan - Mar 2024
Number of quarterly assessments of Performance against service provider SLA conducted	4x Quarterly assessments of performance against service provider SLA	1 Quarterly assessment of performance against service provider SLA	1 Quarterly assessment of performance against service provider SLA	1 Quarterly assessment of performance against service provider SLA	1 Quarterly assessment of performance against service provider SLA

1.2.4. PROGRAMME 2 – EXPLANATION OF PLANNED PERFORMANCE

In fulfilling its purpose, the Business Intelligence Programme will continue to provide research and business intelligence, with a focus on:

- 1) Monitoring the performance of the service providers appointed to implement universal service and access projects and programmes.
- 2) In light of the dissolution of USAASA, ensuring a sound assessment and record of USAASA's and USAF's prior performance and progress against its strategy; and
- 3) Determining the extent to which the targets for broadband infrastructure and access have been attained.

FINANCIAL PLAN AND ANNUAL BUDGET FOR 2023/24 AND THE MTEF

1.1. PROJECTED BALANCE SHEET FOR 2023/24

Financial position	Revised Estimate	Medium-term estimate		
	2022/2023	2023/2024	2024/2025	2025/2026
Carrying value of assets				
<i>of which:</i>				
Acquisition of assets	1 289	2 534*	1 334	401
Receivables and prepayments	3 390	2 110	-@	-
Cash and cash equivalents	191 389	125 039	125 871	126 289
Total assets	196 068	129 683	127 205	126 690
Accumulated surplus/(deficit)	186 015	121 834	121 041	124 067
Trade and other payables	7 998	5 999	4 499	1 125
Provisions	2 055	1 850	1 665	1 498
Total equity and liabilities	196 068	129 683	127 205	126 690
Contingent liabilities	12 000	8 000	3 000	1 000

* New assets will be procured in 2023/24 when USAASA is merged into DCDT to standardise assets.

@ Receivables include accrued income from interest accruing from short-term investments. It is anticipated that the interest will still be earned until USAASA's budget is combined with the DCDT budget in 2024/25; from there USAASA bank account will be closed, thus no more short-term investments.

1.2. PROJECTED INCOME STATEMENT FOR 2023/24

Statement of financial performance	Revised Estimate	Medium-term estimate		
R thousand	2022/2023	2023/2024	2024/2025	2025/2026
Revenue				
Tax revenue	-	-	-	-
Non-tax revenue	-	-	-	-
Sale of goods and services other than capital assets	-	-	-	-
<i>of which:</i>				
Administrative fees	-	-	-	-
Sales by the market establishment	-	-	-	-
Other sales	-	-	-	-

Statement of financial performance	Revised Estimate	Medium-term estimate		
R thousand	2022/2023	2023/2024	2024/2025	2025/2026
<i>Other non-tax revenue</i>	-	-	-	-
Interest, dividends and rent on land	14 230	15 706	-@	-
Transfers received	86 033	222 705	160 358	95 354
Tax benefit	-	-	-	-
Outside shareholders Interest	-	-	-	-
Total revenue	86 033	236 935	176 064	112 690
Expenses				
Current expenses	86 033	90 626	94 474	95 354
Compensation of employees	62 696	65 517	68 432	68,432
Goods and services	23 337	24 487	25 576	26,722
Depreciation	-	622	466	200
Interest, dividends and rent on land	-	-	-	-
Transfers and subsidies	-	132 701	66 350	-
Warehousing and distribution costs to SAPO for DTT/BDM STBs	-	132 701	66 350	-
Tax payment	-	-	-	-
Outside shareholders Interest	-	-	-	-
Total expenses	86 033	222 705	160 358	95 354
Surplus/(Deficit)	14 230	15 706	-	-

1.3. OPERATIONAL BUDGET PROJECTIONS FOR 2023/24

	Revised Final	Medium-term estimate		
R thousand	2022/2023	2023/2024	2024/2025	2025/2026
Administration	116 451	86 860	90 761	94 827
Warehousing and distribution costs (SAPO BDM)	268 819	0	0	0
Total expense	385 270	86 680	90 761	94 827

