

ANNUAL PERFORMANCE PLAN
For
2017/18



**MUNICIPAL INFRASTRUCTURE
SUPPORT AGENT**



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT

**Government Component: Municipal Infrastructure Support Agent
REPUBLIC OF SOUTH AFRICA**

Municipal Infrastructure Support Agent Annual Performance Plan 2017/18



MISA

GOVERNMENT COMPONENT: Municipal Infrastructure Support Agent
REPUBLIC OF SOUTH AFRICA

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FOREWORD



Minister: Des van Rooyen

The Annual Performance Plan of the Municipal Infrastructure Support Agent (MISA) is guided by its strategic plan and that of the Department of Cooperative Governance. Both strategic plans reflect the government's long term plans, the Medium Term Strategic Framework and political priorities. The government has prioritized improving access to quality, reliable basic municipal services, including potable water, sanitation, electricity and refuse removal. MISA plays a key role in providing support to municipalities to deliver the infrastructure required to provide these services and to improve capacity to maintain and operate this infrastructure.

MISA's contribution towards achieving these national goals remains the provision of support to municipalities to plan, deliver, operate and maintain these basic municipal services. In order to achieve this objective, this performance plan covers the development of infrastructure master plans, operations and maintenance plans and building technical skills in municipalities in order for them to independently and sustainably deliver services. MISA will work with the SETAs and technical colleges on various programmes for skilling of technical municipal officials, and provision of work exposure to young graduates and apprentices. To strengthen the internal capacity of municipalities, MISA will facilitate the placement of qualified artisans and graduates trainees in municipalities with an acute shortage of skilled technical personnel. The objective of this initiative is to enable municipalities to progressively build internal capacity for infrastructure delivery and management with the ultimate aim of reducing their reliance on external consultants.

During the 2017/18 financial year, MISA will lay the foundation for the implementation of a new initiative aimed at providing multi-disciplinary private sector support to targeted municipalities on a regional basis. A dedicated budget for the Regional Management Support Contract Programme was allocated to MISA from the 2015 budgeting process. The aim of this new programme is to assist municipalities to improve their management of the delivery of water and sanitation services in all respects, including technical, institutional and financial management.

Another new initiative introduced by MISA in the 2016/17 financial year is the setting up of national framework contracts for infrastructure goods and services. The aim of this initiative is to make procurement of infrastructure goods and services for municipalities more efficient, effective and economical. Once the national framework contracts are in place, municipalities will be able to place orders against them without going through their own separate procurement processes.

MISA is working closely with the Office of the Chief Procurement Officer at National Treasury in the implementation of this initiative to ensure proper alignment with similar programmes spearheaded by National Treasury.

In accordance with the refinement of its focus, MISA will also be seeking to make its technical support to municipalities more proactive and conditional. This will involve continuous collaboration with the Back to Basics team in the Department of Cooperative Governance, sector departments such as the Department of Water and Sanitation, SALGA and municipalities to identify key areas of weakness in basic municipal service delivery; and offer support to those municipalities most in need to address these key areas of weakness. Support will be provided to municipalities for a specified duration to be determined upfront and with attached conditions to compel municipalities to build their own internal capacity to avoid the possible collapse of services after MISA's withdrawal. MISA is establishing a Project Management Office (PMO) that will coordinate and drive support to 27 priority Districts aimed at accelerating the eradication of basic service backlogs.

We believe these initiatives will further enhance the delivery of services in municipalities, promote long-term institutional stability and ensure the prudent spending of funds. We will continue to provide MISA with support and guidance as together we address the challenges facing the local government sector.



Hon. Des Van Rooyen MP

Minister of Cooperative Governance and Traditional Affairs

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- was developed by the Management of the Municipal Infrastructure Support Agent (MISA) under the guidance of the Minister for Corporative Governance and Traditional Affairs, Mr Des van Rooyen;
- was prepared in line with the current Strategic Plan of MISA;
- takes into account all relevant policies and legislation, as well as other official sources conferring mandates to MISA; and
- accurately reflects the performance targets which MISA will endeavour to achieve given the resources made available in the budget for the 2017/18 budget year.

Mr Victor Mathada

Head: Executive Support, Strategy and Systems

Signature: 

Ms Fezeka Stishi

Chief Financial Officer

Signature: 

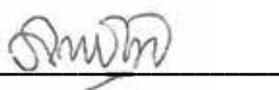
Mr Ntandazo Vimba

Acting Chief Executive Officer

Signature: 

Mr Andries Nel, MP

Deputy Minister

Signature: 

Approved by:

Mr Des van Rooyen, MP
Minister

Signature: 

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PART A

STRATEGIC OVERVIEW

PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

The annual performance planning process of the Municipal Infrastructure Support Agent (MISA) has taken into consideration challenges facing municipalities in providing basic services to their communities. An analysis of the performance environment required MISA to refine its operational mechanisms towards providing infrastructure related support to municipalities. Changes in the performance and organisational environments that necessitated refining MISA's focus are outlined below.

1.1 Performance Delivery Environment

Generally, there is consensus that government has over the years succeeded in increasing household access to basic services. In the same breath, there is an acknowledgement that more still needs to be done to improve the performance of municipalities to ensure sustainable provision of quality and reliable services to communities. The state of municipal service delivery infrastructure is a major concern in the country and adversely affects the quality of services provided to the citizens.

The number of service delivery protests has, to a larger extent, been used as a yardstick for measuring community dissatisfaction about municipal services. Several remedial actions have been taken by Government to improve service delivery to communities. The local government turn-around strategy and the Back to Basics (B2B) Approach launched in 2014 are some of the well documented interventions aimed at strengthening local government and improving service delivery.

An analysis conducted by the department of Cooperative Governance and Traditional Affairs (CoGTA) on the state of local government revealed that municipalities are performing at different levels and could be classified into three major categories, namely "Doing well, Potential to do well, and Dysfunctional". MISA, as a player in the local government space, has a responsibility to provide municipalities with infrastructure related support.

Interventions through the B2B Approach identified political instability and weaknesses in governance as the two primary causes of poor service delivery at municipal level. Municipalities that manifest weaknesses in governance and corporate management functions such as financial management, human resources management, supply chain management and asset management tend to experience difficulties in providing services. The B2B Approach appreciates that there are a myriad of challenges facing local government and therefore advocates a multi-pronged and integrated approach to addressing the challenges.

Interventions through the B2B Approach identified political instability and weaknesses in governance as the two primary causes of poor service delivery at municipal level. Municipalities that manifest weaknesses in governance and corporate management functions such as financial management, human resources management, supply chain management and asset management tend to experience difficulties in providing services. The B2B Approach appreciates that there are a myriad of challenges facing local government and therefore advocates a multi-pronged and integrated approach to addressing the challenges.

