



**UNIVERSAL SERVICE AND ACCESS  
AGENCY OF SOUTH AFRICA**

**ANNUAL PERFORMANCE PLAN**

**for the financial year  
2022/23**





The APP 2022/23 of the Universal Service and Access Agency of South Africa is compiled with the latest available information to the Agency.

For more information, please contact

**Sipho Selby Mngqibisa**

Executive: Performance Monitoring

**UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA**

Office of the Chief Executive Officer  
Building 1, Thornhill Office Park,  
94 Bekker Road,  
Vorna Valley, Midrand  
South Africa  
1686

**Tel:** +27 11 564-1600

**Web:** [www.usaasa.org.za](http://www.usaasa.org.za)

## ACCOUNTING AUTHORITY STATEMENT

The Universal Service and Access Agency of South Africa (USAASA) play an essential part in our efforts to improve the lives of the people of South Africa through the leveraging of Information and Communications Technologies (ICTs) as a critical enabler of economic activity in an increasingly networked world.

The National Development Plan (NDP) 2030, which underpins the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous, requires South Africa to sharpen its innovative edge and continue contributing to global scientific and technological advancement. This is also emphasised by the South Africa Connect Policy, which seeks to promote the rapid deployment of ICT infrastructure and broadband roll-out to ignite economic growth and a vibrant knowledge society.

Despite far-reaching efforts over the past 26 years, universal service and universal access remain a challenge, as household size has reduced and urbanisation has accelerated. In response, the USAASA mandate continues to support the achievement of the noble action of universal access to affordable modern electronic communications infrastructure and services by the poor, irrespective of their geographic location, as articulated in the NDP.

Over the 2022- 2024 period, the delivery of adequate Information and Communication Technology (ICT) infrastructure to enable Fourth Industrial Revolution (4IR) readiness and universal access in underserved areas in South Africa, as well as access to digital broadcasting services by qualifying households, must take us closer to achieving the outcomes articulated in the Medium-Term Strategic Framework (MTSF) for spectrum licensing, broadband roll-out and reducing the cost of communications.

The USAASA has a mandate that is expressed in both the Constitution of South Africa (section 16 of The Bill of Rights) and in the underpinning legislation – the Electronic Communications Act 36 of 2006 - The USAASA pre-determined objectives, key performance indicators and targets for the 2022 – 2023 financial year as outlined in this Annual Performance Plan have been prepared in accordance with the Fund's mandate.

Delivery under the National Integrated ICT Policy White Paper (ICT White Policy) requires significant shifts in the policy environment. These changes create a more transparent and equitable ICT environment. It allows the government to roll out quality communications and broadband infrastructure to reach all country areas and ensure universal access and services. This policy paves the way for the start of a legislative program that will amend laws where necessary, set up new proposed structures or institutions, guide government interventions, improve access to modern communications and postal infrastructure and services for all. The policy will also improve all citizens' ability to participate in the digital economy meaningfully and simplify the regulatory regime to foster competition and make it easier to comply. 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 either on an individual or shared basis.

The establishment of the Digital Development Challenge Fund (DDCF) is seen as an essential lever to high-speed broadband and a response to the National Development Plan, *"By 2030, ICT will underpin the development of dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous. A seamless information infrastructure will be universally available and accessible and will meet the needs of citizens, business and the*

*public sector, providing access to the creation and consumption of a wide range of converged services required for effective economic and social participation – at a cost and quality at least equal to South Africa's main peers and competitors."*

To this end, the USAASA APP activities will consider the ICT White Paper Policy proposals around the dissolving of USAASA and establishment of the Digital Development Challenge Fund (DDCF), which will significantly contribute to closing the digital divide.

Specifically, the USAASA will continue 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.

USAASA will package information in a manner that supports the adoption and use of new methods of attaining universal access and universal service; and keeping abreast of developments in the Republic and elsewhere on information communication technology, the Fourth Industrial Revolution (4IR), electronic communications services and electronic communications facilities.

I commend the USAASA Annual Performance Plan 2022-2023 to South African citizens and hope our proposals are easy to read and understand. As the Accounting Authority of the institution, I give my full support to this 2022-2023 Annual Performance Plan of the Universal Service and Access Agency of South Africa, and I have complete confidence in the management and staff's ability to implement this plan.



---

**Ms DZ Kula-Rantho**  
Interim Chairperson of the Board  
USAASA

## CHIEF EXECUTIVE OFFICER STATEMENT

The compilation of the USAASA Annual Performance Plan (APP) 2022-2023 was guided by the overarching prominence and direction of the National Development Plan (NDP). NDP as the lodestar that shines our path in our collective journey towards Vision 2030, and the Medium Term Strategic Framework (MTSF) as the vehicle that will carry us over 5 (Five) years which, is underpinned by the 7 (Seven) Apex Priorities, which are the primary focus of the Sixth Administration.

Therefore, this Annual Performance Plan provides a framework of the USAASA interventions for the 2022-2023 financial year. The prescripts of the NDP underpin all the programmes outlined in this document as our overarching plan leading to 2030.

The five-year Strategic Plan outlines the USAASA mandate, strategic focus, priorities, impact and outcomes. This APP carries that forward and presents the outcome-aligned outputs, indicators, annual and quarterly targets for 2022-2023, as the third year of the five-year strategy 2020-2025.

In support of the National Development Plan, the five-year Strategic Plan reflects USAASA'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 USAASA Strategic Plan responds to the following 2019-2024 Medium Term Strategic Framework (MTSF) priorities:

- 1) **Apex Priority 1:** A Capable, Ethical and Developmental State
- 2) **Apex Priority 2:** Economic Transformation and Job Creation
- 3) **Apex Priority 3:** Education, Skills and Health

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

According to Sections 80 – 91 of the Electronic Communications Act 36 of 2005 ("the ECA"), the primary mandate and functions of USAASA are to:

- a) Strive to promote the goal of universal access and universal service;
- b) Encourage, facilitate and offer guidance in respect of any scheme to provide universal access, universal services or telecommunication services in terms of the Reconstruction and Development Programme;
- c) Make recommendations that will enable the Minister to determine what constitutes universal access, universal service and underserved areas;
- d) Conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities;

- e) Continually survey and evaluate the extent to which universal access and universal service have been achieved;
- f) Make recommendations to the Minister concerning policy on any matter relating to universal access and universal service;
- g) Advise Independent Communications Authority of South Africa, ICASA (the Authority) on any matter relating to universal service;
- h) Continually evaluate the effectiveness of the EAC and things done in terms thereof towards the achievement of the goal of universal access and universal service;
- i) Manage the Universal Service and Access Fund (the Fund) in accordance with the provisions of the Act;
- j) Based on the requirement of making recommendations to enable the Minister to determine what constitutes universal access, universal service and under-serviced areas, the Agency has undertaken a public consultative process to fulfil the statutory obligations;
- k) The public consultative process culminated into recommendations being made to the Minister, and these recommendations have a direct impact on broadband deployment within the Republic;
- l) The recommendations on definitions provide targets and parameters for the rapid deployment within the Republic and serve as a first step towards attaining universal access and universal service within the Republic of South Africa.

Informed by this primary mandate, USAASA 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. Subject to policy proposals in National Integrated ICT Policy White Paper (ICT White Policy) proposals around the dissolving of USAASA and establishment of the Digital Development Challenge Fund (DDCF), which will significantly contribute to closing the digital divide.

In fulfilling its primary mandate, for the period to 2022-2025, USAASA will focus on achieving the following strategic medium-term results:

- Ensuring an optimised delivery system to support the achievement of the USAASA and USAF mandate;
- Managing and supporting the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act;
- Acting as universal service and access thought leader in South Africa; while
- Ensuring sound governance, operational excellence and high performance.

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. USAASA is confident that it will enhance its capability and capacity and continue 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 USAASA 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 USAASA team.

While an immense amount of work lies ahead of us in the 3 (Three) years, we believe that the Strategic Plan reflects the right ideas, plans and resource considerations to ensure the achievement of the ambitious plan, commencing with the work reflected in this Annual Performance Plan.

I fully endorse this Annual Performance Plan for 2022-2023.



---

**Ms Chwayita Madikizela**  
Acting Chief Executive Officer  
USAASA

## OFFICIAL SIGN-OFF

It is hereby certified that this 2022/23 Annual Performance Plan (Corporate Business Plan):

- 1) Was developed by the management team of the Universal Service and Access Agency 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 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 2022/23 financial year.



