



**UNIVERSAL SERVICE AND ACCESS FUND
(USAF)
ANNUAL PERFORMANCE PLAN**

**for the financial year
2021/22**



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ACCOUNTING AUTHORITY AND ACCOUNTING OFFICER STATEMENT

The outbreak of the COVID 19 Pandemic has significantly changed the world we know as it drastically the South African economic performance. The rapid spread of the virus, which knows no boundaries affects every country and global markets. South African ranks amongst the infected countries in the world. The virus has set back the gains the country made in the 26 years since the dawn of democracy. It also came at a time when the South African economy was greatly challenged with pedestrian growth and limited wealth redistribution, thus making the country one of the most unequal nations in the world. The ripple effects of the virus impacted upon women more, with them having lost the most income and jobs, especially in the informal sector where there are in the majority.

The development consequences of the COVID-19 outbreak are likely to lead to a decline in real GDP growth by 3.6 per cent in 2020 resulting in an overall decline of GDP growth by 5.1 percentage points, as compared to the economy's projected performance before the onset of the COVID-19. GDP is likely to fall by 6.4 per cent, leading to a nearly 7.9 percentage point decline in 2020, compared to the economic performance projected before the onset of the COVID-19. As a result, at least five years must pass for South Africa's economy to return to pre-2019 levels – unless innovative actions are implemented. The consequences born of the COVID-19 outbreak are likely to further exacerbate poverty and inequality in South Africa.

The COVID-19 exacerbated inequality, poverty and unemployment and crowding out other public expenditure resulting from the 7 Apex Priority Areas being revised on Medium-Term Expenditure Framework (MTSF) 2019-2024.

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

The USAF Strategic Plan 2020-2025 responds to the following Revised Medium -Terms Strategic Framework Apex Priority Areas:

1. Priority 2: Economic Transformation and Job Creation; and
2. Priority 3: Education, Skills and Health

The key focus areas for 2021-22 Financial Year are as follows:

1. 810 000 subsidized set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)
2. 2 266 474 DTT subsidised digital television installations coordinated and monitored
3. 289 058 DTH subsidised digital television installations coordinated and monitored
4. Provision of broadband internet connectivity to 280 sites to identified local municipalities

5. 100% of valid invoices paid within 30 days from date of receipt
6. Reduction of wasteful and fruitless expenditure to 20% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
7. Reduction of irregular expenditure to 15% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024

In all that we have done to remedy the historical challenges that the Agency was marred with, I am cautiously optimistic about the sustainable future of the Agency and the Fund, I believe that we have begun to realign the values of Batho Pele, Integrity, Accountability, Innovation and most notably Transparency and Teamwork.

I would like to express my sincere gratitude to Minister Stella Ndabeni-Abrahams for her resolute support and commitment to a connected South Africa vision; the management and staff for their excellent role and commitment to improving the quality of life for the indigent households and impoverished communities residing in unconnected and underserved areas. Also our governance structures and stakeholders; the Board Audit and Risk Committee, Parliamentary Committees and government departments for their invaluable contributions to the work of the Universal Service and Access Agency of South Africa through the Universal Service and Access Fund.



Ms DZ Kula-Rantho
CHAIRPERSON
UNIVERSAL SERVICE AND ACCESS FUND

OFFICIAL SIGN-OFF

It is hereby certified that this 2021/22 Annual Performance Plan (Corporate Business Plan):

- 1) Was developed by the management team of the Universal Service and Access Fund of South Africa, under the guidance of the Minister;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Universal Service and Access Fund of South Africa is responsible;
- 3) Accurately reflects the Outputs and Targets which the Universal Service and Access Fund of South Africa will endeavour to achieve over the 2021/22 financial year.



Ms S. Scheepers
EXECUTIVE CORPORATE SERVICES (ACTING)

26/3/2021

Date

Trevor Nivi

Mr T. Nivi
EXECUTIVE OPERATIONS (ACTING)

26-03-2021

Date



Mr E. Nieman
CHIEF FINANCIAL OFFICER (INTERIM)

26/3/2021

Date

Sipho S Mngqibisa

Mr Sipho Mngqibisa
HEAD OFFICIAL RESPONSIBLE FOR PLANNING

26-03-2021

Date

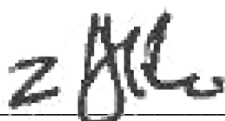


Ms E. Madikizela
CHIEF EXECUTIVE OFFICER (ACTING)

26/03/2021

Date

APPROVED BY:



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

30/03/2021

Date

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PART A:
OUR MANDATE

PART A: OUR MANDATE

In response to the strategic priorities of the 6th Administration, and informed by instructing legislation and policy, the Universal Service and Access Fund (USAF) has defined its role/purpose (primary object) in the 2020-2025 Strategic Plan as to:

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

Aligned to this understanding, USAF then articulates its strategic focus – its vision, mission and its institutional values - for the period 2021/22–2024/25 as follows:

VISION
<p>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 “<i>a leader in enabling a connected and digitally transformed South Africa.</i>”</p> <p>In response, USAF has the following vision:</p> <p style="padding-left: 40px;"><i>Effective project implementation towards the goal of universal ICT access and service for all.</i></p>

MISSION
<ul style="list-style-type: none"> ▪ <i>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;</i> ▪ <i>To facilitate ICT service to underserved areas, thereby contributing to the reduction of poverty and unemployment in South Africa; and</i> ▪ <i>To broaden access to digital broadcasting services by qualifying households.</i>

VALUES	
Value	Description - What it means in practice
Batho Pele	We believe in providing excellent, efficient and effective service to all customers and stakeholders.
Integrity	We uphold high standards of trust; condemn bribery and corruption; honesty and respect in all interactions with stakeholders.

VALUES	
Value	Description - What it means in practice
Accountability	We foster employee ownership and responsibility in ensuring quality service.
Innovation	We support employee creativity in delivering all our services.
Transparency	We encourage openness in all our activities.
Teamwork	We strive to create a harmonious work environment, where all employees and contributors are respected.

IMPACT STATEMENT
<i>Enhanced access to ICT and digital broadcasting services in identified underserved areas.</i>

OUTCOMES		
Outcome 1: Broadened access to broadcast digital services by qualifying households	Outcome 2: Increased access to broadband in underserved areas	Outcome 3: A well-governed and high-performance organisation, delivering on its mandate

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

Reflected in this Annual Performance Plan are the 2021/22 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 the goals of universal access and universal service in the under-served areas of South Africa. Licensees are required to contribute to the Universal Service and Access Fund (USAF) which is intended for use in incentivising and subsidising 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: -

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended)
- The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- The Infrastructure Development Act, 2014 (Act No. 14 of 2014)

1.2. UPDATED POLICY MANDATES

The National Development Plan, Vision 2030 (NDP, 2012) is the national framework for the development of the South African economy and society broadly. The NDP describes the critical role of innovation, research and development in fostering sustained competitiveness and profitability in the economy, in the face of a world economy that is rapidly transforming into knowledge and network economy. Evidence suggests that an increase in public investment in innovation, research and development, and related infrastructure and access, will enable South Africa's economic development, competitiveness and sustainable growth.