Key challenges, from an infrastructure service delivery point of view, include:

- *Ageing infrastructure and insufficient refurbishment and replacement;*
- *Remaining backlogs in access to a reliable basic level of service delivery in some areas;*
- *Non-revenue water and Electricity theft;*
- *Poor revenue collection for municipal rates and services;*
- *Inadequate budgeting for operation and maintenance;*
- *Weak, ineffective and inefficient infrastructure procurement resulting in unnecessarily high cost, poor quality and slow delivery;*
- *Insufficient mobilisation of private sector co-funding for infrastructure;*
- *Poor coordination of efforts amongst stakeholders involved in service delivery infrastructure; and*
- *Lack of technical capacity in planning, designing, procuring, project and contract management, operation and maintenance.*

1.2 Organisational Environment

Historically, MISA has focused on providing technical support to municipalities and technical capacity building for municipalities. However, in order to address all the main challenges listed above, MISA is now engaged in new initiatives aimed at improving municipal infrastructure procurement; providing multi-disciplinary turn-around support to weak municipalities; and proactively driving improvement in access to reliable level of basic services through evidence-based diagnostics and performance monitoring. To give effect to this initiative, MISA has already started the process of appointing Regional Management Support Contractors to drive these initiatives in priority Districts. The contractors to be appointed will focus on developing and implementing measures aimed at improving processes and systems for infrastructure delivery and management in selected municipalities. Accordingly, MISA has also developed a new organisational structure to drive the implementation of these initiatives, in addition to its existing programmes of technical support and capacity building.

In January 2017 the Department of Public Service and Administration (DPSA) granted a concurrence to the new structure for MISA paving way for the progressive filling of vacant positions giving priority to areas with severe capacity shortages such as Supply Chain Management (SCM) function.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

MISA has, since its establishment, not had any changes to its legislative and other mandates. It remains a government component within the Cooperative Governance and Traditional Affairs Portfolio established in terms of Section 7(5)(c) of the Public Service Act, of 1994 to work towards the realisation of specific objectives. The Government Notice on the establishment of MISA identifies the following main strategic goals for MISA:

- *To render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning; and*
- *To support and strengthen the capacity of municipalities to provide access to basic services, exercise their powers and perform the functions required to develop, maintain and operate municipal infrastructure.*

According to the operational notice, the objective of MISA is to render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning. Accordingly, MISA has been mandated to perform the following functions:

- *To support municipalities to conduct effective infrastructure planning to achieve sustainable service delivery;*
- *Support and assist municipalities with the implementation of infrastructure projects as determined by the municipal Integrated Development Plans (IDPs);*
- *Support and assist municipalities with the operation and maintenance of municipal infrastructure;*
- *Build the capacity of municipalities to undertake effective planning, delivery, operations and management of municipal infrastructure; and*
- *Perform any function that may be deemed ancillary to those listed above.*

3. OVERVIEW OF 2017/18 BUDGET AND MTEF ESTIMATES

3.1 Expenditure Estimates

Table 3.1.: Expenditure estimates – Municipal Infrastructure Support Agent

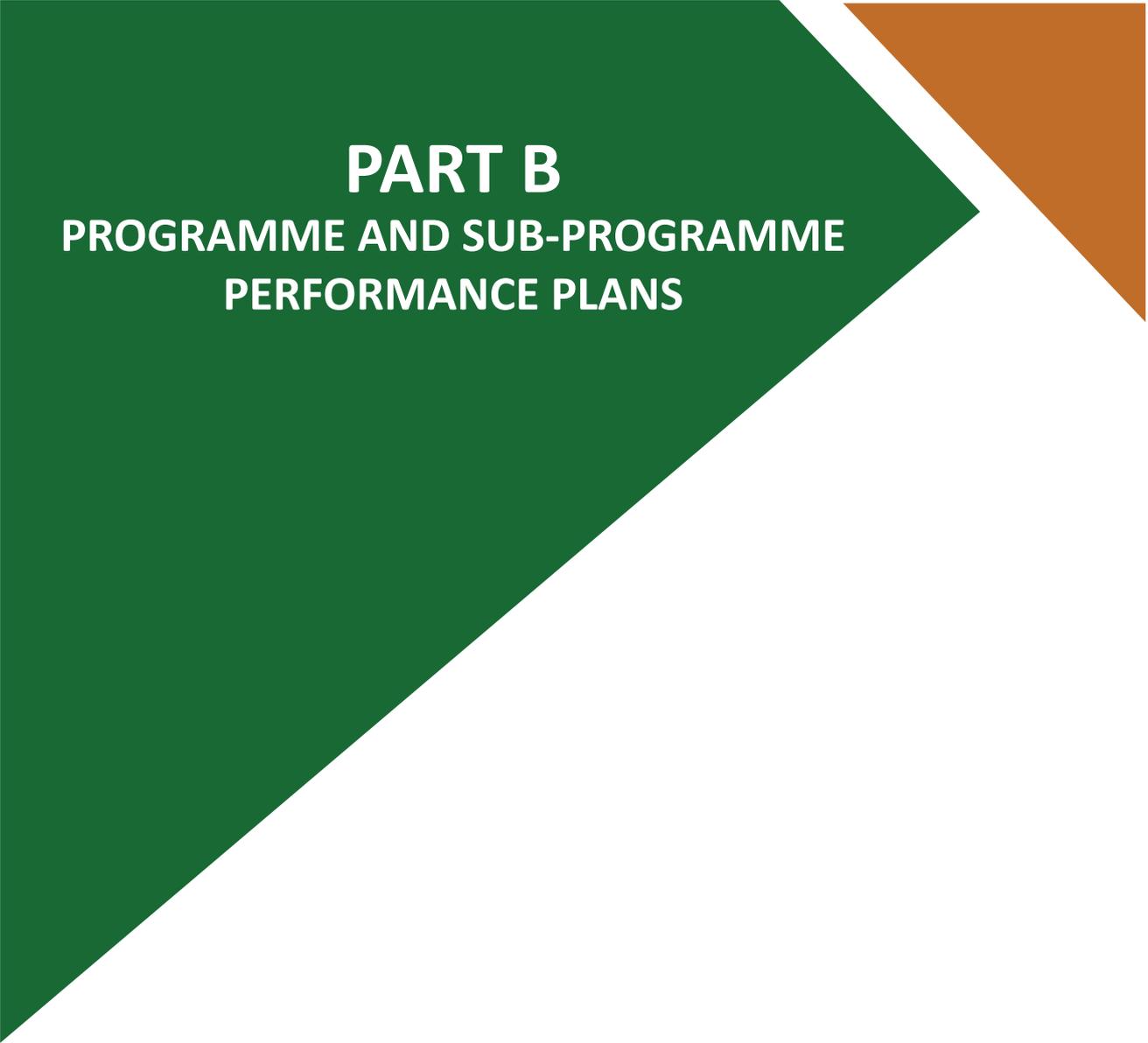
| Programme R Thousand | Audited Outcomes | | | Adjusted Appropriation | Medium-Term Expenditure Estimates | | |
|---|------------------|----------------|----------------|---------------------------|--------------------------------------|----------------|----------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 1. Administration | 57121 | 85514 | 65619 | 68 103 | 71 503 | 75 650 | 79 886 |
| 2. Technical Support Services | 226094 | 215321 | 226106 | 281786 | 303280 | 263007 | 277585 |
| 3. Infrastructure Delivery Management Support | 0 | 0 | 0 | 0 | 6700 | 12580 | 13236 |
| Sub-Total | 283 215 | 300 835 | 291 725 | 349889 | 381 483 | 351 237 | 370 707 |
| Direct charges against the National Revenue Fund | | | | | | | |
| Total | | | | | | | |
| Change to 2015/16 budget estimate | | | | | | | |
| Current payments | | | | | | | |
| Compensation of employees | 43127 | 54594 | 55837 | 70 619 | 131 588 | 156 497 | 175 357 |
| Goods and services: | 240088 | 246241 | 235888 | 279270 | 249895 | 194740 | 195350 |
| Communication | 637 | 1388 | 1030 | 1050 | 1100 | 1200 | 1250 |
| Computer services | 2266 | 2778 | 181 | 2800 | 2970 | 3000 | 3168 |
| Consultants, contractors and special services | 194603 | 172455 | 158584 | 212087 | 181042 | 116824 | 94262 |
| Inventory | 568 | 574 | 3886 | 4300 | 4400 | 4800 | 5069 |
| Maintenance repair and running cost | | | | | | | |
| Operating leases | 7897 | 6066 | 6746 | 6800 | 8000 | 8100 | 8554 |
| Travel and subsistence | 14615 | 15823 | 4506 | 14700 | 15560 | 16738 | 17628 |
| Training and staff development | 2525 | 8137 | 38030 | 15620 | 15437 | 16360 | 17130 |
| General/Admin Expenditure | 14775 | 34724 | 15543 | 14413 | 13586 | 19818 | 40289 |
| Depreciation | 2202 | 4296 | 7382 | 7500 | 7800 | 7900 | 8000 |
| Financial transactions in assets and liabilities | | | | | | | |