**Ms Sharonne Scheepers**  
**EXECUTIVE CORPORATE SERVICES (ACTING)**

28/01/2022

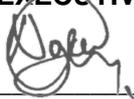
**Date**



**Mr Trevor Nivi**  
**EXECUTIVE OPERATIONS (ACTING)**

28/01/2022

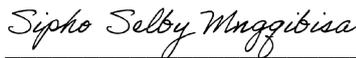
**Date**



**Mrs. Linda Ngcwembe**  
**SENIOR MANAGER FINANCE**

28/01/2022

**Date**



**Mr Siphon Mngqibisa**  
**HEAD OFFICIAL RESPONSIBLE FOR PLANNING**

28/02/2022

**Date**



**Ms Chelovita Madikizela**  
**CHIEF EXECUTIVE OFFICER (ACTING)**

28/01/2022

**Date**

**APPROVED BY:**



**Ms DZ Kula-Rantho**  
**ACCOUNTING AUTHORITY (CHAIRPERSON OF THE BOARD)**

31/01/2022

**Date**

## TABLE OF CONTENTS

ACCOUNTING AUTHORITY STATEMENT .....	3
CHIEF EXECUTIVE OFFICER STATEMENT .....	5
OFFICIAL SIGN-OFF .....	8
<b>PART A:</b> .....	<b>10</b>
OUR MANDATE.....	<b>10</b>
5.1.3 Updated Legislative Mandates .....	12
5.1.4 Updated Policy Mandates .....	14
UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES.....	14
UPDATES TO RELEVANT COURT RULINGS .....	15
<b>PART B:</b> .....	<b>16</b>
OUR STRATEGIC FOCUS .....	16
<b>PART C:</b> .....	<b>28</b>
MEASURING OUR PERFORMANCE .....	28
INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION.....	29
5.1.5 Programme 1: Business Support.....	30
5.1.7 PUBLIC ENTITIES.....	34
5.1.8 INFRASTRUCTURE PROJECTS.....	35
5.1.9 PUBLIC-PRIVATE PARTNERSHIP.....	35
<b>PART D:</b> .....	<b>38</b>
TECHNICAL INDICATOR DESCRIPTION .....	38
PROGRAMME 1: BUSINESS SUPPORT .....	39
ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN.....	44
ANNEXURE B: CONDITIONAL GRANTS .....	44
ANNEXURE C: CONSOLIDATED INDICATORS.....	44
ANNEXURE D: DISTRICT DEVELOPMENT MODEL.....	44
ANNEXURE E: MATERIALITY FRAMEWORK.....	44
ACRONYMS AND ABBREVIATIONS.....	45

**PART A:**  
**OUR MANDATE**

## PART A: OUR MANDATE

In response to the strategic priorities of the 6<sup>th</sup> 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; and continually survey and evaluate the extent to which universal access and service have been achieved; and
- 4) 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 - for the period 2022/23–2024/25 as follows:

### VISION

In delivering on its mandate/purpose, the vision of USAASA 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, USAASA has the following vision:

*Universal ICT access and service for all.*

### MISSION

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

*To effectively manage the Universal Service and Access Fund (USAF), whose mission it 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.*

### VALUES

Value	Description - What it means in practice
<b>Batho Pele</b>	We believe in providing excellent, efficient and effective service to all customers and stakeholders.

VALUES	
Value	Description - What it means in practice
<b>Integrity</b>	We uphold high standards of trust, condemn bribery and corruption, honesty and respect in all interactions with stakeholders.
<b>Accountability</b>	We foster employee ownership and responsibility in ensuring quality service.
<b>Innovation</b>	We support employee creativity in delivering all our services.
<b>Transparency</b>	We encourage openness in all our activities.
<b>Teamwork</b>	We strive to create a harmonious work environment where all employees contributions are respected.

IMPACT STATEMENT
<i>Progressive realisation of the goal of universal access and universal service in South Africa.</i>

OUTCOMES			
<b>Outcome 1:</b> An optimised delivery system to support the achievement of the USAF mandate	<b>Outcome 2:</b> A respected thought leader on universal access and universal service	<b>Outcome 3:</b> A well-governed and high-performance organisation, delivering on its mandate	<b>Outcome 4:</b> Enabling dissolution of USAASA in line with the National Integrated ICT White Paper decisions

In turn, the above strategic framework and the three Outcomes inform the alignment to the delivery structure of USAASA and the development of outputs, performance indicators and annual and quarterly performance metrics, as outlined in the rolling annual performance plans throughout the Strategic Plan.

This Annual Performance Plan reflects the 2022/23 planning priorities, outputs, performance indicators, annual targets, and budget allocations for performance against the Outcomes of the Strategic Plan.

## 1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

### 1.1 UPDATED LEGISLATIVE MANDATES

The Universal Service and Access Agency of South Africa (USAASA) was established under the Electronic Communications Act, 2005 (Act No. 36 of 2005 as amended by Act No. 1 of 2014) to promote universal access and universal service goals in the under-served areas of South Africa. Licensees are required to contribute to the Universal Service and Access Fund (USAF), which is intended to incentivise and subsidise the roll-out of electronic communications networks in under-served areas.

Name of the Act	Purpose
Electronic Communications Act, 2005 (Act No. 36 of 2005)	To promote convergence in the broadcasting, broadcasting signal distribution and telecommunications sectors and to provide the legal framework for convergence of these sectors; to make new provision for the regulation of electronic communications services, electronic communications network services and broadcasting services; to provide for the granting of new licenses and new social obligations; to provide for the control of the radio frequency spectrum; to provide for the continued existence of the Universal Service Agency and the Universal Service Fund, and to provide for matters incidental thereto.

In executing its role, the Fund is also guided, amongst others, by: -

Name of the Act	Purpose
The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	The Constitution of South Africa is the supreme law of the Republic of South Africa. It provides the legal foundation for the existence of the Republic. It sets out the rights and duties of its citizens and defines the structure of the government.
The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended)	To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the government.
The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	The PPPFA regulates the procurement policy and framework of organs of state. Its purpose is to enhance the participation of Historically Disadvantaged Individuals (HDIs) and small, medium and micro enterprises (SMMEs) in the public-sector procurement system.
The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Broad-based black economic empowerment (BBBEE) is a government policy to advance economic transformation and enhance the economic participation of Black people (African, Coloured and Indian people who are South African citizens) in the South African economy.
The Infrastructure Development Act, 2014 (Act No. 14 of 2014)	The aim of the Infrastructure Development Act aims to provide for the facilitation and coordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, approval and implementation; to ensure that the development goals of the state are promoted through infrastructure development and to improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations.

## 1.2 UPDATED POLICY MANDATES

The National Development Plan, Vision 2030 (NDP, 2012) is the national framework for broadly developing the South African economy and society. 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 increasing 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.

## 1.3 UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Agency have a specific established policy through legislation, and its mandate is derived from the following policies:

Name of the institutional policies and strategies	Purpose
South Africa's Broadband Policy: South Africa Connect, 6 December 2013	<p>In terms of the Electronic Communications Act, 2005 (Act No.36 of 2005), the Department of Communications and Digital Technologies published a policy document, "South Africa Connect: Creating Opportunities, Ensuring inclusion: South Africa's Broadband Policy". This was gazetted on 6 December 2013.</p> <p>SA Connect is a four-pronged strategy consisting of 4 "sub-strategies" which will move the country from the current state to achieving its targets over the next 10 (ten) years.</p> <p>SA Connect guides the ICT sector as a whole, and USAASA in particular, in terms of the approach that must be taken to promote broadband deployment, usage and uptake in the country.</p>
The National Integrated Information and Communication Technologies (ICT) Policy White Paper, 28 September 2016	<p>The National Integrated Information and Communication Technologies (ICT) Policy White Paper that Cabinet approved on 28 September 2016 will affect Universal Service. It proposes the revision of services and access based on the research outcome to support the policy revision. The White Paper further suggests that USAASA should be reformulated into a Digital Development Fund and stipulates contributions by licensees into the Fund. Lastly, the report revises the USAASA institutional framework.</p> <p>Establishing a Digital Development Fund will effectively remove USAASA's policymaking and regulatory functions, leaving the organisation to focus on funding and project management. The motivation behind this shift in the institutional framework is to allow USAASA to focus on its main priority: service and access delivery to the nation.</p>

<p>Broadcasting Digital Migration Policy For South Africa, August 2008</p>	<p>As a matter of policy, the government must consider the means to make STBs affordable and available to the poorest TV-owning households. The government has therefore decided, as mandated by section 88(1) (a) of the Electronic Communications Act to subsidise poor TV owing households through USAF [Universal Service and Access Fund]. This support by the government should be seen as part of its commitment to bridging the digital divide in South Africa.</p>
--	---

#### 1.4 UPDATES TO RELEVANT COURT RULINGS

There are no court judgements or rulings which have a material and/or direct bearing 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 potential litigation arising out of the previous contracts entered on the procurement of set-top boxes. Should litigation arise, the Agency will assess the legal impediments on the core operations of USAASA and mitigate the inherent risks.

**PART B:**

**OUR STRATEGIC FOCUS**

## 4. PART B: OUR STRATEGIC FOCUS

### 4.1 UPDATED SITUATIONAL ANALYSIS

South Africa's economy is expected to grow by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Domestic economic activity recovered more rapidly than anticipated in the 2021 Budget, supported by international demand and higher commodity prices.

Structural constraints in the domestic economy are expected to slow the recovery. Inadequate electricity supply, combined with pandemic-induced job losses, will continue to limit the speed and durability of the recovery and long-term growth. Global factors, including higher and more persistent inflation and associated changes in monetary policy, along with changes in commodity prices, add to uncertainty about the medium-term outlook.

The roll-out of vaccines continues to support improved global and domestic activity. However, access to vaccinations remains skewed between and within countries, inhibiting broader vaccine coverage and raising concerns about the emergence of more aggressive variants of COVID-19. Although South Africa has opened up free vaccinations to a significant portion of its population, the take-up of vaccinations has been slow. As a result, future pandemic waves pose risks to communities and economic activity.