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

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Fund does not have a specific established policy through legislation and its mandate are derived from the following policies:

Name of the institutional policies and strategies	Purpose
<p>South Africa's Broadband Policy: South Africa Connect, 6 December 2013</p>	<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>
<p>The National Integrated Information and Communication Technologies (ICT) Policy White Paper, 28 September 2016</p>	<p>The National Integrated Information and Communication Technologies (ICT) Policy White Paper that was approved by Cabinet on 28 September 2016 will have implications on Universal Service. It proposes the revision of services and access based on the outcome of the research conducted 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>The establishment of 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 which is service and access delivery to the nation.</p>
<p>Broadcasting Digital Migration Policy For South Africa, August 2008</p>	<p>The Government must, as a matter of policy, to consider the means to make STBs affordable and available to the poorest TV-owning households. This support by the Government should be seen as part of its commitment to bridging the digital divide in South Africa. The Government has therefore</p>

	<p>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].</p>
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3. 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 Fund. However, USAASA as the administrator of the Universal Service and Access Fund might be exposed to potential litigation arising out of the previous contracts entered on procurement of set-top-boxes. Should litigation arise and the Agency will assess the legal impediments on the core operations of USAASA and mitigate the inherent risks.

PART B:
OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

4. UPDATED SITUATIONAL ANALYSIS

The following situational analysis assesses USAF’s position in relation to both the external and internal forces impacting on its mandate and performance delivery environment.

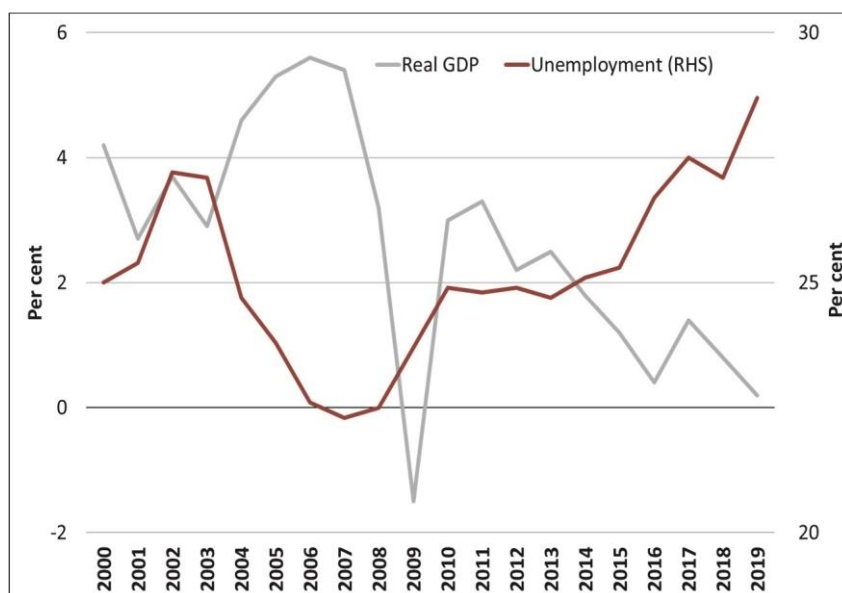
4.1. EXTERNAL ENVIRONMENT ANALYSIS

The global shock prompted by the COVID-19 pandemic, and unprecedented restrictions designed to protect public health, have led to a sharp contraction in the domestic economy. Government interventions have cushioned the impact on workers and businesses, but have not offset the full decline. South Africa’s economic growth is forecast to fall by 7.2 per cent in 2020 as a result of the crisis, the March and April 2020 credit rating downgrades, and the compounding effects of weak investor confidence. The economic outlook is highly uncertain.

Yet this crisis also presents an opportunity to enact major reforms. As the President noted in his 21 April address, to break with a pattern of weak growth and overcome structural inequality, the South African economy cannot merely return to where it was before the pandemic. Forging a new economy in a changed global reality will require a social partnership between business, labour, communities and government.

The Government will take the necessary measures to stabilise mounting public debt over the medium term. And in the months ahead, it will consult with the private sector, trade unions and civil society on the reforms needed to chart a path to faster, inclusive economic growth. A package of proposed fiscal and economic reforms will be set out in the **2020 Medium Term Budget Policy Statement (MTBPS)**.

Figure 3.1 GDP growth and unemployment



Economic impact and response to pandemic

The global economic contraction brought about by COVID-19 has unfolded with unprecedented speed, hitting developing countries particularly hard. In 2020, according to the World Bank, developing economy output is expected to contract for the first time in at least 60 years.

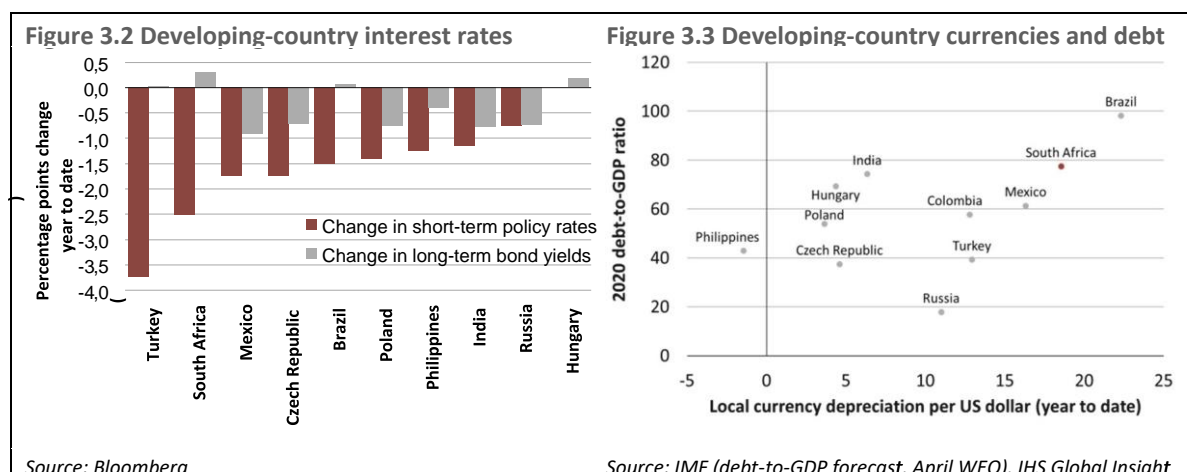
Global and domestic policy response

In response to the pandemic, governments worldwide have increased health spending, introduced restrictions on economic activity to limit the spread of the virus, and taken steps to alleviate the effects of lockdowns on households and businesses. Authorities have prioritised income support and wage subsidies for workers, alongside tax relief, lower interest rates and favourable loan schemes to support businesses.

Developing countries face a particular challenge in responding to the protracted effects of the coronavirus. Many governments had borrowed heavily in recent years; as a result, they had little or no fiscal space available as COVID-19 set in. While external financing of approximately US\$1 trillion from the International Monetary Fund (IMF) and the World Bank has provided support for countries in need, access to multiple funding sources is critical.