3.2 Relating Expenditure Trends to Strategic Outcome Oriented Goals

The biggest proportion of MISA's budget continues to be allocated for the core programmes, especially technical support, which is the main institutional mechanism for delivering technical support to municipalities. Funds allocated for this programme mainly cover the costs of remunerating technical professionals currently contracted on a consultancy basis and responsible for the provision of technical support to municipalities. The second biggest expenditure under this programme is payments to professional service providers (PSPs) that are normally appointed to supplement the technical capacity created through technical consultants. The main role of PSPs is to provide support to municipalities on specific deliverables with finite timelines. MISA's funding level will remain unchanged over the MTEF period from 2017/18. It is, however, envisaged that in future a significant amount will be shifted from goods and services to compensation of employees following the approval of the revised structure that will allow MISA to start recruiting technical professionals through the public service dispensation in accordance with the applicable Occupation Specific Dispensation (OSD).



PART B
PROGRAMME AND SUB-PROGRAMME
PERFORMANCE PLANS



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4. PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic direction, leadership, management and effective and efficient administrative support services to the organisation.

Programme overview: The programme serves as the enabler to the key functions of the organisation. It has the following sub-programmes:

Sub-programme 1.1: Executive Support, Strategy and Systems

Provides executive and administrative support to the Accounting Officer. It ensures that the organisational strategy enhances the ability of MISA to achieve its mandate and that the organisational design facilitates effective implementation of strategic objectives. In addition to the management of the Office of the CEO, the sub-programme ensures that the organisation develops and implements effective planning processes; and that the strategic plan and annual performance plans derived are aligned to the service delivery imperatives identified. This function includes performance oversight and implementation of measures for organisational performance improvement. The sub-programme is also responsible for providing information communication and technology management services and performing the Internal Audit and Risk Management function within the organisation.

Sub-programme 1.2: Financial Management Services

Provides sound financial stewardship and management in the organisation, in compliance with relevant legislation, regulations and policies. This includes Supply Chain Management and Asset Management functions.

Sub-programme 1.3: Corporate Management Services

Responsible for ensuring that the work environment in MISA enhances motivation and productivity in the workplace. The sub-programme provides human resource management and development, facilities management, legal services, security services, as well as information communication and technology (ICT) services.

4.1 Programme Performance Indicators and Annual Targets

| Sub-programme: Executive and Administrative Support, Strategic Planning, and Monitoring & Evaluation | | | | | | |
|--|---|--|--|--|---|--|
| Strategic Objective 1.1: Improve the usefulness and reliability of performance information | | | | | | |
| Programme Performance Indicator | Audited/Actual Performance | | | Estimated Performance 2016/17 | Medium-term Targets | |
| | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 |
| 1.1.1 Strategic Plan and Annual Performance Plan (APP) compiled, approved by Executive Authority and submitted to Parliament in line with the National Treasury guidelines, within National Treasury stipulated timelines | Approved 2014 – 19 Strategic Plan and 2014/15 APP | Approved 2015/16 APP | Compliant 2016/17 APP approved and submitted on time | Compliant 2017/18 APP approved and submitted on time | Compliant revised Strategic Plan approved and approved Annual Performance Plan approved and submitted on time | Compliant APP approved and submitted on time |
| 1.1.2 Number of performance reports produced in terms of National Treasury guidelines and timeframes and approved by the Accounting Officer and Executive Authority | 3 Approved quarterly performance reports | 4 Approved Quarterly Performance Reports, 1 Performance Information Report and 1 Annual Report | 4 Approved Quarterly Performance Reports, 1 Performance Information Report and 1 Annual Report | 4 Approved Quarterly Performance Reports, 1 Performance Information Report and 1 Annual Report | 6 Approved performance reports per year (4 Quarterly Performance Reports, 1 Performance Information Report and 1 Annual Report) | |
| 1.1.3 Number of approved Programme or Project Evaluation reports per year as per approved Monitoring and Evaluation Plan | - | 1 | 4 | 2 | 2 per year | |