Over the medium term, economic and fiscal policy balances the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth. Collectively, these interventions will support confidence, investment and job creation – and a more resilient, equitable and competitive economy. Debt stabilisation will also support recovery by reducing the cost of capital.

#### Progress on reforms critical to economic recovery

The government, through Operation Vulindlela, has made progress on several key reforms outlined in its October 2020 economic recovery plan. The amendment of Schedule 2 of the Electricity Regulation Act (2006), raising the licensing threshold from 1 to 100 megawatts (MW), has made it possible for private power generators to sell directly to customers. This will reduce pressure on the national grid and alleviate the risk of power cuts. The pace and scale of private generation will largely depend on the ease of the National Energy Regulator of South Africa registration process, which needs to be streamlined. Amended regulations also enable municipalities to self-generate or procure power directly from independent power producers. Over the longer term, creating a competitive energy market will help contain the costs of generating electricity and support GDP growth.

The government has announced the corporatisation of the Transnet National Ports Authority as an independent subsidiary of Transnet and appointed an interim board. The separation of port infrastructure and operations will create incentives for efficiency and competitiveness between port service providers – reducing delays, improving services and introducing cost discipline.

### Reforms in progress

**Electricity:** Government initiated the procurement of additional electricity generation capacity through the fifth bid window of the Renewable Energy Independent Power Producer Procurement Programme in April 2021. This and the next two bid windows are expected to add 6 800 MW of renewable energy to the grid over the medium term – enough to power over 4 million homes.

**Transport:** Transnet Freight Rail will allow third-party access to the freight rail network by end-2022. Allowing private rail operators to use the freight rail network will bolster system volume and capacity.

**Tourism:** The now completed eVisa system will be rolled out to 15 countries by March 2022, providing much-needed support for the tourism sector.

**Water:** Legislative drafting and financial modelling have been done to establish a National Water Resources Infrastructure Agency responsible for improving the management of bulk water resources. The Department of Water and Sanitation is fast-tracking its application process to ensure that the 90-day target for issuing single-use water licences will be implemented by March 2022 to improve the ease of doing business.

**Telecommunications:** Work is under way to standardise and improve processes for applications to use property in rolling out towers and fibre to expand digital communications infrastructure. This work will be finalised by October 2022.

**Infrastructure:** A review of the public-private partnership regulations was completed in May 2021. Its recommendations include simplifying the regulations, eliminating delays in approval and implementation, and standardising project preparation; and building capacity at all levels of government. These will be implemented from early 2022.

However, critical reforms in the telecommunications space have been delayed, constraining innovation and access to better-priced data. These reforms include the release of spectrum through an auction and digital migration, delayed due to recent legal challenges launched by mobile operators. In addition, the Independent Communications Authority of South Africa's possible recall of temporary spectrum at the end of November will affect the quality of digital services for those working from home and leave millions of households without free access to educational and health websites. The government assigned this spectrum in April 2020 to alleviate pressure on digital services in light of the COVID-19 lockdowns.

The durability of the recovery will depend on the implementation of a broad range of structural reforms that inspire confidence and create an enabling environment for accelerating and sustaining economic activity. In the context of limited fiscal space, reforms that require little budgetary support – including regulatory reforms that enhance competition – are being prioritised.

### Global outlook

The International Monetary Fund (IMF) expects global GDP to increase by 5.9 per cent in 2021, moderating to 4.9 per cent in 2022. The outlook remains highly uncertain.

**Table 2.1 Economic growth in selected countries**

Region/country	2019	2020	2021	2022	2023
Percentage	Actual		Forecast		
<b>World</b>	<b>2.8</b>	<b>-3.1</b>	<b>5.9</b>	<b>4.9</b>	<b>3.6</b>
<b>Advanced economies</b>	<b>1.7</b>	<b>-4.5</b>	<b>5.2</b>	<b>4.5</b>	<b>2.2</b>
United States	2.3	-3.4	6.0	5.2	2.2
Euro area	1.5	-6.3	5.0	4.3	2.0
United Kingdom	1.4	-9.8	6.8	5.0	1.9
Japan	0.0	-4.6	2.4	3.2	1.4
<b>Emerging and developing countries</b>	<b>3.7</b>	<b>-2.1</b>	<b>6.4</b>	<b>5.1</b>	<b>4.6</b>
China	6.0	2.3	8.0	5.6	5.3
India	4.0	-7.3	9.5	8.5	6.6
Brazil	1.4	-4.1	5.2	1.5	2.0
Russia	2.0	-3.0	4.7	2.9	2.0
<b>Sub-Saharan Africa</b>	<b>3.1</b>	<b>-1.7</b>	<b>3.7</b>	<b>3.8</b>	<b>4.1</b>
Nigeria	2.2	-1.8	2.6	2.7	2.7
South Africa <sup>1</sup>	0.1	-6.4	5.1	1.8	1.6
<b>World trade volumes</b>	<b>0.9</b>	<b>-8.2</b>	<b>9.7</b>	<b>6.7</b>	<b>4.5</b>

1. National Treasury forecasts

Source: IMF World Economic Outlook, October 2021

The COVID-19 pandemic continues to take a toll on global growth. The stronger-than-anticipated recovery in developed economies in the first half of 2021 reflects the impact of additional fiscal support and better control of the pandemic through large-scale vaccination programmes. However, outside the most developed economies, scarring – defined as medium-term economic performance below pre-pandemic projections – is expected to be pervasive. Although major commodity exporters have benefited from higher global demand and an improving outlook, low-income countries face worsening pandemic dynamics.

The IMF's positive growth outlook is predicated on several factors, including global vaccine access, sustained monetary and fiscal policy support, and stabilising inflation. However, there are significant downside risks to the outlook, particularly if inflation rises more than expected, monetary policy becomes less supportive, fiscal support is reduced, or new coronavirus variants emerge before significant portions of the population are vaccinated.

Global equity markets have recorded a strong performance in the year to date due to higher risk appetite, excess liquidity and the easing of COVID-19 restrictions. However, rising inflation and speculation around tightening monetary policy (central bank asset purchase tapering followed by rising interest rates), alongside concerns about a possible global spill over from recent market developments in China, are weighing on global equities. In both developed and developing economies, bond yields have already started to rise in response, placing upward pressure on domestic borrowing costs.

Figure 2.1 Global equities

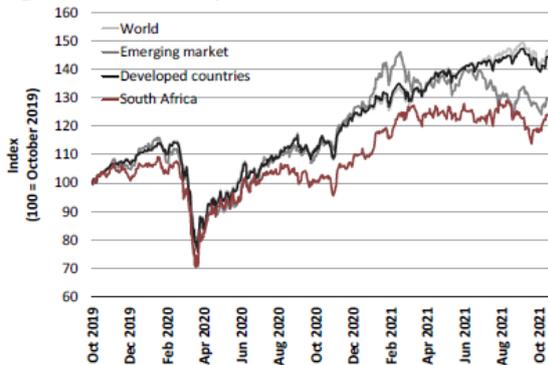


Figure 2.2 Commodity prices

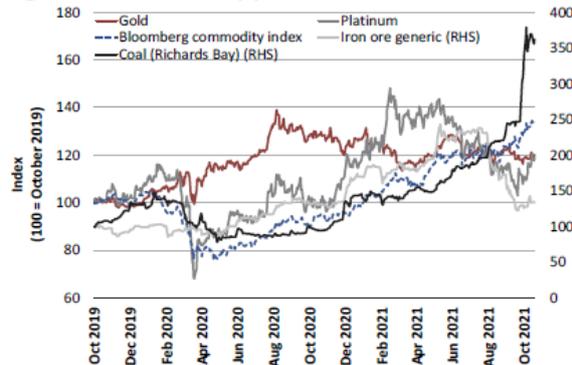


Figure 2.3 10-year bond yields

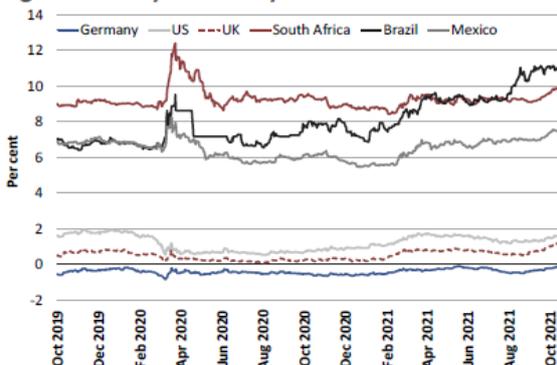
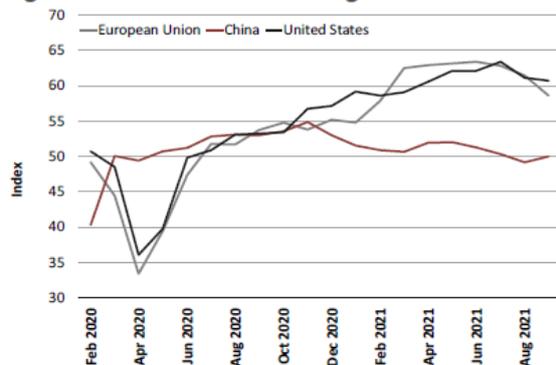


Figure 2.4 Global manufacturing PMIs\*



\*Purchasing manufacturing indices: above 50 indicates expansionary manufacturing activity

Source: Bloomberg

Capital flows to developing economies have been declining since November 2020, though elevated commodity prices have provided some support for commodity exporters. Slowing manufacturing activity in some major economies could reduce the prices of industrial-related commodities. Oil, natural gas, and coal prices are expected to rise in response to global energy shortages and normalise in 2022. Over the longer term, as global supply-chain bottlenecks abate and manufacturing production increases, platinum group metals prices are expected to rise, while coal and oil prices are expected to decline in line with the global transition to renewable energy.