Global financial markets have been severely disrupted, with extreme volatility and capital outflows from developing countries exceeding the peaks reached during the 2008 global financial crisis. Central bank actions have helped to stabilise markets, but volatility remains high.

The rand has depreciated by 18.1 per cent against the US dollar since January. In comparison, an index of emerging-market currencies weakened by 4.6 per cent over the same period. South Africa's risk premium – the additional return that investors demand to compensate for higher levels of risk – stood at 5.2 per cent at 15 June 2020, compared with 3.2 per cent at the end of 2019. Bond yields have stabilised due to Reserve Bank purchases of government bonds, but remain higher than before COVID-19. This indicates uncertainty about South Africa's longer-term growth and fiscal position and means the government pays more to borrow money.



To limit the impact of the pandemic on the economy, the Reserve Bank has reduced the repurchase rate to 3.75 per cent, its lowest level since 1973, providing relief to indebted households and businesses. Banking-sector regulations have been eased to encourage lending. Banks have provided R30 billions of relief to customers.

Government's R500 billion fiscal relief package provides significant support to households and businesses. But the government's weak fiscal position going into the crisis means that it cannot afford to fully offset the effects of the pandemic.

Steep contraction across all economic sectors

To protect South Africans and prevent the public health system from being overwhelmed, the government restricted most economic activity from 26 March to 1 June.

The lockdown has taken a severe toll on an already fragile economy. The limited data available suggests a steep contraction across all sectors over the past three months. Construction, retail and hospitality were particularly hard to hit, and retail sales restrictions had significant knock-on effects across the economy. Reduced global demand and border closures, alongside uncertainty about the application of lockdown regulations, further hampered activity.

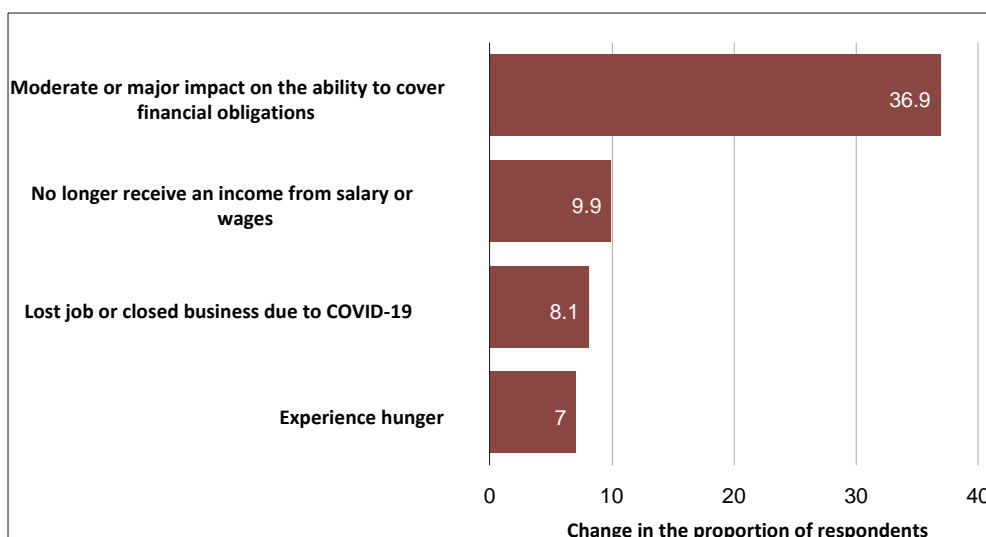
Table 3.1 Impact of the pandemic on the trading status by sector¹

	Trading at full capacity	Trading at partial capacity	Permanently ceased trading	Temporarily ceased trading
Percentage				
Agriculture, hunting, forestry and fishing	11.8	22.4	11.6	54.2
Mining and quarrying	5.6	72.2	–	22.2
Manufacturing	7.5	48.0	6.1	38.4
Electricity, gas and water supply	12.8	43.6	–	43.6
Construction	0.6	18.5	13.7	67.2
Trade	4.6	29.6	5.9	59.9
Transport, storage and communication	7.8	58.9	8.9	24.4
Real estate and other business services	13.8	57.3	4.1	24.8
Community, social and personal services	8.5	32.5	12.0	47.0
Other	6.9	35.3	6.0	51.8

1. Percentage of 2 182 respondents surveyed from 14-30 April 2020 Source: Statistics South Africa

Statistics South Africa (Stats SA) data shows that for the first two weeks of April, nearly 90 per cent of businesses reported below-normal turnover, 48 per cent ceased activity temporarily and 9 per cent permanently closed operations. Business confidence in the second quarter of 2020, as measured by the BER/RMB index, reached its lowest level since the series began in 1975.

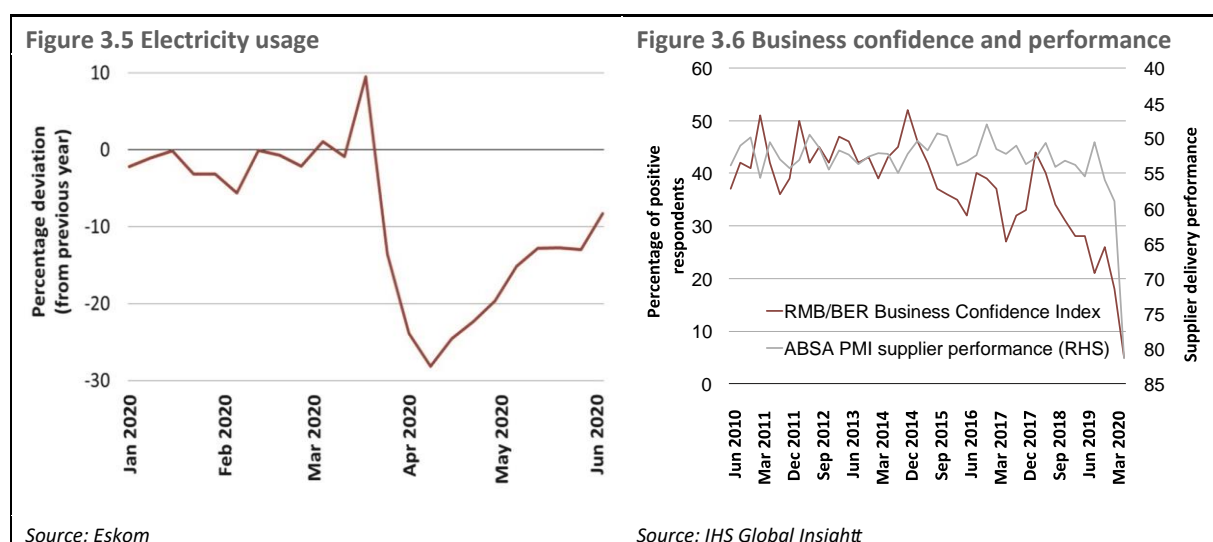
Figure 3.4 Proportion of households in financial difficulty*



*Percentage of 2 688 respondents surveyed between 29 April and 6 May 2020 Source: Statistics South Africa

Since March 2020, consumers at all income levels have reduced spending. The crisis is likely to have increased hardship particularly for those in informal or low-skilled jobs. The reduced activity has led to sharp downward pressure on pricing power for the most essential goods.