| Sub-programme: Internal Audit and Risk Management | | | | | | | | | |
|--|--|----------------------------|---|---|---|---|--|---------------------|--|
| Strategic Objective 1.2: Improve the effectiveness of internal controls, risk management and governance structures | | | | | | | | | |
| Programme Performance Indicator | | Audited/Actual Performance | | | | Estimated Performance | | Medium-term Targets | |
| | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | |
| 1.2.1 | Approved Risk Register | - | Approved Risk Register | Approved Risk Register | Approved Risk Register | 3 | Risk Register updated and approved by Accounting Officer by 31 st March of each year | | |
| 1.2.2 | Number of risk monitoring reports submitted to the Audit Committee | - | 4 | 4 | 3 | 4 | 4 risk monitoring reports per financial year | | |
| 1.2.3 | 3-year rolling strategic internal audit plan and annual coverage plan submitted to the Audit Committee | - | 3-year rolling strategic internal audit plan and annual coverage plan approved by the Audit Committee | 3-year rolling strategic internal audit plan and annual coverage plan approved by the Audit Committee | 3-year rolling strategic internal audit plan and annual coverage plan approved by the Audit Committee | 3-year rolling strategic internal audit plan and annual coverage plan approved by the Audit Committee | 3-year rolling strategic internal audit plan and annual coverage plan submitted to the Audit Committee by 30 June of each year | | |
| 1.2.4 | Number of progress reports against the annual audit coverage plan submitted to the Audit Committee | - | 4 | 4 | 4 | 4 | 4 internal audit reports produced and submitted to Audit Committee, per financial year | | |

| Sub-programme: Corporate Services (Human Resources Management, Information and Communications Technology, and Legal Services) | | | | | | | | | |
|---|--|----------------------------|---------|--|--|---------|---------|---------------------|--|
| Strategic Objective 1.3: Provide effective and efficient corporate, financial and legal support services for MISA to deliver on its mandate | | | | | | | | | |
| Programme Performance Indicator | | Audited/Actual Performance | | | Estimated Performance | | | Medium-term Targets | |
| | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | |
| 1.3.1 | Percentage of performance agreements, reviews and assessments concluded on time | - | - | 80% | 90% | | | | Achieve 98% submissions of performance agreements, reviews and assessments by due dates, per year |
| 1.3.2 | ICT Implementation Plan approved and implemented | - | - | ICT Implementation plan and policies approved and implemented | ICT governance framework and IT Strategy approved | | | | ICT Implementation Plan approved and implemented |
| 1.3.3 | Percentage of internal requests for which legal opinions are provided within 15 working days | - | - | 100% of legal opinions drafted and feedback provided within 15 days of receipt of request. Approved. | 100% of legal opinions drafted and feedback provided within 15 days of receipt of request. | | | | 100 % of all routine internal requests ¹ for legal opinions provided within 15 working days |

¹ Routine request refers to normal requests of not more than three contracts or opinions as opposed to request made for projects

| Sub-programme: Financial Services (Financial Administration, Supply Chain and Asset Management.) | | | | | | | |
|--|--|--|--|--|---|---|---------|
| Strategic Objective 1.3: Provide effective and efficient corporate governance, financial and legal support services for MISA to deliver on its mandate | | | | | | | |
| Programme Performance Indicator | Audited/Actual Performance | | | | Estimated Performance | Medium-term Targets | |
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | 2016/18 | 2018/19 |
| 1.3.4 | Percentage of adjusted budget spent by the end of the financial year | 100% | 100% | 98% | 98% | At least 98% by end of each financial year | |
| 1.3.5 | Unqualified audit opinion on the annual financial statements | - | Unqualified audit opinion | Unqualified audit opinion | Achieve unqualified audit opinion on Annual Financial Statements, per year | Achieve unqualified audit opinion on Annual Financial Statements, per year | |
| 1.3.6 | Approved Procurement Plan | Procurement Plan approved and submitted to National Treasury on time | Procurement Plan approved and submitted to National Treasury on time | Procurement Plan approved and submitted to National Treasury on time | Procurement Plan approved and submitted to National Treasury by 30 April of each financial year | Procurement Plan approved and submitted to National Treasury by 30 April of each financial year | |
| 1.3.7 | Quarterly verification of assets | Approved and verified asset register | Approved and verified asset register | Approved and verified asset register | Asset register verified quarterly in each financial year | Asset register verified quarterly in each financial year | |

4.2 Quarterly Targets for 2017/18

| Sub-Programme: Executive and Administrative Support, Strategic Planning, and Monitoring & Evaluation | | | | | | | |
|--|------------------|--|--|---|--|--|--|
| Strategic Objective 1.1: Improve the usefulness and reliability of performance information | | | | | | | |
| Performance Indicator | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | |
| | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) |
| 1.1.1 Strategic Plan and/or Annual Performance Plan (APP) compiled, approved by Executive Authority and submitted to Parliament in line with the National Treasury guidelines, including within National Treasury stipulated timelines | Quarterly | Compliant 2017/18 APP approved and submitted on time | Approved Strategic Plan and/or Annual Performance Plan with proofs of submission to Parliament and National Treasury | - | Submission of 1 st Draft Annual Performance Plan to National Treasury by end of August 2016 | Submission of 2 nd Draft Annual Performance Plan to National Treasury by end of November 2016 | Finalise performance indicators by end of January 2017. Submit final APP for tabling in Parliament by end of February 2017 |
| 1.1.2 Number of performance reports produced in terms of National Treasury guidelines and timeframes and approved by the Accounting Officer or Executive Authority | Quarterly | 6 approved performance reports (4 Quarterly Performance Reports, 1 Information Report and 1 Annual Report) | Approved Quarterly Performance Reports and Performance Information Report and Annual Report, with proofs of submission | 1 approved 4 th Quarter Performance Report. 1 approved Annual performance information report submitted to the Auditor-General by the end of May 2017 | 1 approved 1 st Quarter Performance Report. 1 approved Annual Report tabled in Parliament | 1 approved 2 nd Quarter Performance Report | 1 approved 3 rd Quarter Performance Report |
| 1.1.3 Number of approved Programme or Project Evaluation reports per year as per approved Monitoring and Evaluation Plan | Quarterly | 2 | Approved Programme or Project Evaluation reports | - | 1 | - | 1 |

| Sub-programme: Internal Audit and Risk Management | | | | | | | | | |
|--|------------------|--|--|--|---|---|---|--|--|
| Strategic Objective 1.2: Improve the effectiveness of internal controls, risk management and governance structures | | | | | | | | | |
| Performance Indicator | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | | | |
| | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) | | |
| 1.2.1 Approved Risk Register | Annually | Risk Register updated and approved by Risk Management Committee by 31 st March 2016 | Approved Risk Register | - | - | - | Updated Risk Register approved by 31 st March 2017 | | |
| 1.2.2 Number of risk monitoring reports submitted to the Audit Committee | Quarterly | 4 risk monitoring reports | Quarterly risk monitoring reports and proofs of submission to the Audit Committee | 1 risk monitoring report submitted within two months after the end of the quarter | 1 risk monitoring report submitted within two months after the end of the quarter | 1 risk monitoring report submitted within two months after the end of the quarter | 1 risk monitoring report submitted within two months after the end of the quarter | | |
| 1.2.3 3-year rolling strategic internal audit plan and annual coverage plan submitted to the Audit Committee | Annually | Produce a 3-year rolling strategic internal audit plan and an annual coverage audit plan and submit to Audit Committee by 30 June 2016 | Submitted rolling 3-year strategic internal audit plan and annual audit plan with proof of submission to the Audit Committee | Develop 3 year strategic and annual plan and submit to Audit Committee by 30 June 2016 | - | - | - | | |
| 1.2.4 Number of progress reports against the annual audit coverage plan submitted to the Audit Committee | Quarterly | Produce and submit 4 internal audit reports to Audit Committee | Quarterly progress reports with proofs of submission to the Audit Committee | 1 within two months after the end of the quarter | 1 within two months after the end of the quarter | 1 within two months after the end of the quarter | 1 within two months after the end of the quarter | | |