**Conducting a macroeconomic policy review**

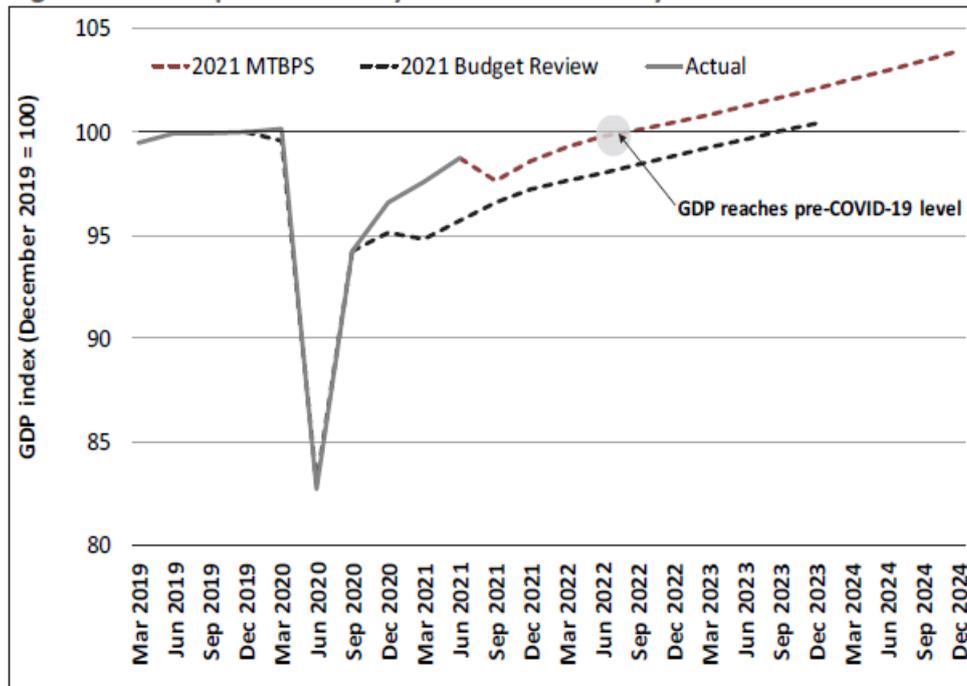
In line with its mandate, the National Treasury is reviewing government’s macroeconomic policy from the global financial crisis to the present.

The policy review will examine how key indicators, such as economic growth and employment, have evolved since 2008; assess government’s fiscal, monetary and macroprudential policy choices; and propose appropriate reforms to policy targets and institutional frameworks. A draft review document, due at the end of March 2022, will form the basis for workshops, public discussions and additional research. A final review is expected to be published in 2023.

**Domestic outlook**

The National Treasury projects real economic growth of 5.1 per cent in 2021 and 1.8 per cent in 2022, compared with 2021 Budget estimates of 3.3 per cent and 2.2 per cent, respectively. Real GDP growth is expected to moderate to 1.6 per cent in 2023 and 1.7 per cent in 2024. The 2021 projection reflects supportive global growth and export commodity prices and the easing of COVID-19 lockdown restrictions.

**Figure 2.5 Anticipated recovery in economic activity**



Source: National Treasury calculations and Statistics South Africa

The recovery in economic activity from 2020 continued in the first half of 2021 when South Africa’s GDP rose by 7.5 per cent compared with the first half of 2020. From June 2021, specific sectors – manufacturing, wholesale and retail, restaurants, hospitality, and recreation – were particularly hard hit by the combination of the third wave of COVID-19 infections, public violence and disruptions to Transnet as a result of fire and cyber-attacks. These factors suggest that GDP is likely to contract in the third quarter. Despite this, GDP is now expected to return to pre-pandemic

levels late in 2022, earlier than projected in the 2021 Budget, because of stronger-than-expected GDP outcomes in the first half of 2021.

Table 2.2 outlines macroeconomic performance over the past three years and sets out medium-term projections.

**Table 2.2 Macroeconomic performance and projections**

Calendar year	2018	2019	2020	2021	2022	2023	2024
Percentage change	Actual			Estimate	Forecast		
Final household consumption	2.4	1.1	-6.5	5.7	2.0	1.9	1.9
Final government consumption	1.0	2.7	1.3	0.1	-1.4	-2.9	-0.1
Gross fixed-capital formation	-1.8	-2.4	-14.9	1.2	3.1	3.4	3.5
Gross domestic expenditure	1.6	1.2	-8.0	4.9	2.4	1.9	1.7
Exports	2.8	-3.4	-12.0	10.3	2.9	2.6	2.7
Imports	3.2	0.5	-17.4	9.5	5.3	4.0	2.6
<b>Real GDP growth</b>	<b>1.5</b>	<b>0.1</b>	<b>-6.4</b>	<b>5.1</b>	<b>1.8</b>	<b>1.6</b>	<b>1.7</b>
GDP inflation	4.0	4.5	5.3	5.4	1.3	3.2	4.4
<b>GDP at current prices (R billion)</b>	<b>5 358</b>	<b>5 605</b>	<b>5 521</b>	<b>6 112</b>	<b>6 304</b>	<b>6 607</b>	<b>7 018</b>
CPI inflation	4.6	4.1	3.3	4.5	4.2	4.3	4.5
Current account balance (% of GDP)	-3.0	-2.6	2.0	3.8	0.4	-1.5	-1.7

Source: National Treasury, Reserve Bank and Statistics South Africa

### Household consumption

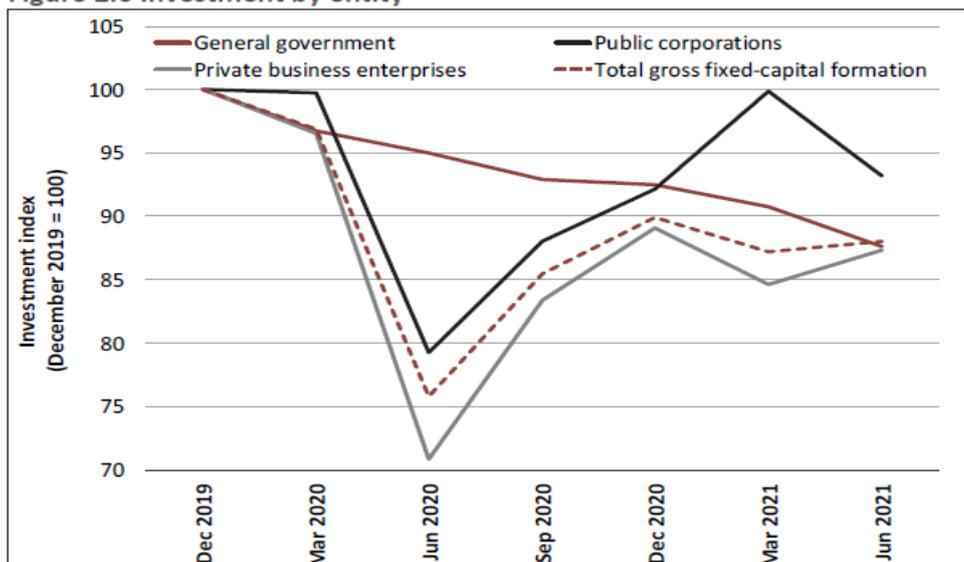
Following a coronavirus-induced decline in 2020, household consumption is expected to grow by 5.7 per cent in 2021. It is supported by improved earnings and growing credit extension, linked to low-interest rates. Nonetheless, the value of household consumption remains 1.4 per cent below pre-pandemic levels, weighed down by lower spending on semi-durable goods such as clothing. The COVID-19 lockdowns disproportionately affected lower-income households. While 94 per cent of workers with graduate qualifications reported receiving their total salaries in the second quarter of 2021, only 86 per cent of workers with matric or less reported receiving the same. More than three-quarters of post-pandemic job losses have been in lower-earning positions. Furthermore, fewer than 8 per cent of employees in these positions were able to work from home during lockdown periods.

In response to other waves of COVID-19 infections, Renewed restrictions would pose a significant downside risk to household incomes and spending. The easing of lockdown restrictions and the reinstatement of the special COVID-19 social relief of distress grant until March 2022 will support spending for lower-income households, in particular through the rest of 2021. Over the medium term, persistently high unemployment will continue to weigh on the recovery.

### Investment

Gross fixed capital formation has improved marginally in the current year but remains well below pre-pandemic levels. In the second quarter of 2021, the investment amounted to about 14 per cent of GDP (compared with the National Development Plan target of 30 per cent), following a 13-year decline since 2008. Private investment, the most significant component of fixed capital formation, has been slow to recover from the lows of 2020. This results from weak confidence and demand and persistent structural constraints such as inadequate electricity supply. Government investment has continued to decline.

Figure 2.6 Investment by entity



Source: Statistics South Africa and National Treasury

The government's recently announced 100 MW embedded electricity generation reform is expected to bolster confidence and private investment over the medium term (reflected in Scenario A). However, a clear and simple registration process is required to support investment.