2. UPDATED KEY RISKS AND MITIGATIONS FROM THE STRATEGIC PLAN

The key risks reflected in the 2020-2025 Strategic Plan are updated as follows:

Outcome	Key Risk	Risk Mitigation
Outcome 1: An optimised delivery system to support achievement of the mandate	Failure to realise the disestablishment of the Entity as planned.	Frequent consultations to ensure alignment of objectives respectively by DCDT and USAASA.
	Failure to contribute to National Strategy Plan on Gender-based Violence.	Alignment to national calendar initiatives on youth month, women month, 16 activities etc.
	Damage to USAASA's reputation and image due to public and stakeholder perceptions	Stakeholder engagement and branding in major departmental and USAASA events
Outcome 2: A well-governed and high-performance organisation and fund, delivering on its mandate	Failure to pay service providers within 30 days	Implementation of invoice tracking system or mechanism

The detailed Risk Register is reviewed regularly by Exco and Board Audit and Risk Committee.

3. PUBLIC ENTITIES

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

4. PUBLIC/PRIVATE PARTNERSHIPS (PPPs)

The Universal Service and Access Agency of South Africa does not have any Public-Private Partnerships.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. PROGRAMME 1: BUSINESS SUPPORT

Indicator Title	Percentage implementation of the 2023/24 roadmap for USAASA disestablishment
Definition	This indicator measures the total percentage number of the completed activities contained in the approved USAASA disestablishment roadmap.
Source of Data	<p>Approved USAASA Disestablishment Plan submitted to the Department.</p> <p>Developed quarterly progress report reflecting a percentage completion of activities in support of the approved USAASA Disestablishment Plan.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in support of the approved USAASA Disestablishment Plan.</p>
Method of Calculation / Assessment	<p>Numerator – Number of scheduled activities contained in the approved USAASA disestablishment to be actioned.</p> <p>Denominator – Number of the completed scheduled activities contained in the Board approved response plan in support of public/stakeholder participatory strategies and plan or key priority projects.</p>
Means of Verification	<p>Approved USAASA Disestablishment Plan submitted to the Department.</p> <p>Developed quarterly progress report reflecting a percentage completion of activities in support of the approved USAASA Disestablishment Plan.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in support of the approved USAASA Disestablishment Plan.</p>
Assumptions	Legislative framework to be in place to enable the disestablishment of the Entity as envisaged in the Integrated ICT Policy White Paper.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable.
Calculation Type	Cumulative (year-end)
Reporting Cycle	Monthly, quarterly, and annually (implementation reports).
Desired Performance	FY2023/24 roadmap for USAASA disestablishment implemented.

Indicator Responsibility	Executive – Corporate Services
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Indicator Title	Percentage implementation of activities in the USAASA response plan for National Strategy Plan on Gender-based Violence and Femicide
Definition	This indicator measures the total percentage number of scheduled activities implemented by the Entity on the approved Board response plan in support of the Gender-based Violence and Femicide National Strategic Plan 2020-2030.
Source of Data	<p>Approved Board response plan in support of the Gender-based Violence and Femicide National Strategic Plan in Q1 (2023-2024).</p> <p>Developed quarterly progress report reflecting a percentage completion of activities in Board approved response plan in support of the National Strategy Plan on Gender-based Violence and Femicide developed.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in Board approved response plan in support of the National Strategy Plan on Gender-based Violence and Femicide developed.</p>
Method of Calculation / Assessment	<p>Numerator – Number of the scheduled activities contained in the Board approved response plan in support of the Gender-based Violence and Femicide National Strategic Plan 2020-2030.</p> <p>Denominator – Number of the implemented scheduled activities contained on the Board approved response plan in support of the Gender-based Violence and Femicide National Strategic Plan 2020-2030.</p>
Means of Verification	<p>Approved Board response plan in support of the Gender-based Violence and Femicide National Strategic Plan in Q1 (2023-2024).</p> <p>Developed quarterly progress report reflecting a percentage completion of activities in Board approved response plan in support of the National Strategy Plan on Gender-based Violence and Femicide developed.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in Board approved response plan in support of the National Strategy Plan on Gender-based Violence and Femicide developed.</p>
Assumptions	Buy-in by all the stakeholders involved and submission of information within the required timelines.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)