Restrictions are now easing, enabling firms to do business and allowing more workers to earn a living. There has been recovery inactivity, for example in electricity usage, but levels remain low relative to 2019.



It is too early to estimate the magnitude of the longer-term effects of the pandemic on business survival and employment. However, the weakness of the economy prior to the onset of COVID-19 suggests elevated risks of business and job destruction under current policies.

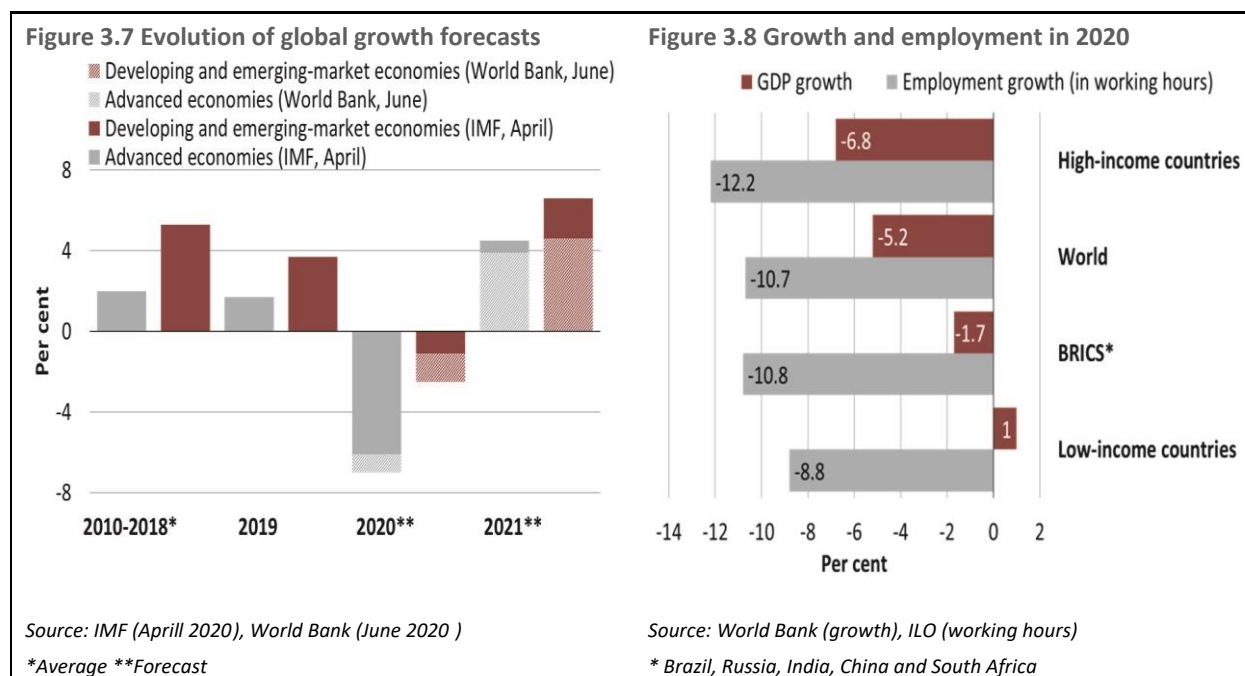
Economic outlook

High levels of uncertainty about the spread of COVID-19, and its containment and treatment, have complicated decision-making for businesses, investors and households the world over. In addition, regular economic surveys have been disrupted and delayed, making policymakers

more reliant on smaller, less representative surveys. As a result, estimating the economic impact over the period ahead is exceedingly difficult. While the scenarios outlined in this special adjustments budget are intended to illustrate potential policy outcomes, data and projections may change significantly in the months ahead.

Global outlook

In June, the World Bank forecast a 5.2 per cent contraction in global GDP in 2020. This would mark the deepest global recession since the Second World War, and the broadest collapse in per capita incomes since 1870.



Tens of millions of workers have lost their jobs and many more have seen their hours reduced. Trade tensions remain elevated, particularly between the US and China. The IMF’s global forecasts, on which the National Treasury bases its projections, are likely to be revised lower later in June 2020.

Weak global growth has resulted in a decline in commodity prices since January, with oil prices down about 40 per cent. An exception has been the gold price, which has risen by 13 per cent, owing to safe-haven demand. As a result of these changes, South Africa’s terms of trade are forecast to be positive in 2020, but these gains are expected to dissipate over time.

The domestic economy in 2020

The economy grew by just 0.2 per cent in 2019. As the government’s fiscal position deteriorated, the ratio of investment to GDP fell to 17.9 per cent, the lowest since 2005, while the unemployment rate reached an 11-year high of 29.1 per cent. The 2020 *Budget Review* forecast growth of 0.9 per cent for 2020. That forecast proved optimistic given the unexpected contraction in the fourth quarter of 2019, which emerged after the Budget was tabled in Parliament but before the onset of COVID-19.

The National Treasury forecasts that the economy will contract by 7.2 per cent in 2020. Business confidence will remain near historic lows, and investment and employment will drop below last year's levels.

Household consumption will remain constrained by reduced income – from wages, commissions, bonuses and financial assets – as well as low job growth. Inflation will be contained in the near term due to the collapse in demand, low imported inflation and moderate food price pressures. Weak activity will reduce the current account deficit, which is expected to be fully funded by foreign inflows.

The 2020 outlook may deteriorate further if the global economy continues to weaken, or economic activity is curtailed again to protect public health. A failure to attract sufficient international capital to finance the current account deficit would also constrain growth.

The growth trajectory beyond 2020

South Africa's economic outlook is heavily influenced by global trends. However, it is primarily domestic fiscal policy measures and implementation of economic reforms over the next six to 12 months that will determine the growth trajectory over the next several years. These will be outlined in the 2020 MTBPS.

Critical risks to the economy include continued volatility in global financial markets, sudden interruptions in capital inflows, the reliability of electricity supply, additional commitments to fund financially distressed state-owned companies, low levels of confidence, policy uncertainty and concerns about government's commitment to the independence of the central bank.

In a scenario in which tough fiscal policy and broader economic reforms are not implemented, there would be further prolonged weakness in economic growth, currency depreciation and higher borrowing costs.

To avoid these outcomes, Cabinet has endorsed an active approach that will adjust expenditure to a sustainable level and improve the efficiency of spending. This approach will build confidence and bolster investment as significant economic reforms are implemented. As confidence in the fiscal strategy grows, South Africa's risk premium will decrease and long-term savings will flow into the country. Over the longer term, fiscal policy certainty, the need to rebuild the capital stock, and new ways of working will incentivise firms to invest.

Table 3.2 shows a relatively conservative projection of medium-term economic growth, given elevated risks of global and domestic shocks, and low growth and productivity outcomes over the past several years. Concerted implementation of cross-cutting reforms could result in economic growth exceeding these estimates.