| Sub-programme: Corporate and Financial Services (Human Resources Management, Information and Communications Technology, and Legal Services) | | | | | | | |
|---|------------------|--|--|--|---|---|---|
| Strategic Objective 1.3: Provide effective and efficient corporate, financial and legal support services for MISA to deliver on its mandate | | | | | | | |
| Performance Indicator | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | |
| | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) |
| 1.3.1 Percentage of performance agreements, reviews and assessments concluded on time | Quarterly | Achieve 98% submissions of performance agreements, reviews and assessments by due dates | | 98% of agreements concluded and submitted to HR by 31 st May 2017 | 98% of previous year assessments moderated by 30 September 2017 | 98% of Mid Term Performance Reviews concluded by 31 October 2017 | 98% of draft performance agreements submitted to HR by 31 March 2018 |
| 1.3.2 ICT Implementation Plan approved and implemented | Quarterly | ICT Implementation Plan approved and implemented | ICT Implementation Plan | Development and approval of ICT Plan | ICT quarterly progress report approved by head of corporate services | ICT quarterly progress report approved by head of corporate services | ICT quarterly progress report approved by head of corporate services |
| 1.3.3 Percentage of internal requests for which legal opinions are provided within 15 days | Quarterly | 100 % of all routine internal requests ² for legal opinions provided within 15 working days for cases not requiring external expertise. | Register of requests opinions. Filed legal opinions or contracts | 100% of all routine requests for the quarter satisfied within 15 days | 100% of all routine requests for the quarter satisfied within 15 days | 100% of all routine requests for the quarter satisfied within 15 days | 100% of all routine requests for the quarter satisfied within 15 days |

² Routine request refers to normal requests of not more than three contracts or opinions as opposed to request made for projects

| Sub-programme: Financial Services (Financial Administration, Supply Chain and Asset Management) | | | | | | | |
|--|------------------|---|---|--|--|--|--|
| Strategic Objective 1.3: Provide effective and efficient corporate governance, financial and legal support services for MISA to deliver on its mandate | | | | | | | |
| Performance Indicator | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | |
| | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) |
| 1.3.4 Percentage of adjusted budget spent by the end of the financial year | Annual | Achieve at least 98% by end of financial year | Expenditure reports submitted to Budget Committee and Audit Committee | - | - | - | 98% of total Budget |
| 1.3.5 Unqualified audit opinion over the annual financial statements | Annual | Achieve unqualified audit opinion on Annual Financial Statements | Audited Annual Financial Statements and Auditor-General's report | - | Unqualified audit opinion | - | - |
| 1.3.6 Approved Procurement Plan | Annual | Approved 2016/17 Procurement Plan submitted to National Treasury by 30 April 2016 | Approved Procurement Plan with proof of submission to National Treasury | Submission of approved 2016/17 Procurement Plan to National Treasury. | - | - | - |
| 1.3.7 Quarterly verifications of asset register | Quarterly | Asset register verified quarterly | Asset verification reports | 4 th Quarter asset verification report signed off by the CFO within one month after the end of each quarter | 1 st Quarter asset verification report signed off by the CFO within one month after the end of each quarter | 2 nd Quarter asset verification report signed off by the CFO within one month after the end of each quarter | 3 rd Quarter asset verification report signed off by the CFO within one month after the end of each quarter |

4.3 Reconciling Performance Targets with the Budget and MTEF

Table 4.3.1: Expenditure estimates - Programme 1: Administration

| Sub-Programme R Thousand | Audited Outcomes | | | Adjusted Appropriation | Medium-Term Expenditure Estimates | | |
|---|------------------|--------------|--------------|---------------------------|--------------------------------------|--------------|--------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Office of the Chief Executive Officer | 8284 | 16444 | 16605 | 20736 | 22129 | 23599 | 24778 |
| Corporate Services | 39742 | 44969 | 37624 | 24502 | 25010 | 27104 | 28459 |
| Financial Administration | 11095 | 24101 | 15390 | 22865 | 24364 | 25947 | 26649 |
| Total | 59121 | 85514 | 65619 | 68103 | 71503 | 76650 | 79886 |
| Change to 2015/16 budget estimate | | | | | | | |
| Current payments | | | | | | | |
| Compensation of employees | 15124 | 16724 | 17200 | 25006 | 27337 | 29826 | 30721 |
| Goods and services: | 43997 | 68790 | 48419 | 43097 | 44166 | 46824 | 49165 |
| Communication | 625 | 3098 | 3000 | 3100 | 3150 | 3200 | 3360 |
| Computer services | 2266 | 1388 | 2782 | 2800 | 1470 | 1500 | 1575 |
| Consultants, contractors and special services | 14679 | 13690 | 7128 | 10397 | 15311 | 16824 | 17467 |
| Inventory | 502 | 563 | 514 | 520 | 525 | 550 | 577 |
| Maintenance repair and running cost | | | | | | | |
| Operating leases | 7897 | 6066 | 6369 | 6688 | 7022 | 7373 | 7741 |
| Travel and subsistence | 5065 | 9030 | 4380 | 5000 | 2625 | 3200 | 3360 |
| Training and staff development | | 1644 | 1800 | 1800 | 630 | 710 | 745 |
| General/Admin Expenditure | 12963 | 33311 | 22451 | 12792 | 13434 | 13467 | 14140 |
| Interest and rent on land | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | |

5. PROGRAMME 2: TECHNICAL SUPPORT SERVICES

Purpose: To manage the provision of technical support and technical capabilities to enhance the delivery of municipal infrastructure programmes.

Programme overview: The Programme coordinate the provision of technical support and assistance in conducting infrastructure assessments and analysis; coordinate the provision of technical support and expertise for municipal infrastructure delivery, planning, maintenance and land use management services with relevant stakeholders; coordinate the development of technical skills to support the delivery of municipal infrastructure support programmes. The Programme consists of the following Sub-programmes:

Sub-programme 2.1: Infrastructure assessment and analysis

The sub-programme focusses on the monitoring and analysis of various issues relating to municipal infrastructure, such as expenditure against budgets, condition of municipal assets, and infrastructure maintenance expenditure to inform tailored support and interventions. A lack of coordination, mobilisation and monitoring is one of the main contributing factors to the slow-down in the rate of : eradication of backlogs. These weaknesses are due mainly to:

- *Lack of central coordination of the different stakeholders;*
- *Lack of project management in relation to the process towards the reduction of backlogs; and*
- *Lack of continuous engagements and interactions between key stakeholders.*

The Technical Support unit facilitates agreements between all national, provincial and municipal stakeholders on the key actions to be taken to reduce backlogs per district, and monitor implementation of these actions, through the Inter-Ministerial Task Team (IMTT) on Service Delivery

Sub-programme 2.2: Infrastructure Delivery, Maintenance and Stakeholders Coordination

This sub-programme provides technical expertise to support municipalities to plan, deliver, operate and maintain infrastructure, including land use management related planning. The sub-programme's functions include rendering technical support based on identified needs in targeted municipalities to improve infrastructure delivery, operations and maintenance; rendering planning support in order to improve land use management in municipalities; and providing mentoring and coaching to apprentices, experiential learners and young graduates under MISA skilling programme.