### Inflation

Inflation is projected to reach 4.5 per cent in 2021, reflecting upward pressure from non-core inflation – specifically food and energy prices – while core inflation remains subdued. Beyond 2021, inflation is expected to remain well contained within the target range, approaching 4.5 per cent in the outer years. Risks to the inflation outlook are primarily in the near term and assessed to the upside, mainly stemming from non-core inflation.

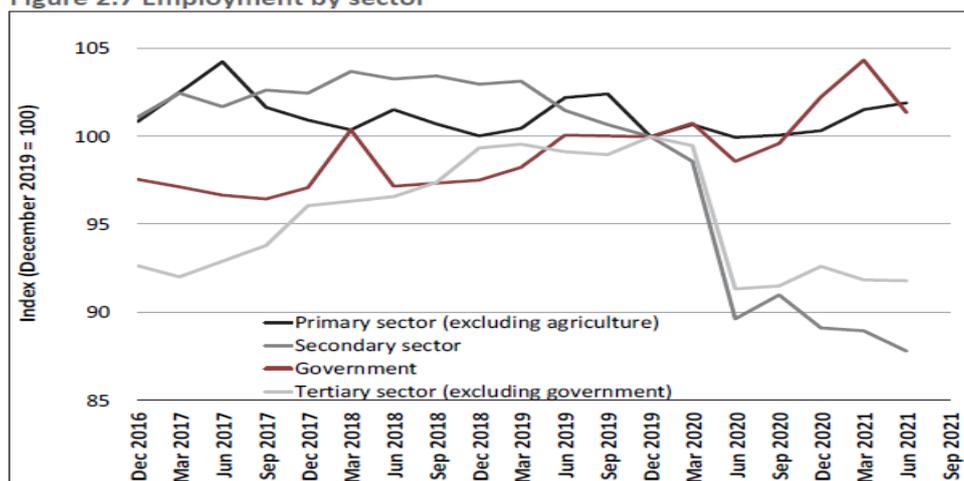
### Employment

Although post-pandemic economic activity shows signs of recovery, the formal labour market is not. Resurgent COVID-19 infections and resulting lockdown restrictions during the first half of 2021 disrupted the recovery in labour demand. The total number of employed people decreased for two consecutive quarters over the period. By June 2021, the total number of jobs – 14.9 million – remained 1.5 million below pre-pandemic levels. The official unemployment rate rose to 34.4 per cent, the highest recorded since the Quarterly Labour Force Survey publication began in 2008.

During the second quarter of 2021, private-sector jobs reached a post-2005 low. Public-sector employment gains appear to be driving a partial recovery in jobs, consisting mainly of temporary work and training opportunities created through public employment programmes.

Official data and the National Income Dynamics Study – Coronavirus Rapid Mobile Survey show divergences in the employment recovery by age, education, gender and race – with black women, in particular, bearing the brunt of job losses. The fiscal relief package announced in response to COVID-19 and the presidential employment initiative has helped to offset job losses. Sustainable reductions in unemployment will require the effective implementation of the economic recovery plan to crowd in investment and support job creation by the private sector

Figure 2.7 Employment by sector



Source: Statistics South Africa and Reserve Bank

## Balance of payments

South Africa's financial account deficit widened from 4.4 to 7.2 per cent of GDP between the first and second quarters of 2021 as portfolio, and other investments registered net outflows. The financial account has been in deficit since the first quarter of 2020, offset by a substantial surplus on the current account. In the first half of 2021, higher global commodity prices bolstered South Africa's terms of trade as the value of exports grew faster than that of imports. This led to the trade surplus reaching 10 per cent of GDP in the second quarter, pushing the current account surplus to 5.6 per cent of GDP. As commodity prices and global demand stabilise over the medium term, the terms of trade gains are expected to dissipate, and import demand is expected to return. The current account is projected to return to a deficit in 2023, in line with a moderate recovery in domestic demand.

## Macroeconomic assumptions

The forecast incorporates assumptions outlined in Table 2.3. Compared with the 2021 Budget forecast, the significant changes are a higher export commodity price index for 2021 (although lower over the forecast period) and a lower sovereign risk premium. The latter is supported by favourable global conditions and improved economic and revenue performance in the near term.

Table 2.3 Assumptions informing the macroeconomic forecast

Percentage change	2019 Actual	2020	2021 Estimate	2022	2023 Forecast	2024
Global demand <sup>1</sup>	2.1	-3.6	5.5	4.8	4.0	4.0
International commodity prices <sup>2</sup>						
Brent crude oil (US\$ per barrel)	64.3	41.8	70.6	76.8	70.9	66.7
Gold (US\$ per ounce)	1 392.2	1 769.5	1 791.5	1 767.8	1 781.0	1 811.0
Platinum (US\$ per ounce)	863.6	883.3	1 091.1	995.3	1 003.8	1 012.5
Coal (US\$ per ton)	71.3	65.2	133.6	144.5	111.9	105.0
Iron ore (US\$ per ton)	93.6	108.1	160.6	107.8	101.2	97.5
Palladium (US\$ per ounce)	1 539.0	2 192.7	2 417.7	2 022.3	2 031.3	2 040.1
Food inflation	3.4	4.5	6.1	4.7	4.7	4.6
Sovereign risk premium	3.2	4.9	3.5	3.3	3.1	3.1
Public corporation investment	-19.5	-11.9	11.4	6.3	6.4	7.5

1. Combined growth index of South Africa's top 15 trading partners (IMF World Economic Outlook, October 2021)

2. Source: Bloomberg futures prices as at 15 October 2021

Source: National Treasury

### Maintaining the National Treasury's macroeconomic models

The National Treasury uses a suite of globally recognised economic models to assess the state of the economy, evaluate the impact of policy choices, quantify potential economic risks and formulate macroeconomic projections. The models' results are used to inform policy development and produce the macroeconomic forecast, which underpins the fiscal framework published in the *Medium Term Budget Policy Statement* and the *Budget Review*.

In line with standard practice, the National Treasury recently updated its quarterly model. The September 2021 update incorporated the effects of Statistics South Africa's recent GDP rebasing and benchmarking exercise, which resulted in an upward revision in the size of the economy and changes to the weights of different components of GDP. National statistical agencies periodically conduct GDP rebasing and benchmarking to account for changes in the economy. South Africa's last such update was in 2014.

### Risks to the domestic growth outlook

Risks to the outlook remain elevated, reflecting continued uncertainty in global and domestic economies.

Although sizeable fiscal support continues in developed economies, many developing economies have begun to reduce support as fiscal space narrows, which may slow their recovery.

Global inflation is elevated, and its trajectory is highly uncertain. The IMF expects inflation to subside to pre-pandemic levels in 2022 as supply-demand mismatches ease and labour markets normalise. However, persistent inflation in the United States and other developed economies – stemming from a combination of pandemic-induced supply constraints and high energy prices – is likely to result in a hike in interest rates.

Mass vaccination against COVID-19 is hindered by supply constraints, lack of access and hesitancy. Although just over half of the population in developed countries is now fully vaccinated, progress in developing countries is significantly lower. This means that much of the world remains susceptible to continued health and economic shocks from the pandemic.

In South Africa, policy uncertainty and the slow implementation of structural reforms weigh on business confidence and investment. Electricity supply constraints, in particular, could worsen in the short term and constrain the recovery.

A further deterioration in the public finances due to additional spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. These, in turn, would increase borrowing costs and crowd out public spending on service delivery and infrastructure.

Possible future waves of COVID-19 infections may result in further disruptions to economic activity.

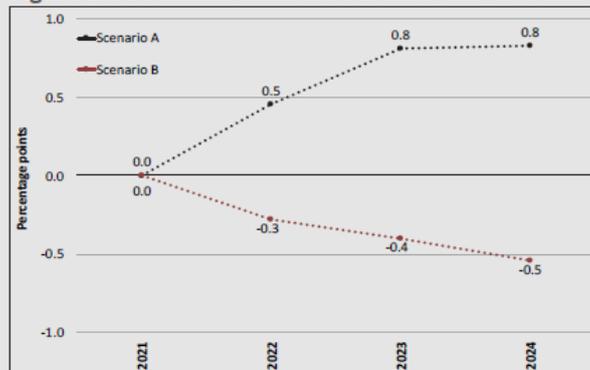
### Alternative scenarios

The National Treasury has generated two scenarios that provide insight into possible deviations from the growth forecast.

In **Scenario A**, a strong uptake of additional electricity-generating capacity from the higher licensing threshold is assumed during the forecast period. As projects come online, the energy constraint eases considerably, improving business sentiment, lowering the sovereign risk premium and reducing the overall cost of borrowing. This supports private-sector investment and consumption expenditure.

In **Scenario B**, supply-demand mismatches and persistent inflation prompt a more aggressive tightening of monetary policy by major economies in the near term. This leads to weaker global growth and commodity prices, with negative consequences for the domestic economy.

Figure 2.8 Deviation from the baseline GDP forecast



Source: National Treasury calculations

This challenging macro-economic environment implies that USAASA needs to deploy its limited resources optimally in pursuit of its mandate, requiring efficiency, effectiveness and economy in its operations and management.