Table 3.2 Active scenario outlook

Percentage change	2010-2018 ¹	2019	2020	2021	2022	2023
Real GDP growth	1.9	0.2	-7.2	2.6	1.5	1.5
GDP inflation	5.7	4.0	4.0	3.9	4.4	4.6
GDP at current prices (R billion)	3 811.9	5 077.6	4 900.2	5 227.9	5 536.1	5 873.4
CPI inflation	5.3	4.1	3.0	3.9	4.3	4.5

1. Average growth rates

Sources: National Treasury, Reserve Bank and Statistics South Africa

Cross-cutting reforms to boost long-term growth

Over the past decade, South Africa has experienced weak economic growth well below the rate of population growth. COVID-19 has destroyed productive capacity and is changing the global economy. In this context, deeper reforms than previously outlined will be required to meaningfully lift growth over a five-year period.

Raising domestic savings levels and removing the barriers to long-term investments, both domestic and foreign, are key reform objectives. South African firms need greater support to innovate, including moving towards a greener economy, raising productivity and seeking out export markets.

The Government envisions a package of economic reforms that will improve productivity, lower costs and reduce demands of state-owned companies on the public purse. These measures include finalising electricity determinations, unbundling Eskom and taking other steps to open up energy markets, modernising ports and rail infrastructure, and licensing spectrum. Additional reforms, in line with *Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa* include:

- Lowering the cost of doing business, reducing red tape and improving access to development finance for small, medium and micro-enterprises.
- Support for agriculture, tourism and other sectors with high job-creation potential.
- Facilitating regional trade.
- Reducing the skills deficit by attracting skilled immigrants.
- Revamping the skills framework, and undertaking a range of reforms in basic education and the post-schooling environment to improve outcomes for workers – and the firms that can employ them.

To realise the full benefits of these reforms for the economy's growth potential over the long term, the implementation should begin now.

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. INTERNAL ENVIRONMENT ANALYSIS

The Universal Service and Access Fund (USAF) is established in terms of the Electronic Communications Act 36 of 2005 (ECA) which came into operation on 19 July 2006. Further new amendments to the ECA, which have a direct bearing on governance of the Universal Service and Access Agency of South Africa (USAASA) - which manages the Fund, came into effect on 21 May 2014.

In terms of the ECA Act, USAASA manages the Universal Service and Access Fund (USAF), which is classified as a separate public entity in terms of the Public Finance Management Act, and so must have its separate annual report, separate from the Agency, on the performance information and state of its financial affairs.

In terms of the ECA, read together with the National Integrated Information and Communication Technologies Policy White Paper (September 2016) and related Ministerial directives, the mandate of the USAF is to:

- Provide connectivity to primary health facilities, educational institutions and needy communities;
- Provide incentives to network licensees to construct, operate and maintain networks in under-serviced areas;
- Provide access to digital broadcasting services

In terms of the Act and its establishment, USAF is a public entity, listed in terms of Schedule 3A of the Public Finance Management Act 1 of 1999 (PFMA). In this regard, the Board of the USAF is the Accounting Authority in terms of the PFMA.

The Agency is currently led by the Administrator which plays both the role of the Board and Chief Executive Officer that provides leadership and oversees the strategic direction, to enhance shareholder value and ensure the USAF long-term sustainable development and growth. In fulfilling its responsibilities, the Administrator is supported by the USAASA executive team, in implementing the approved strategic and corporate plans and policies, which are aligned to the key national policies and action plans.

Lastly, in finalizing its Strategic Plan and Annual Performance Plan, the Fund through the Agency took into consideration the limited resources available, both financial and human, which negatively impacted on its capacity to execute and deliver on some of its 2020/21 planned targets.

Above content for Parts A and B appears as per the 2020-2025 Strategic Plan, as the 2021/22 APP is tabled in the same year, hence there are no updates.

4.3. SUMMARY OF CRITICAL ISSUES INFORMING THE 2020/21 ANNUAL PERFORMANCE PLAN

USAF's reflection on its organisational environment, in particular, the administrative functions, its operations and the business intelligent component of the Agency resulted in identifying its strength, weakness, opportunities and threats (SWOT). The SWOT analysis was located within strategic imperatives. The key issues arising from the analysis are reflected below, as they inform this 2021/22 Annual Performance Plan:

1. In the area of continuous effective implementation of its core business, the USAF must:
 - a) Ensure that the service providers it appoints are not only reliable and competent but also that they are duly monitored; and
 - b) Strengthen, monitor and sustain strong relations and partnerships with sister entities such as BBI, SITA, ICASA, NEMISA (iNeSI), ZADNA, and Sentech; and strengthen relationships with identified municipalities and provinces where there is a service offering by the Agency;

2. In the area of development and management of internal business processes and systems (including technology), USAF must:
 - a) Adopt and rigorously implement enabling internal supporting systems and technologies:
 - Implement a project management framework, policies and technology;
 - Have a reliable management information system;
 - Have an in-house network monitoring system; and
 - Have an in-house service desk/call centre to field problems.