Sub-programme 2.3: Technical Skills

This sub-programme coordinates the development of technical skills to support the delivery of municipal infrastructure programmes. This entails the facilitation of opportunities for workplace experience in municipalities for graduates, apprentices and learners in technical fields and training of municipal officials; providing mentoring and coaching to apprentices, experiential learners and graduates in MISA Skills Programme; facilitating the placement of qualified artisans in municipalities experiencing acute shortage of technical personnel; and supporting municipalities in the recruitment of qualified technical personnel. The sub-programmes is also responsible for providing bursaries to qualifying students pursuing qualifications in technical disciplines at accredited tertiary institutions.

5.1 Programme Performance Indicators and Annual Targets

| Sub-programme: Infrastructure Assessment and Analysis | | | | | | | |
|---|----------------------------|---------|---------|----------------------------------|---------------------|---------|---------|
| Strategic Objective 2.1: Provide effective support and interventions with greater impact on citizen's lives | | | | | | | |
| Programme Performance Indicator | Audited/Actual Performance | | | Estimated Performance 2016/17 | Medium-term Targets | | |
| | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| 2.1.1 Number of approved municipal infrastructure assessments. | - | - | - | 5 | 12 | 10 | 0 |

| Sub-programme: Infrastructure Delivery, Maintenance and Stakeholder Coordination | | | | | | | |
|--|----------------------------|--------------|--------------|----------------------------------|---------------------|--------------|--------------|
| Strategic Objective 2.2: Improved technical capacity and technical skills in municipalities | | | | | | | |
| Programme Performance Indicator | Audited/Actual Performance | | | Estimated Performance 2016/17 | Medium-term Targets | | |
| | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| 2.2.1 Number of municipalities with which annual technical support plans are signed and reported against | New Baseline | New Baseline | 34 | 40 | 60 | 80 | 100 |
| 2.2.2 Number of municipal sector plans developed or reviewed | New Baseline | New Baseline | 33 | 20 | 34 Developed | 30 Developed | 38 Developed |
| | New Baseline | New Baseline | New Baseline | New Baseline | 26 Reviewed | 45 Reviewed | 57 Reviewed |
| 2.2.3 Number of municipalities for which Spatial Development Frameworks are developed or reviewed | New Baseline | New Baseline | New Baseline | 20 | 14 Developed | 26 Developed | 30 Developed |
| | New Baseline | New Baseline | New Baseline | New Baseline | 13 Reviewed | 39 Reviewed | 45 Reviewed |
| 2.2.4 Number of municipalities for which Infrastructure Operations and Maintenance Plans are developed | New Baseline | New Baseline | 21 | 20 | 15 | 15 | 15 |
| 2.2.5 Number of municipalities supported with institutional turnaround for water services function | New Baseline | New Baseline | New Baseline | - | 3 | 3 | 3 |

| Sub-programme: Technical Skills | | | | | | | | | |
|---|---|----------------------------|---------------|---------------|---------------|-------------------------------|--------------|---------|---------|
| Strategic Objective 3.1: Increase the number of skilled technical professionals and artisans in identified municipalities | | | | | | | | | |
| Programme Performance Indicator | | | | | | | | | |
| KPI Number | KPI Description | Audited Annual Performance | | | | Estimated Performance 2016/17 | MTSF Targets | | |
| | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | 2017/18 | 2018/19 | 2019/20 |
| 3.1.1 | Number of learners provided with apprenticeship training towards meeting the requirements for qualifying as artisans | 103 | 200 | 373 | 350 | 300 | 250 | | 180 |
| 3.1.2 | Number of learners provided with workplace (experiential) training | - | 151 | 65 | 90 | 90 | 130 | | 130 |
| 3.1.3 | Number of graduates recruited and placed with municipalities for workplace training and mentorship towards professional registration. | 40 | 40 | 35 | 50 | 70 | 70 | | 70 |
| 3.1.4 | Number of municipal officials provided with technical skills training | 129 | 200 | 644 | 300 | 450 | 500 | | 550 |
| 3.1.5 | Number of students provided with bursaries for studies in technical professions | - | 172 | 186 | 164 | 200 | 200 | | 200 |
| 3.1.6 | Number of Municipal general workers (Section 28 Apprentices) provided with training | New Indicator | New Indicator | New Indicator | New Indicator | 20 | 20 | | 20 |

| Sub-programme: Technical Skills | | | | | | | | | | |
|---|---|----------------------------|---------|---------|-------------------------------|---------|---------|---------|--------------|---|
| Strategic Objective 3.2: To coordinate and ensure the implementation of a strategic approach to the development of technical capacity in the sector | | | | | | | | | | |
| Programme Performance Indicator | | Audited Annual Performance | | | Estimated Performance 2016/17 | 2017/18 | 2018/19 | 2019/20 | MTSF Targets | |
| KPI Number | KPI Description | 2013/14 | 2014/15 | 2015/16 | | | | | | |
| 3.2.1 | Number of approved Capacity Development Framework | - | - | - | New | 1 | - | - | - | - |
| 3.2.2 | Number of municipal capacity development plans developed and implemented | - | - | - | New | 7 | 7 | 10 | | |
| 3.2.3 | Number of qualified artisans placed in municipalities or private sector companies | - | - | - | New | 100 | 170 | 200 | | |