## 4.2 EXTERNAL ENVIRONMENT ANALYSIS

### 4.2.1 Opportunities

The Agency identified the following as its opportunities that can be capitalised on to enhance implementation of its programmes and service offerings:

- Opportunity to present the Agency as a Fund, a new proposal for a Fund
- The current market structure and diffusion of technologies offer many opportunities to partner with both public and private sectors for progressive connectivity of communities
- USAASA can leverage the state's current capacity on infrastructure owned by ICT and Non ICT entities and government Departments for extension of the public ICT infrastructure in rural communities.
- The advent of the Fourth Industrial Revolution offers enormous opportunity for USAASA to play a central coordinating role in empowering the poor communities on digital skills
- USAASA can play an active role in deploying e-education, e-skills, telemedicine-agriculture and e-commerce platforms in under-served areas.

#### Stakeholder engagement

- To enhance the annual plans to encompass pro-active (Board level) engagements with the shareholder/briefing
- Developing institutional support to avoid "one-man" shows to be established.

#### Reputation management

- review processes and timelines utilised to respond to Media reports/articles.
- Refocus stakeholder engagements/relationship building with media houses.

- Proactive media engagements

#### 4.2.2 Threats

The Agency identified the following threats in its competencies related to the execution of its mandate and strategy implementation:

- Political changes affecting strategic direction of the Agency and the Fund
- Limited funding
- Outsourcing or redundancy
- Closing of the organisation without proper decommissioning of ICT infrastructure and DATA due to lack of communication
- The poor communication between the Agency and its parent Department negatively impacts the execution of business strategy on key priority projects.
- The uncertainty around the continued existence of USAASA based on policy proposal options by the Integrated ICT White Paper poses an ongoing concern on the financial health of the entity and general stability of the entity
- The high vacancy rate prevalent on the entity results in the instability of the entity and a lack of accountability in project execution.
- The lack of public confidence by the general public and the ICT sector due to documented poor performance of the entity results in poor support for the Agency's initiatives

##### Stakeholder engagement

- Stakeholder engagement strategies and stringent plans need to be detailed but agile to align with the ever-changing directive of the shareholder, ICT environment, and current political landscape.

##### Branding

- From a brand recognition perspective, overexposure can lead to a negative perception about the Agency if there is a failure to deliver on project implementation. Should the project fail due to dependencies beyond its control, it reflects on the Agency negatively.

### 4.3 INTERNAL ENVIRONMENTAL ANALYSIS

#### 4.3.1 Strengths

The Agency identified the following as its strengths that can be capitalised on to enhance implementation of its programmes:

- Governance structures in place (Existence of Board, incl BARC and other Board Committees)
- Regular risk assessments, both strategic, compliance and operational. Incl governance implications
- USAASA mandate is supported by both the Constitution of the Republic of South Africa and the National Development Plan and its relevance to the current development Agenda of the Sixth Administration
- USAASA has a stable source of funding supported by legislation

##### Stakeholder Engagement

- Good Relationships with stakeholders at the provincial level (stimulate user demand and get buy-in/support & protection (strategic) for our projects.)

- Visibility on the ground (through the work of the district coordinators)
- Good Relationships / Partnerships with sister companies (improving to foster coordination of decision making, interrelations, and implementation and sustainability to sustain our projects.)
- A well-coordinated Stakeholder management/engagement at the national level.

#### Branding

- Brand recognition - This is highly visible among the BDM project implementing partners.
- Among the communities/beneficiaries

### 4.3.2 Weaknesses

The Agency identified the following gaps in its capabilities related to the availability of resources concerning its mandate:

- Low implementation of risk action plans, mainly due to external factors
- Too many unnecessary litigation matters mainly occasioned by failure to pay service providers
- USAASA is not adequately funded to execute its legislative mandate effectively the closure of the access gaps
- The outdated legislative framework of the Electronic Communications Act is impacting negatively on the relevance of USAASA and its positioning the South African ICT market landscape

#### Stakeholder engagement

- Changes in leadership in the Agency leads to a lack of solid relationships with the shareholder.
- USAASA fails to present itself in briefing the Minister on its mandate in terms of law and its achievements.

#### Reputation management

- Lengthy and reactive processes in responding to Media reports/articles timeously and thereby creating a negative perception
- Lack of Internal brand ambassador – employees do not fully know and understand the work of the Agency

**PART C:**

**MEASURING OUR PERFORMANCE**

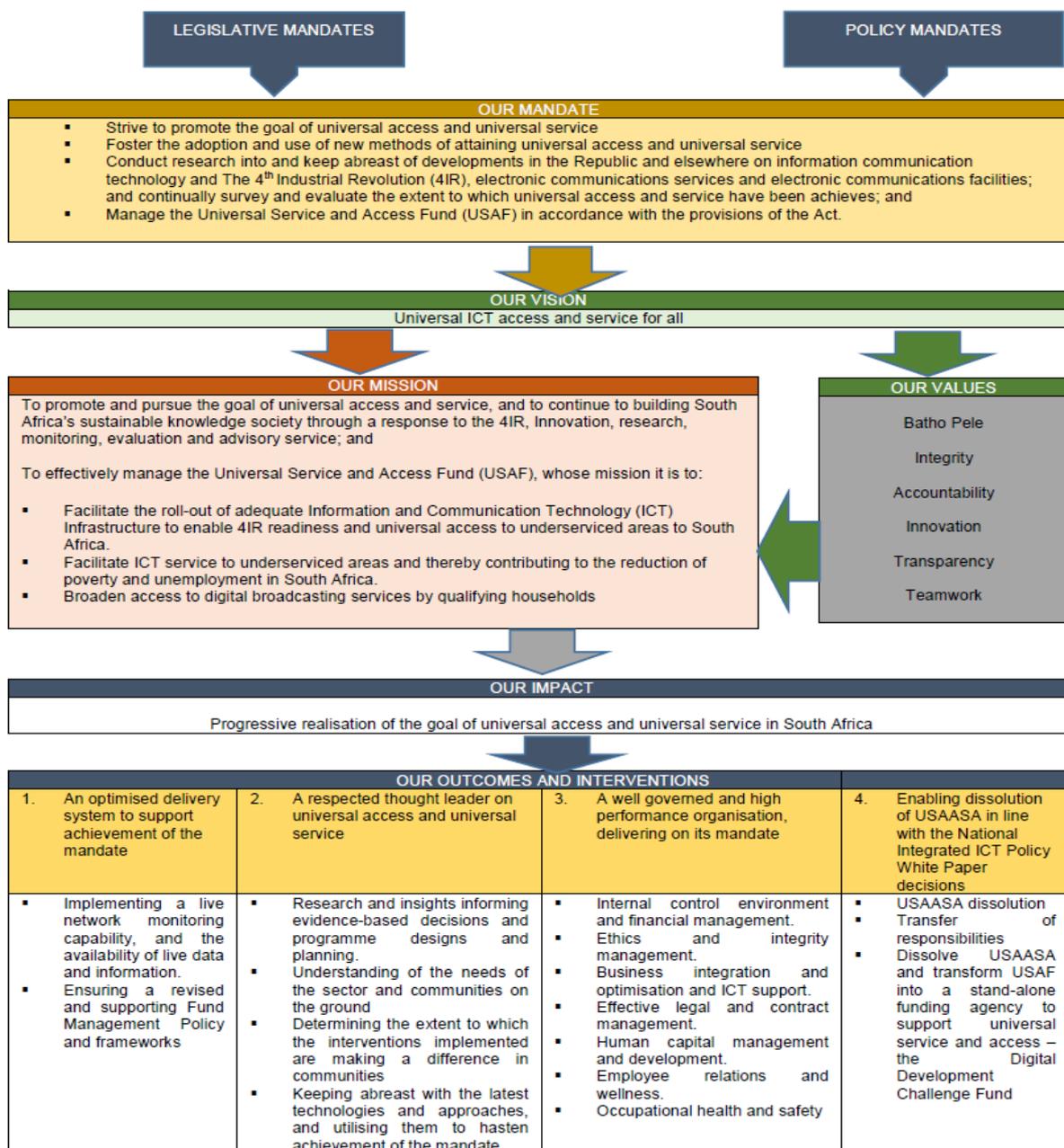
## PART C: MEASURING OUR PERFORMANCE

The Universal Service and Access Agency of South Africa (USAASA) Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2022/23, as reflected in the sections below.

### 5.1 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

#### The USAASA strategic focus to 2025



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

Programme N <sup>o</sup> .	Programme Name	Sub-Programmes
Programme 1	Business Support	<ul style="list-style-type: none"> <li>▪ Corporate Services</li> <li>▪ Communication and Marketing</li> <li>▪ Information Communication Technology</li> <li>▪ Finance and Supply Chain Management</li> <li>▪ Company Secretariat</li> <li>▪ Legal Services</li> </ul>

The APP deliberately reflects data positioned at a higher level to aid transparent and strategic reporting and excludes more operational processes and activities, which will be reflected in the relevant sub-programme operational plans for the period; which are aligned to internal working documents and which inform the performance agreements of the relevant managers and employees.