PART C:
MEASURING OUR PERFORMANCE

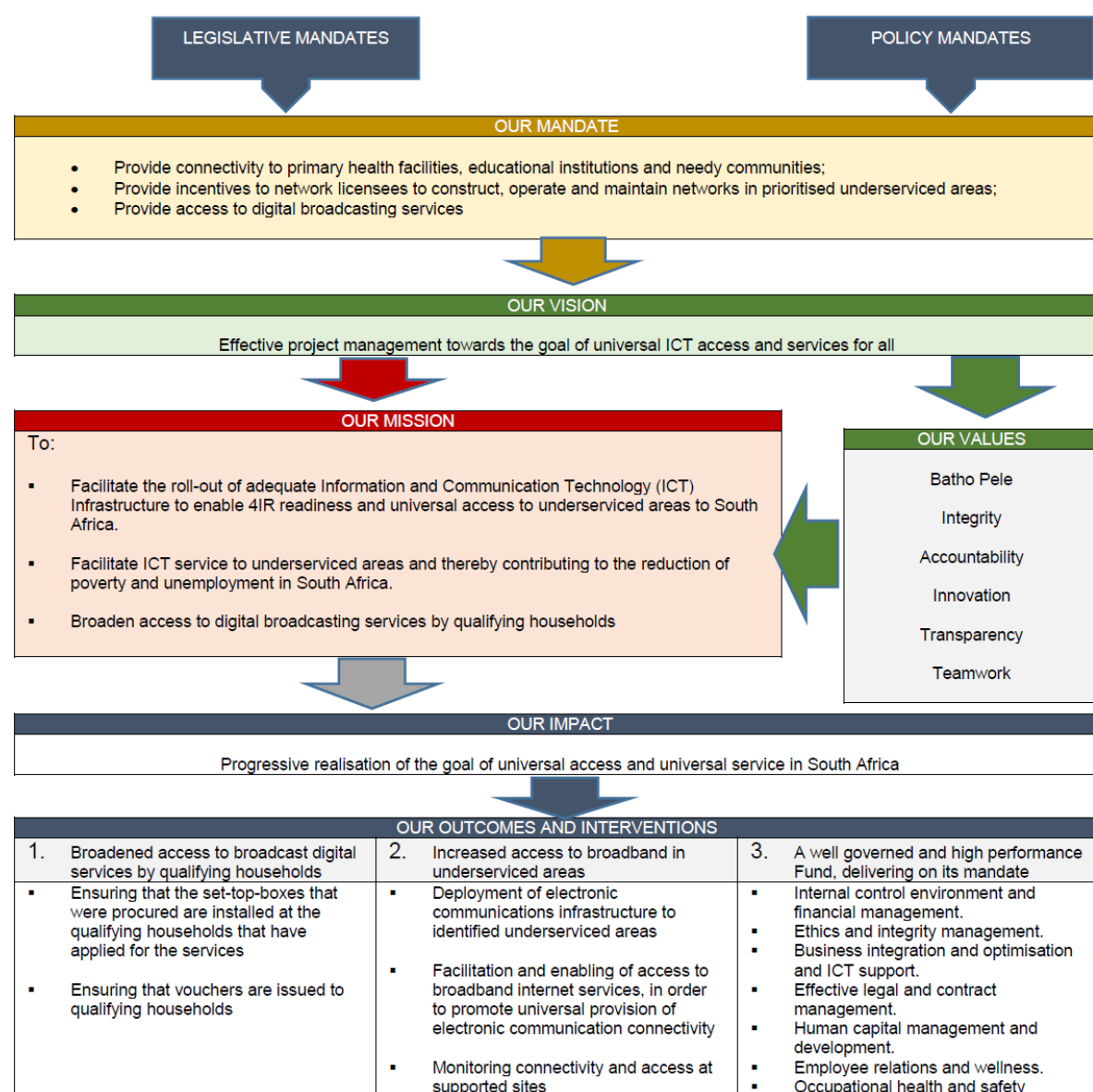
PART C: MEASURING OUR PERFORMANCE

The Universal Service and Access Fund of South Africa (USAF) Impact and Outcomes reflected in the 2020/2025 Strategic Plan are then unpacked into the Annual Performance Plan for 2021/22 in the sections below.

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

The USAF strategic focus to 2025:



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

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

The APP deliberately reflects data positioned at a higher level to aid clear 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. PROGRAMME 1: BUSINESS OPERATIONS

Programme Purpose

The purpose of Programme 1: Business Operations, as per Section 82 of the ECA, can be summarised as that of a facilitator and playing a monitoring role to improve research capacity on universal service and access. It has the mandate to provide accurate and credible information on universal service and access gaps.

Despite this clear mandate, growth in the South African ICT sector has not been accompanied by a realisation of the primary policy objectives of affordable access for all, to the full range of communications services that characterise modern economies.

Key objectives and outputs detailed in this APP have been drawn from and aligned to the Universal Services and Access Strategy, and focus in the main on following sub-programmes detailed in the Universal Services and Access Strategy:

- **Community and Institutional Broadband Access** - the greatest need and opportunity for South Africans to take full advantage of ICT is to ensure widespread access to high-quality broadband networks and services in all towns and villages. This will be done by the establishment of high-capacity broadband points-of-presence within currently unserved towns and villages, with last-mile broadband connections to local schools, post offices, health clinics and government offices. This includes collaborative development of ICT facilities within each institution to ensure maximum public usage and benefit.
- **Universal Access to Broadcasting** - will support the transformation and expansion of the broadcasting sector, to complement the provision of universal access to multimedia forms of communication and information.

In contributing towards the Universal Service and Access Fund of South Africa (USAASA) desired impact of “**Enhanced access to ICT and digital broadcasting services in identified underserved areas**”, the Business Operations Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: Broadened access to broadcast digital services by qualifying households

Outcome 2: Increased access to broadband in underserved areas

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

The 2021/22 performance plan of Programme 1 is then reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1: Broadened access to broadcast digital services by qualifying households	The current inventory of set-top boxes kits installed at qualifying households	Number of the subsidised set-top-box kits installed at qualifying households	New = 259 396 (299 384)	New = 209 689 (509 073)	New = 4 387 (513 460)	New = 10400 (523 860)	1810 000 subsidised set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)	N/A	N/A
	Qualifying households migrated to digital terrestrial television	Number of qualifying households migrated to digital terrestrial television through a voucher system	-	-	-	-	² 2 266 474 DTT subsidised digital television installations coordinated and monitored	N/A	N/A
			-	-	-	-	³ 289 058 DTH subsidised digital television installations coordinated and monitored	N/A	N/A

¹ The 810 000 set-top-boxes inventory is subjected to possible write off due theft, losses and damages.

² The DTT voucher is costed at R770 per household and the budget allocation is R1 745 184 840,00

³The DTH voucher is costed at R1 150 per household and the budget allocation is R332 416 160,00
The remainder of the vouchers of 3,2 million households will be issued once the funding is secured

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
2: Increased access to broadband in underserved areas	Broadband internet connectivity to new broadband-connected sites in 2 municipal areas	Number of sites with broadband internet connectivity to new sites in identified municipal areas	275 (unaudited)	200	0	280	Provision of broadband internet connectivity to 280 sites	Provision of broadband internet connectivity to 300 sites	Provision of broadband internet connectivity to 320 sites
3: A well-governed and high-performance organisation, delivering on its mandate	Compliance, sound financial management and internal controls	Percentage (%) of valid invoices paid within 30 days from date of receipts	-	New indicator	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
	Eliminated wasteful and fruitless expenditure	Percentage (%) of the elimination of wasteful and fruitless expenditure	-	-	-	-	Reduction of wasteful and fruitless expenditure to 20 % of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 50% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 100% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
	Reduced irregular expenditure	Percentage % reduction of irregular expenditure	-	-	-	-	Reduction of irregular expenditure to 15% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 50% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 75% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024

Programme 1 - Business Operations: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
Number of the subsidised set-top-box kits installed at qualifying households	810 000 subsidised set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo)	Distribution and installation of 330 000 set-top-boxes coordinated and monitored in Free State, Northern Cape, North West and Limpopo	Distribution and installation of 480 000 set-top-boxes coordinated and monitored in Free State, Northern Cape, North West and Limpopo	Project closure and draft report developed	Project closure final report developed and submitted
Number of qualifying households migrated to digital terrestrial television through a voucher system	2 266 474 DTT subsidised digital television installations coordinated and monitored	Appointment of the panel of service providers of devices finalised	Contracting the panel of service providers and placement of orders 466 474 DTT vouchers issued to qualifying households for subsidised digital television installation	800 000 DTT vouchers issued to qualifying households for subsidised digital television installation	1 000 000 DTT vouchers issued to qualifying households for subsidised digital television installation
	289 058 DTH subsidised digital television installations coordinated and monitored	Appointment of the panel of service providers of devices finalised	Contracting the panel of service providers and placement of orders 70 058 DTH vouchers issued to qualifying households for subsidised digital television installation	109 000 DTH vouchers issued to qualifying households for subsidised digital television installation	110 000 DTH vouchers issued to qualifying households for subsidised digital television installation
Number of sites with broadband internet connectivity to new sites in identified municipal areas	Provision of broadband internet connectivity to 280 sites to identified 2 (two) ⁴ local municipalities	Initiate bid processes for the appointment of the service provider	Conclude bid processes and contracting of a service provider	Provision of internet connectivity to 90 sites identified in local municipalities ensured	Provision of internet connectivity to 110 sites identified in local municipalities ensured