Reporting Cycle	Monthly, quarterly, and annually (implementation reports).
Desired Performance	FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide implemented
Indicator Responsibility	Executive – Corporate Services

Indicator Title	Percentage implementation of activities in the USAASA public/stakeholder participatory strategies and plan
Definition	This indicator measures the total percentage number of scheduled activities implemented by the Entity on the approved response plan by Board in support of public/stakeholder participatory strategies and plan on key priority projects.
Source of Data	<p>Approved response plan in support of public/stakeholder participatory strategies and plan for key priority projects in Q1 (2023-2024).</p> <p>Developed quarterly progress report reflecting a percentage completion of activities in Board approved response plan in support of public/stakeholder participatory strategies and plan.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in Board approved response plan in support of public/stakeholder participatory strategies and plan developed.</p>
Method of Calculation / Assessment	<p>Numerator – Number of the scheduled activities contained in the Board approved response plan in support of public/stakeholder participatory strategies and plan or key priority projects.</p> <p>Denominator – Number of the completed scheduled activities contained on the Board approved response plan in support of public/stakeholder participatory strategies and plan or key priority projects.</p>
Means of Verification	<p>Approved response plan in support of public/stakeholder participatory Strategies and Plan for key priority projects in Q1 (2023-2024).</p> <p>Developed quarterly progress report reflecting on the implementation of the activities in the Board approved response plan in support of public/stakeholder participatory strategies and plan.</p> <p>Developed consolidated annual progress report reflecting a percentage completion of activities in Board approved response plan in support of public/stakeholder participatory strategies and plan.</p>
Assumptions	Buy-in by all the stakeholders involved and submission of information within the required timelines.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable

Calculation Type	Cumulative (year-end)
Reporting Cycle	Monthly Quarterly and Annually (implementation reports).
Desired Performance	FY2023/24 USAASA public/stakeholder participatory strategies response plan implemented.
Indicator Responsibility	Manager – Stakeholder Engagement and Communications

Indicator Title	Percentage of valid invoices paid within 30 days
Definition	The measure of supplier payment turnaround times.
Source of Data	Register of valid invoices due for payment and reflect the date the invoice was certified as valid invoice and the date payment was made. Bank statements. Dated stamped and certified invoices confirming validity.
Method of Calculation / Assessment	Numerator – Total number of valid invoices paid within 30 days. Denominator – Total number of valid invoices for the 30 days in question.
Means of Verification	Register of valid invoices due for payment and reflect the date the invoice was certified as valid invoice and the date payment was made. Bank statements. Dated stamped and certified invoices confirming validity.
Assumptions	Accuracy of data and completeness on an internal payment tracking system. A "valid" invoice is defined as an invoice that has been assessed as compliant with the SARS checklist for valid invoices, consistent with the purchase order number provided, and accurate and consistent with the goods and services provided in terms of the service level agreement/contract.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Monthly, quarterly, and annually (reports assessing 30 days on average payments).
Desired Performance	100% of verified invoices paid within 30 days from date of receipt.

Indicator Responsibility	Chief Financial Officer
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2. PROGRAMME 2: BUSINESS INTELLIGENCE

Indicator Title	Quarterly assessment of performance against service provider SLA
Definition	To undertake continuous monitoring of service provider performance against their contractual terms.
Source of Data	Service provider SLAs. Service provider payment terms. Service provider performance reports.
Method of Calculation / Assessment	Verification of quarterly assessment conducted on performance against service provider SLA terms.
Means of Verification	Quarterly assessment report on service provider performance against service provider SLA terms.
Assumptions	USAASA will strengthen its contract management and contract monitoring capacity and capability.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired Performance	Better than targeted performance is desired.
Indicator Responsibility	Head: Monitoring and Evaluation Head: Research

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

The process to develop this 2023/24 Annual Performance Plan began with again reviewing the approved 2020-2025 Strategic Plan (tabled in March 2020).

The review confirmed that there are no material changes to the 2020-2025 Strategic Plan.

ANNEXURE B: CONDITIONAL GRANTS

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

ANNEXURE C: CONSOLIDATED INDICATORS

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

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

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