### 5.1.1 PROGRAMME 1: BUSINESS SUPPORT

#### PROGRAMME PURPOSE

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

#### PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

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:** A well-governed and high-performance organisation and und, delivering on its mandate

**Outcome 2:** Enabling dissolution of USAASA in line with the National Integrated ICT Policy White Paper decisions

The 2022/23 performance plan of Programme 1 is then reflected in the log frame tables below:

**Programme 1 - Business Support: Outcomes, Outputs Indicators and Annual Targets:**

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>1: A well-governed and high-performance organisation, delivering on its mandate</b>	Implement the USAASA response to National Strategic Plan (NSP) on gender-based violence	Approved response to National Strategic Plan (NSP) on gender-based violence	-	-	-	The consolidated report developed on key interventions developed.	USAASA Strategic Plan (NSP) on gender-based violence implemented	-	-
	Improved stakeholder framework management outcomes	Approved Stakeholder Framework Strategy and Plan by Board	-	-	-	Consolidated stakeholder engagement analysis report developed.	Highest governing structure approved Stakeholder Strategy and Plan implemented	-	-
	Improved risk management services	Percentage implementation of the strategic risk treatment plan	-	-	-	New Indicator	60% implementation of the strategic risk treatment plan noted by the highest governing structure	-	-
	Suppliers paid timeously for services rendered	Percentage (%) of valid invoices paid within 30 days from date of receipts	New indicator	100% of valid invoices paid within 30 days from the date of receipt	-	100% of valid invoices paid within 30 days from the date of receipts	100% of valid invoices paid within 30 days from date of receipt	-	-
<b>2: Enabling dissolution of USAASA in line with the National Integrated ICT White Paper decisions</b>	Develop USAASA disestablishment activity plan developed	Approved USAASA disestablishment activity plan developed	-	-	-	New Indicator	USAASA disestablishment activity plan developed	-	-

**Programme 1 - Business Support: Indicators, Annual and Quarterly Targets:**

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2022	Q2 Jul - Sep 2022	Q3 Oct-Dec 2022	Q4 Jan - Mar 2023
Implemented National Strategic Plan (NSP) on gender-based violence	USAASA Strategic Plan (NSP) on gender-based violence implemented	Develop a USAASA Annual Plan in support of the NSP on GBV and Femicide Strategy for approval by highest governing structure	Produce a quarterly report on the implementation of approved USAASA Annual Plan in support of the NSP	Produce a quarterly report on the implementation of the approved USAASA Annual Plan in support of the NSP	Produce an annual report on the implementation of the approved USAASA Annual Plan in support of the NSP
Approved and implemented Stakeholder Strategy and Plan	Highest governing structure approved Stakeholder Strategy and Plan implemented	Develop a Stakeholder Annual Plan for approval by highest governing structure	Produce a quarterly report on implementing of the approved Stakeholder Annual Plan	Produce a quarterly report on implementing of the approved Stakeholder Annual Plan	Produce an annual report on implementing of the approved Stakeholder Annual Plan
Percentage implementation of the strategic risk treatment plan	60% implementation of the strategic risk treatment plan noted by the highest governing structure	Conduct a full strategic risk assessment and develop a risk treatment plan	40% implementation of the strategic risk treatment plan	Additional 10% implementation of the strategic risk treatment plan	Additional 10% implementation of the strategic risk treatment plan
Percentage (%) of valid invoices within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt
Approved USAASA disestablishment plan developed	USAASA disestablishment activity plan developed	Develop a first draft disestablishment activity plan and approval by highest governing structure	Develop a final draft disestablishment activity plan based on internal <sup>1</sup> consultation for submission to the Executive Authority	Commencement of activities on the preparatory with disestablishment activity plan	Implementation of the disestablishment activity plan

<sup>1</sup> USAASA will only implement the internal dependencies

### Explanation of planned performance over the medium term period:

The Agency under Programme 1: Business Support will focus on the desired impact of the "**progressive realisation of the goal of universal access and universal service in South Africa**". The programme is mainly responsible for the following outcomes contained in USAASA Strategic Plan 2020-2025:

#### Outcome 1: A well-governed and high-performance organisation and und, delivering on its mandate

The outcome focuses on the Business Support Programme will continue to provide business management and support to the Universal Service and Access Fund (USAF), with a focus on:

- 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;
- Enforcing financial management and internal control measures, designed to achieve a clean audit outcome in terms of financial performance;

The planned outputs contribute to the National Development Plan implementation plan key outcomes on improved leadership, governance and accountability and mainstreaming of gender, empowerment of youth and persons with disabilities while also aligning to Priority 1: focuses on building a capable, ethical and development state which underpins the achievement of the other priorities of the MTSF 2019-2024

To this end, the Agency will focus on the following: USAASA Strategic Plan (NSP) on gender-based violence implemented; Highest governing structure approved Stakeholder Strategy and Plan implemented; 60% implementation of the strategic risk treatment plan noted by the highest governing structure; and 100% of valid invoices paid within 30 days from date of receipt as the main activities to achieve the desired impact of the programme over the medium-term period.

#### Outcome 2: Enabling dissolution of USAASA in line with the National Integrated ICT Policy White Paper decisions

The outcome focus on the National Integrated ICT White Paper decisions on dissolution of USAASA and transfer of responsibilities.

The planned output contributes to the implementation of the National Integrated ICT Policy White Paper decisions on dissolution of USAASA. To this end, the Agency key focus will be the USAASA disestablishment activity plan developed.

## 5.2 UPDATED KEY RISKS

Outcomes	Annual Targets	Risk Description	Mitigation Plan
<b>A well-governed and high-performance organisation, delivering on its mandate</b>	USAASA Strategic Plan (NSP) on gender-based violence implemented	<ul style="list-style-type: none"> <li>Failure to create awareness to facilitate the positive social impact within the entity</li> <li>Failure to support gender-based violence where cases are reported</li> </ul>	<ul style="list-style-type: none"> <li>Create awareness to facilitate the positive social impact within the entity</li> <li>Provide support to the victims of gender-based violence, e.g. giving people paid leave, referral to professional and registered practitioners</li> </ul>
	Highest governing structure approved Stakeholder Strategy and Plan implemented	<ul style="list-style-type: none"> <li>Low uptake and usage of USAASA programmes</li> <li>Lack of buy-in and support by key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of a service provider(s) to create awareness on the BDM programme for qualifying households to register for set-top-box subsidy</li> <li>Retention of District Coordinators to drive awareness and registration</li> <li>Implementation of the Stakeholder Plan</li> </ul>
	60% implementation of the strategic risk treatment plan noted by the highest governing structure	<ul style="list-style-type: none"> <li>Failure to take risk ownership by line managers</li> <li>Failure to outline the annual risk management activities in order to ensure effective risk management across USAASA</li> </ul>	<ul style="list-style-type: none"> <li>Standardised performance criteria for all levels of management</li> <li>Develop and implement Annual Risk Management Plan</li> </ul>
	100% of valid invoices paid within 30 days from date of receipt	<ul style="list-style-type: none"> <li>Negative impact on job creation and the economy</li> </ul>	<ul style="list-style-type: none"> <li>Development and maintenance of the invoice register</li> <li>Review and implementation of procure to pay process, including roles and responsibilities of different line functions</li> </ul>
<b>Enabling dissolution of USAASA in line with the National Integrated ICT White Paper decisions</b>	USAASA disestablishment activity plan developed	<ul style="list-style-type: none"> <li>Failure to adhere to proposed timeliness as determined in the plan</li> <li>Failure to consult with various key stakeholders identified</li> <li>Failure to achieve the individual priorities in the dissolution plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop a plan with specific timelines and milestones</li> <li>Consultations with internal and external holders, including a clear distinction between internal and external dependencies.</li> <li>Clear assignment of ownership activities</li> </ul>

### 5.2.1 PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Not applicable – however relevant SOEs will be consulted on roll-out broadband infrastructure and services deployed in underserved areas.			

**5.2.2 INFRASTRUCTURE PROJECTS**

No.	Project Name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Current Year Expenditure
Not Applicable								

**5.2.3 PUBLIC-PRIVATE PARTNERSHIP**

PPP	Purpose	Output	Current Value of Agreement	End Date of Agreement
Not Applicable				

**6. THE USAASA FINANCIAL PLAN AND ANNUAL BUDGET FOR 2022/23 AND THE MTEF**
**PROJECTED BALANCE SHEET FOR 2022/2023**

Financial position	Revised Estimate	Medium-term estimate		
		2021/22	2022/23	2023/24
Carrying value of assets	6 000	6 000	6 270	6 549
<i>of which:</i>				
Acquisition of assets	(500)	(500)	(532)	(245)
Receivables and prepayments	230	230	240	251
Cash and cash equivalents	100	100	105	220
<b>Total assets</b>	<b>6 330</b>	<b>6 330</b>	<b>6 615</b>	<b>7 020</b>
Accumulated surplus/(deficit)	3 980	3 980	4 159	4 452
Trade and other payables	200	200	209	218
Provisions	2 150	2 150	2 247	2 350
<b>Total equity and liabilities</b>	<b>6 330</b>	<b>6 330</b>	<b>6 615</b>	<b>7 020</b>
Contingent liabilities	–	–	–	–