⁴ The two local municipalities where the Agency will be rolling out broadband connectivity for 2021-22 Financial Year are Kareeberg and Renosteberg Local Municipalities in Pixley Ka Seme District Municipality, Northern Cape

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
		Stakeholder consultations and sites identification conducted	Provision of internet connectivity to 80 sites identified in local municipalities ensured		
Percentage (%) of valid invoices paid 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 receipts	100% of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipts
Percentage (%) of the elimination of wasteful and fruitless expenditure	Reduction of wasteful and fruitless expenditure to 20% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	5% reduction of wasteful and fruitless expenditure	8% reduction of wasteful and fruitless expenditure	12% reduction of wasteful and fruitless expenditure	20% reduction of wasteful and fruitless expenditure
Percentage % reduction of irregular expenditure	Reduction of irregular expenditure to 15% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	3% reduction of irregular expenditure	5% reduction of irregular expenditure	9% reduction of irregular expenditure	15% reduction of irregular expenditure

Explanation of planned performance over the medium term period:

The USAF Operations Division, which is one of the main directorates within USAASA is mainly responsible for the following 3 (three) outcomes:

- Outcome 1: Broadened access to broadcast digital services by qualifying households
- Outcome 2: Increased access to broadband in underserved areas
- Outcome 3: A well-governed and high-performance organisation and the Fund delivering on its mandate

In fulfilling its purpose, the Business Operations Programme will continue to enhance its project management capacity and capability to realise 2 key pillars of work, namely:

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

- 2) Broaden universal access to Digital Broadcasting Services for needy households in South Africa, with a focus on:
 - a) Ensuring that vouchers are issued to qualifying households through the Universal Service and Access Fund, as part of the assigned responsibility to enable qualifying needy households to receive set-top boxes free.

The USAF undertaking in 2021/22 is two key infrastructure projects in form of Broadband roll-out and Broadcasting Digital Migration.

The planned outputs are aligned to the National Development Plan and Revised Medium-Term Strategy Framework 2019-2024 Priority 2: Economic transformation and job creation and the Outcome of the Improve competitiveness through ICT adoption and Priority 3: Education, Skills and Health. The Fund is administered and control by the Agency. The human capital employed by the Agency under operations is responsible for day to day operational running of the Fund.

5.1.3 UPDATED KEY RISKS

Outcomes	Annual Targets	Risk Description	Mitigation Plan
Broadened access to broadcast digital services by qualifying households	810 000 subsidized set-top-box installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo	810 000 subsidized digital television installations coordinated and monitored in four (4) provinces (Free State, Northern Cape, North West and Limpopo, or failure thereof	Proactive registrations Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet

	2 266 474 DTT subsidised digital television installations coordinated and monitored	2 266 474 DTT subsidised digital television installations coordinated and monitored, or failure thereof	Proactive registrations Allocation by National Treasury to cover the budget deficit Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet Voucher system framework roll-out strategy Determination of voucher value
	289 058 DTH subsidised digital television installations coordinated and monitored	289 058 DTH subsidised digital television installations coordinated and monitored, or failure thereof	Proactive registrations Allocation by National Treasury to cover the budget deficit Database of the qualifying households Stakeholder engagements at all various structures of government PMO capacity Sufficient amount of localised installers as approved by Cabinet Voucher system framework roll-out strategy Determination of voucher value
Outcome	Annual Targets	Risk Description	Mitigation Plan
Increased access to broadband in underserved areas	Provision of broadband internet connectivity to 280 sites to identified	Provision of broadband internet connectivity to 280 sites to identified, or failure thereof	Identification of the target local municipality (DCDT dependence) Stakeholder engagements at all various structure of government Sustainability Secure a service provider through supply chain management processes Reliable choice of technology to deliver a service and needs analysis of the communities Remote monitoring tool
Outcome	Annual Targets	Risk Description	Mitigation Plan

A well-governed and high-performance Fund delivering on its mandate	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt, or failure thereof	Dedicate personnel to monitor payment value chain Invoice register that encapsulates all the control on invoice payment protocols
	Reduction of wasteful and fruitless expenditure to 20% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 20% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024, or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and loses committee Regular meetings of the theft and loses committee
	Reduction of irregular expenditure to 15% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 15% of R63 520 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024, or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and loses committee Regular meetings of the theft and loses committee

5.1.4 PUBLIC ENTITIES

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

5.1.5 INFRASTRUCTURE PROJECTS

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

5.1.6 PUBLIC-PRIVATE PARTNERSHIP

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

6 THE USAF FINANCIAL PLAN AND ANNUAL BUDGET FOR 2021/22 AND THE MTEF

PROJECTED BALANCE SHEET FOR 2021/2022

Financial position	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Inventory	450 000	400 000	350 000	365 750
Accrued Interest	–	–	103 500	108 158
Receivables and prepayments	4 000	3 500	3 000	3 135
Cash and cash equivalents	1 000 000	950 000	850 000	888 250
Total assets	1 454 000	1 353 500	1 306 500	1 365 293
Accumulated surplus/(deficit)	1 444 500	1 346 500	1 300 500	1 359 023
Trade and other payables	9 500	7 000	6 000	6 270
Provisions	–	–	–	–
Total equity and liabilities	1 454 000	1 353 500	1 306 500	1 365 293
Contingent liabilities	–	–	–	–

PROJECTED INCOME STATEMENT FOR 2021/2022

Statement of financial performance R thousand	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Revenue				
Tax revenue	–	–	–	–
Non-tax revenue	100 000	–	–	–
<i>Other non-tax revenue</i>	100 000	–	–	–
Interest, dividends and rent on land	100 000	–	–	–
Transfers received	641 807	1 137 531	126 183	127 397
Tax benefit	–	–	–	–
Outside shareholders Interest	–	–	–	–
Total revenue	741 807	1 137 531	126 183	127 397
Expenses				
Current expenses	4 152	3 000	3 000	3 000
Compensation of employees	–	–	–	–
Goods and services	4 152	3 000	3 000	3 000
Transfers and subsidies	737 655	1 134 531	123 183	124 397
Total expenses	741 807	1 137 531	126 183	127 397
Surplus/(Deficit)	–	–	–	–

OPERATIONAL BUDGET PROJECTIONS FOR 2021/2022

R thousand	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Administration	4 152	3 000	3 000	3 000
Broadband infrastructure and connectivity	158 934	61 165	63 777	64 419
Broadcasting Digital Migration	500 421	1 073 366	59 406	59 978
Total expense	663 507	1 137 531	126 183	127 397