5.2 Quarterly Targets for 2017/18

| Sub-programme: Infrastructure Assessment and Analysis | | | | | | | | | |
|--|--|------------------|-----------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|
| Strategic Objective 2.1: More effective support and interventions with greater impact on citizen's lives | | | | | | | | | |
| Performance Indicator | | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | | |
| 2.1.1 | Number of approved municipal infrastructure assessments. | Quarterly | 12 | Infrastructure Assessment Reports | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) | |
| | | | | | 2 | 4 | 4 | 2 | |

| Sub-programme: Technical Support | | | | | | | |
|--|------------------|-----------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Strategic Objective 2.2: Improved technical capacity and technical skills in municipalities | | | | | | | |
| Performance Indicator | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | |
| | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) |
| 2.2.1 Number of municipalities with which annual technical support plans are signed and reported against | Annually | 60 | Municipal technical support plans and TSP reports | - | - | - | 60 |
| 2.2.2 Number of municipal sector plans developed or reviewed | Quarterly | 34 | Municipal sector plans | 4 Developed | 8 Developed | 12 Developed | 10 Developed |
| | Quarterly | 26 | Revised Municipal sector plans | 4 Reviewed | 6 Reviewed | 8 Reviewed | 8 Reviewed |
| 2.2.3 Number of municipalities for which Spatial Development Frameworks are developed or reviewed | Quarterly | 14 | Municipal Support Plans and Spatial Development Frameworks | 2 Developed | 4 Developed | 4 Developed | 4 Developed |
| | Quarterly | 13 | Municipal Support Plans and revised Spatial Development Frameworks | 2 Reviewed | 4 Reviewed | 5 Reviewed | 2 Reviewed |
| 2.2.4 Number of municipalities for which Infrastructure Operations and Maintenance Plans are developed. | Quarterly | 15 | Municipal Support and infrastructure Operations and Maintenance Plans | - | 5 | 5 | 5 |
| 2.2.5 Number of municipalities supported with institutional turnaround for water services function | Annually | 3 | Turnaround Strategy, Implementation Plan and Progress Report | - | - | - | 3 |

| Sub-programme: Technical Skills | | | | | | | | | |
|---|--|------------------|-----------------------|---|-----------------------------|---------------------------|---------------------------|----------------------------|--|
| Strategic Objective 3.1: Increase the number of skilled technical professionals and artisans in identified municipalities | | | | | | | | | |
| Performance Indicator | | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | | |
| | | | | | 1 st (Apr – Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan- Mar) | |
| KPI Number | KPI Description | | | | | | | | |
| 3.1.1 | Number of learners provided with apprenticeship training towards meeting the requirements for qualifying as artisans | Annually | 300 | Service Level Agreements with participating municipalities, Learner registration forms for theoretical training, progress reports and learners' attendance registers from municipalities for workplace experience | - | - | - | 300 | |
| 3.1.2 | Number of learners provided with workplace (experiential) training | Annually | 90 | Learner registration forms, progress reports and learners attendance registers from municipalities, SLA with municipalities. | - | - | - | 90 | |
| 3.1.3 | Number of graduates recruited and placed with municipalities for workplace training and/or mentorship towards professional registration. | Annually | 70 | Contracts between MISA and graduates, progress reports on training plans implementation and SLAs with participating municipalities | - | - | - | 70 | |

| Sub-programme: Technical Skills | | | | | | | | |
|--|---|------------------|-----------------------|---|-----------------------------|---------------------------|---------------------------|----------------------------|
| Strategic Objective 3.2: Increase the number of municipal officials with requisite technical capabilities by supporting identified municipalities to recruit skilled personnel | | | | | | | | |
| Performance Indicator | | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | |
| KPI Number | KPI Description | | | | 1 st (Apr – Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan- Mar) |
| 3.1.4 | Number of municipal officials provided with technical skills training | Quarterly | 450 | Attendance registers, progress reports from training providers and progress reports in the implementation of training programme | 100 | 150 | 100 | 100 |
| 3.1.5 | Number of students provided with bursaries for studies in technical professions | Quarterly | 200 | Letters of award and bursary contracts | - | - | - | 200 |
| 3.1.6 | Number of Municipal general workers (Section 28 Apprentices) provided with training | Annually | 20 | Attendance registers, progress reports from training providers and progress reports in the implementation of training programme | - | - | - | 20 |

| Sub-programme: Technical Skills | | | | | | | | | |
|--|---|------------------|---|---|---|---------------------------|---------------------------|----------------------------|--|
| Strategic Objective 3.2: Increase the number of municipal officials with requisite technical capabilities by supporting identified municipalities to recruit skilled personnel | | | | | | | | | |
| Performance Indicator | | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | | |
| | | | | | 1 st (Apr – Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan- Mar) | |
| KPI Number | KPI Description | | | | | | | | |
| 3.2.1 | Approved Capacity Development Framework | Quarterly | One approved Capacity Development Framework | Approved Capacity Development Framework | Approved Capacity Development Framework | - | - | - | |
| 3.2.2 | Number of municipal capacity development plans developed and/or implemented | Quarterly | 7 | Approved Capacity Development Plans and Implementation Reports | - | 7 | 7 | 7 | |
| 3.2.3 | Number of qualified artisans placed in municipalities or private sector companies | Quarterly | 100 | Placement contracts signed between the artisan and municipality | - | 40 | 30 | 30 | |

5.3 Reconciling Performance Targets with the Budget and MTEF

Table 5.3.1: Expenditure estimates – Programme 2: Technical Support Services

| Sub-Programme R Thousand | Audited outcomes | | | Adjusted Appropriation | Medium- Term Expenditure Estimate | | |
|---|------------------|---------------|---------------|------------------------|-----------------------------------|---------------|---------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 2.1: Infrastructure assessment and analysis | New | New | New | New | New | New | New |
| 2.2: Infrastructure Delivery, Maintenance and Stakeholder Coordination | 204889 | 177758 | 154148 | 207341 | 225118 | 180312 | 190259 |
| 2.3: Technical Skills | 21205 | 37563 | 71958 | 74445 | 78162 | 82693 | 87326 |
| Total | 226094 | 215321 | 226106 | 281786 | 303280 | 263005 | 277585 |
| Total | 226094 | 215321 | 226106 | 281786 | 303280 | 263005 | 277585 |
| Change to 2015/16 budget estimate | | | | | | | |
| Current payments | | | | | | | |
| Compensation of employees | 26917 | 34847 | 38991 | 49065 | 102851 | 124271 | 141136 |
| Goods and services: | 199177 | 184251 | 238456 | 232721 | 200429 | 138734 | 136449 |
| Communication | 12 | | | | | | |
| Computer services | | | | | | 2700 | 2851 |
| Consultants, contractors and special services | 179969 | 159782 | 139744 | 194472 | 161200 | 88949 | 84738 |
| Inventory | 51 | | | | | | |
| Maintenance repair and running cost | | | | | | | |
| Operating leases | | | | | | | |
| Travel and subsistence | 9550 | 6793 | 4194 | 12200 | 14060 | 14938 | 15727 |
| Training and staff development | 2525 | 6445 | 37303 | 15000 | 15750 | 16537 | 17364 |
| General/Admin Expenditure | 7070 | 7231 | 5498 | 11049 | 9419 | 15610 | 15769 |
| Interest and rent on land | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | |

6. PROGRAMME 3: INFRASTRUCTURE DELIVERY MANAGEMENT SUPPORT

Purpose: To manage the provision of implementation support services on infrastructure projects, operations and maintenance of municipal infrastructure.