**PROJECTED INCOME STATEMENT FOR 2022/2023**

Statement of financial performance	Revised Estimate	Medium-term estimate		
		2021/22	2022/23	2023/24
R thousand				
<b>Revenue</b>				
<b>Tax revenue</b>	-	-	-	-
<b>Non-tax revenue</b>				
Sale of goods and services other than capital assets				
<i>of which:</i>				
Administrative fees	-	-	-	-
Sales by the market establishment				
Other sales				
Other non-tax revenue				
Interest, dividends and rent on land				
<b>Transfers received</b>	177 055	86 033	86 860	90 721
Tax benefit				
Outside shareholders Interest				
<b>Total revenue</b>	<b>177 055</b>	<b>86 033</b>	<b>86 860</b>	<b>90 721</b>
<b>Expenses</b>				
<b>Current expenses</b>	177 055	86 033	86 860	90 721
Compensation of employees	62 269	62 696	65 517	68 432
Goods and services	114 786	23 337	21 343	22 289
Depreciation				
Interest, dividends and rent on land				
<b>Transfers and subsidies</b>				
Tax payment	-	-	-	-
Outside shareholders Interest				

<b>Total expenses</b>	177 055	86 033	86 860	90 721
<b>Surplus/(Deficit)</b>	-	-	-	-

### OPERATIONAL BUDGET PROJECTIONS FOR 2022/2023

R thousand	Revised Estimate	Medium-term estimate		
	2021/22	2022/23	2023/24	2024/25
Administration	177 055	86 033	86 860	90 721
<b>Total expense</b>	177 055	86 033	86 860	90 721

**PART D:**

**TECHNICAL INDICATOR DESCRIPTION**

**PART D: TECHNICAL INDICATOR DESCRIPTIONS**
**PROGRAMME 1: BUSINESS SUPPORT**

<b>Indicator Title</b>	<b>Implemented National Strategic Plan (NSP) on gender-based violence</b>
<b>Definition</b>	To track and monitor the interventions and activities that are in the Annual Plan in line with the highest governing structure USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
<b>Source of data</b>	Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence  Annual Plan (with clear quarterly deliverables) aligned to the approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
<b>Method of Calculation / Assessment</b>	Simple count of quarterly progress reports developed based on the Annual Plan supporting approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
<b>Means of verification</b>	Quarterly progress reports developed based on the Annual Plan supporting approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Buy-in by all the stakeholders involved and submission of information within the required timeliness</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (in a year)
<b>Reporting Cycle</b>	Quarterly and Annually
<b>Desired Performance</b>	Implement the Annual Stakeholder Plan on interventions and activities that are in the highest governing structure approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
<b>Indicator Responsibility</b>	Executive – Corporate Services

<b>Indicator Title</b>	<b>Approved and implemented Stakeholder Strategy and Plan</b>
<b>Definition</b>	To track and monitor the identified key areas of interventions in the Annual Stakeholder Plan in line with in the approved highest governing structure Stakeholder Strategy and Plan
<b>Source of data</b>	<ul style="list-style-type: none"> <li>▪ Highest governing structure approved Stakeholder Strategy and Plan with identified key areas of interventions</li> <li>▪ Annual Stakeholder Plan, with clear quarterly deliverables</li> </ul>
<b>Method of Calculation / Assessment</b>	Simple count of quarterly activities as detailed in the progress report developed based on the Annual Stakeholder Plan in line with in the approved highest governing structure Stakeholder Strategy and Plan
<b>Means of verification</b>	Quarterly progress reports developed based on the Annual Stakeholder Plan in line with in the approved highest governing structure Stakeholder Strategy and Plan
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ Buy-in by all the stakeholders involved and submission of information within the required timeliness</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (in a year)
<b>Reporting Cycle</b>	Quarterly and Annually
<b>Desired Performance</b>	Implement Annual Stakeholder Plan in line with in the approved highest governing structure Stakeholder Strategy and Plan
<b>Indicator Responsibility</b>	Manager: Stakeholder Engagement and Communications

Indicator Title	Percentage implementation of the strategic risk treatment plan
Definition	Measure the extent to which USAASA has addressed all the risk management activities as per the approved risk management plan
Source of data	<ul style="list-style-type: none"> <li>▪ Once the risk identification and assessment is done; an annual comprehensive risk register is produced.</li> <li>▪ The information is consolidated through various consultations with all divisional managers who first identify the risks per APP; implement the mitigation plan and provide progress on its implementation.</li> </ul>
Method of Calculation / Assessment	<ul style="list-style-type: none"> <li>▪ Numerator: number of strategic risks implemented during the period under review</li> <li>▪ Denominator: total number of strategic risks for the year</li> </ul>
Means of verification	The strategic risk treatment plan report measuring the implementation of the risk treatment plans against planned, assumptions: Annual strategic risk assessment is undertaken, there is an annual risk management plan in plan for 2022/23 FY
Assumptions	<ul style="list-style-type: none"> <li>▪ Strategic risk assessment will be undertaken and a comprehensive risk treatment plan developed</li> </ul>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable
Calculation Type	Cumulative in the year, cumulative over annual periods
Reporting Cycle	Quarterly and Annually
Desired Performance	60% implementation of the strategic risk treatment
Indicator Responsibility	Manager – Risk

<b>Indicator Title</b>	<b>Percentage (%) of valid invoices paid within 30 days from date of receipts</b>
<b>Definition</b>	Measure of supplier payment turnaround times
<b>Source of data</b>	<ul style="list-style-type: none"> <li>▪ Register of valid invoices due for payment and reflect the invoice receipt date.</li> <li>▪ Register of payments made against the valid invoice and reflect payment date.</li> <li>▪ Bank Statements</li> <li>▪ Dated stamped invoices</li> <li>▪ Register of all invoices received by central email system</li> </ul>
<b>Method of Calculation / Assessment</b>	<p><b>Calculation:</b></p> <ul style="list-style-type: none"> <li>▪ Numerator – total number of valid invoices paid within 30 days of the date of receipt of invoice.</li> <li>▪ Denominator – total number of valid invoices for the 30 days in question.</li> </ul>
<b>Means of verification</b>	<p>Register of valid invoices due for payment and reflect the invoice receipt date.</p> <p>Register of payments made against the valid invoice and reflect payment date.</p> <ul style="list-style-type: none"> <li>▪ <b><i>A "valid" invoice is defined as an invoice that is compliant to 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.</i></b></li> </ul>
<b>Assumptions</b>	Accuracy of data and completeness on internal payment tracking system
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly and Annually
<b>Desired Performance</b>	All valid invoices paid within 30 working days from date of receipt by the Agency
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	<b>Approved USAASA disestablishment activity plan developed</b>
<b>Definition</b>	To track and monitor the progress against the approved dissolution activity plan
<b>Source of data</b>	Highest governing structure approved dissolution activity plan for USAASA
<b>Method of Calculation / Assessment</b>	Simple count of quarterly progress reports developed based on identified activities Board approved dissolution activity plan
<b>Means of verification</b>	<ul style="list-style-type: none"> <li>▪ Quarterly progress reports developed based on identified activities highest governing structure approved dissolution activity plan</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>▪ The Department (DCDT) will provide a strategic direction and also provide an enable environment of dissolution of USAASA through a proposed legislation</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative in the year, cumulative over annual periods
<b>Reporting Cycle</b>	Quarterly and Annually
<b>Desired Performance</b>	Implement the approved disestablishment activity plan
<b>Indicator Responsibility</b>	Executive – Performance Monitoring

## **ANNEXURES TO THE ANNUAL PERFORMANCE PLAN**

### **ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN**

Not applicable for 2022/23, as the third year of the 2022/23–2024/25 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.

### **ANNEXURE E: MATERIALITY FRAMEWORK**

In terms of Treasury Regulation 30.1.3, it is hereby stated that the Universal Service and Access Agency of South Africa has a Materiality Framework in place, which is available.

## ACRONYMS AND ABBREVIATIONS

<b>AGSA</b>	Auditor-General of South Africa
<b>APP</b>	Annual Performance Plan
<b>BBI</b>	Broadband Infracore SOC
<b>BDM</b>	Broadcasting Digital Migration
<b>DCDT</b>	Department of Communications and Digital Technologies
<b>DDCF</b>	Digital Development Challenge Fund
<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>ECA</b>	Electronic Communications Act
<b>Exco</b>	Executive Committee
<b>GDP</b>	Gross Domestic Product
<b>ICASA</b>	Independent Communications Authority of South Africa
<b>ICT</b>	Information and Communication Technology
<b>iNeSI</b>	Ikamva National eSkills Institute
<b>Mbps</b>	Megabits Per Second
<b>MTBPS</b>	Medium-Term Budget Policy Statement
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NDP</b>	National Development Plan
<b>NEMISA</b>	National Electronic Media Institute of South Africa
<b>NT</b>	National Treasury
<b>PFMA</b>	Public Finance Management Act
<b>SCM</b>	Supply Chain Management
<b>SDG</b>	Sustainable Development Goal
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>STB(s)</b>	Set-Top Box(es)
<b>TV</b>	Television
<b>USAASA</b>	Universal Service and Access Agency South Africa
<b>USAF</b>	Universal Service and Access Fund
<b>.ZADNA</b>	.za Domain Name Authority

## ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

As part of the maturing of the USAASA planning and reporting framework and the additional requirement of implementing the National Integrated ICT White Paper decisions and the revisions to the Revised USAASA Strategic Plans 2020-2024 and the following new outcome was added

Revisions to Programme Outcomes:

Outcome	Outcome Indicator	Baseline (2020/21)
1: Enabling dissolution of USAASA in line with the National Integrated ICT White Paper decisions	Approved USAASA disestablishment activity plan developed	New indicator