PART D:
TECHNICAL INDICATOR DESCRIPTION

PART D: TECHNICAL INDICATOR DESCRIPTIONS

7 PROGRAMME 1: BUSINESS OPERATIONS

Indicator Title	Number of the subsidised set-top-box kits installed at qualifying households
Definition	This indicator measures the total number of set-top boxes installed
Source of data	Distribution schedule compiled by South African Post Office Installation report
Method of Calculation / Assessment	A simple count of the total number of set-top boxes installed
Means of verification	Distribution schedule compiled by South African Post Office Installation report
Assumptions	Systems and processes to track inventory and installations have been strengthened
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly and Annually
Desired Performance	Installation of 810 000 procured set-top boxes to zero.
Indicator Responsibility	Executive Operations

Indicator Title	Number of DTT qualifying households migrated to digital terrestrial television through a voucher system
Definition	This indicator measures the number of vouchers issued to qualifying households
Source of data	<ul style="list-style-type: none"> ▪ Installation report ▪ Installation vouchers ▪ List of qualified households

Method of Calculation / Assessment	A simple count of the number of vouchers issued, installations conducted and list of qualified households
Means of verification	<ul style="list-style-type: none"> ▪ Installation report ▪ Installation vouchers ▪ List of qualified households
Assumptions	<p>The amount voucher is yet to be determined and the voucher amount is not fully funding the acquisition of the Set-Top-Box or Integrated Digital Television (IDTV)</p> <p>Assuming sufficient funds are available</p> <p>The government will no longer procure set-top-boxes</p>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	<p>Finalise the model and approach to the roll-out of the voucher system in 2020/21</p> <p>Thereafter, issuance of 2 266 474 DTT vouchers to qualifying households</p>
Indicator Responsibility	Executive Operations

Indicator Title	Number of DTH qualifying households migrated to digital terrestrial television through a voucher system
Definition	This indicator measures the number of vouchers issued to qualifying households
Source of data	<ul style="list-style-type: none"> ▪ Installation report ▪ Installation vouchers ▪ List of qualified households
Method of Calculation / Assessment	A simple count of the number of vouchers issued, installations conducted and list of qualified households
Means of verification	<ul style="list-style-type: none"> ▪ Installation report ▪ Installation vouchers ▪ List of qualified households
Assumptions	The amount voucher is yet to be determined and the voucher amount is not fully funding the acquisition of the Set-Top-Box or Integrated Digital Television (IDTV)

	Assuming sufficient funds are available The government will no longer procure set-top-boxes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	The target is specific to identified qualifying households, nationwide
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly and Annually
Desired Performance	Finalise the model and approach to the roll-out of the voucher system in 2020/21 Thereafter, issuance of 289 058 DTH vouchers to qualifying households
Indicator Responsibility	Executive Operations

Indicator Title	Number of sites with broadband internet connectivity to new sites in identified municipal areas
Definition	The number of sites with broadband internet connectivity in targeted local municipal areas.
Source of data	<ul style="list-style-type: none"> ▪ Infrastructure Rollout Project Plan ▪ Quarterly update Report from the appointed services ▪ Infrastructure sign off sheets ▪ Connectivity Reports
Method of Calculation / Assessment	<u>Calculation:</u> A simple count of the total number of connected sites on the built infrastructure
Means of verification	<ul style="list-style-type: none"> ▪ Infrastructure Rollout Project Plan ▪ Quarterly update Report from the appointed services ▪ Infrastructure sign off sheets ▪ Connectivity Reports
Assumptions	<ul style="list-style-type: none"> ▪ The target is dependent on the availability of budget, and more sites might be done if the budget is available at disposal. ▪ The Agency intends to roll out more than 280 sites based on the budget available in 2021/22 financial year.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Targets and sequence are defined by the districts identified at national level (PDAs), as reflected in the Master List.
Calculation Type	Cumulative (Year-to-Date)

Reporting Cycle	Quarterly and Annually
Desired Performance	280 sites (in 2 local municipal areas) connected in Kareeberg and Renosteberg Local Municipalities in Pixley Ka Seme District Municipality, Northern Cape
Indicator Responsibility	Executive Manager – USAF

Indicator Title	Percentage (%) of valid invoices paid within 30 days from date of receipts
Definition	To track the number of calendar days it takes the USAF to effect legitimate payments that are due to its creditors for goods and services provided through approved internal procurement processes; calculated from the day of the receipt of the valid invoice, and that these are within the maximum 30 days prescribed by Treasury.
Source of data	<ul style="list-style-type: none"> ▪ Register of valid invoices due for payment, and reflecting the date of invoice receipt. ▪ Register of payments made against a valid invoice, and reflecting payment date.
Method of Calculation / Assessment	<p><u>Calculation:</u></p> <ul style="list-style-type: none"> ▪ Numerator – total number of valid invoices paid within 30 days of the date of receipt of invoice. ▪ Denominator – total number of valid invoices for the 30 day period in question.
Means of verification	<p>Register of valid invoices due for payment, and reflecting the date of invoice receipt.</p> <p>Register of payments made against a valid invoice, and reflecting payment date.</p> <ul style="list-style-type: none"> ▪ <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>
Assumptions	The 30-day target is a maximum ceiling – USAF will in fact progress to pay valid invoices in a shorter timeframe
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative and Annually

Reporting Cycle	Quarterly
Desired Performance	100% of valid invoices paid within 30 days from date of receipt in 2019/20.
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage (%) of the elimination of wasteful and fruitless expenditure
Definition	To track and monitor the extent of compliance to expenditure by the entity on wasteful and fruitless expenditure and improvement of the year and audit outcomes on supply chain management processes
Source of data	Wasteful and Fruitless Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures
Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Numerator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report resolved incidences. i.e.(N/D) *100 ▪ Denominator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report
Means of verification	Wasteful and Fruitless Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	The Entity has an updated policy on fruitless and wasteful expenditure framework
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of wasteful and fruitless expenditure to 20% of R 4009 000,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage % reduction of irregular expenditure
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Definition	To track and monitor the percentage the extent of compliance by the entity on irregular expenditure and improvement of the end year audit outcomes on supply chain management processes
Source of data	Irregular Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures
Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Numerator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report resolved incidences. i.e.(N/D) *100 ▪ Denominator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report
Means of verification	Irregular Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	The entity has the updated policy on irregular expenditure framework
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of irregular expenditure to 15% of R63 520 00,00 USAF AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

Not applicable for 2021/22, as the second year of the 2020/21 – 2024/25 Strategic Plan.

ANNEXURE B: CONDITIONAL GRANTS

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

ANNEXURE C: CONSOLIDATED INDICATORS

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

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

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

**ACRONYMS AND
ABBREVIATIONS**

ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BDM	Broadcasting Digital Migration
DCDT	Department of Communications and Digital Technologies
DDF	Digital Development Fund
DPME	Department of Planning, Monitoring and Evaluation
ECA	Electronic Communications Act
Exco	Executive Committee / Executive Council
GDP	Gross Domestic Product
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
Mbps	Megabits Per Second
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NT	National Treasury
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SMME	Small, Medium and Micro Enterprise
STB(s)	Set-Top Box(es)
TV	Television
UN	United Nations
USAASA	Universal Service and Access Agency South Africa
USAF	Universal Service and Access Fund