Programme Overview: This is a new programme within MISA. It has been included in the proposed new structure for MISA, based on the refined focus of MISA in the annexure to this APP. The programme's objective is to deliver infrastructure projects on behalf of identified municipalities and provide infrastructure financing, procurement and contract management guidance and advice to municipalities. It will focus on the development of institutional capacity of municipalities to procure and contract manage infrastructure projects efficiently and effectively. Through the Programme, MISA should be able to put in place national transversal/framework contracts for municipal infrastructure goods and services. The Programme consists of the following sub-programmes:

Sub-programme 3.1: Project Management

This sub-programme is responsible for coordinating the provision of technical support to municipalities with regard to project management, infrastructure procurement and contract management processes.

Sub-programme 3.2: Framework Contracts and Infrastructure Procurement

The purpose of this sub-programme is to coordinate the development and implementation of national framework for contracting municipal infrastructure services.

Sub-programme 3.3: Infrastructure Financing

The purpose of this sub-programme is to facilitate processes to support innovation and private sector financing on infrastructure and Municipal Infrastructure Grant (MIG).

6.1 Programme Performance Indicators and Annual Targets

| Framework contracts and infrastructure procurement. | | | | | | | | | | |
|--|--|----------------------------|---------|---------|---------|-------------------------------|---------------------|---------|---------|--|
| Strategic Objective 4.1: More efficient and effective municipal infrastructure procurement | | | | | | | | | | |
| Programme Performance Indicator | | Audited/Actual Performance | | | | Estimated Performance 2016/17 | Medium-term Targets | | | |
| | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | 2017/18 | 2018/19 | 2019/20 | |
| 4.1.1 | Number of national framework contracts for municipal infrastructure goods and services concluded | - | - | - | 1 | 2 | 3 | 4 | | |

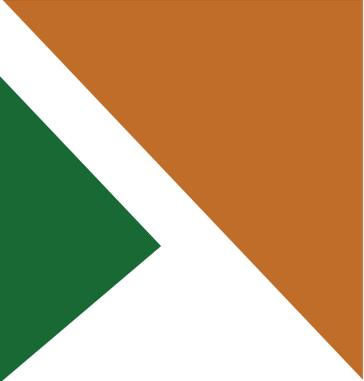
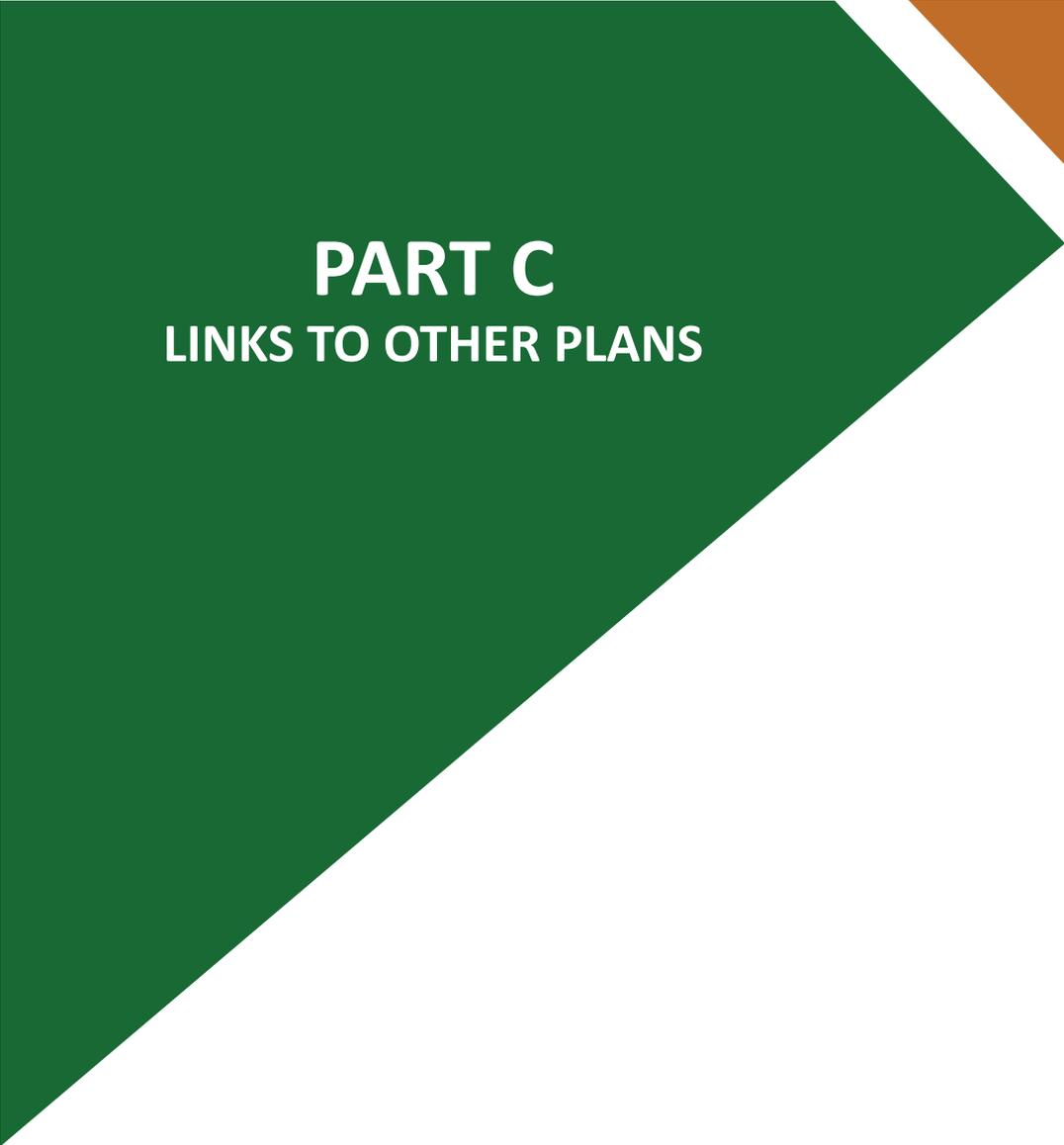
6.2 Quarterly Targets for 2017/18

| Framework contracts and infrastructure procurement. | | | | | | | | | |
|--|--|------------------|-----------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|--|
| Strategic Objective 4.1: More efficient and effective municipal infrastructure procurement | | | | | | | | | |
| Performance Indicator | | Reporting Period | Annual Target 2017/18 | Means of Verification | Quarterly Targets | | | | |
| | | | | | 1 st (Apr-Jun) | 2 nd (Jul-Sep) | 3 rd (Oct-Dec) | 4 th (Jan-Mar) | |
| 4.1.1.1 | Number of national framework contracts for municipal infrastructure goods and services concluded | New Indicator | 2 | Concluded national framework contracts | - | - | - | 2 | |

6.3 Reconciling Performance Targets with the Budget and MTEF

Table 6.3.1: Expenditure estimates – Programme 4: Infrastructure Delivery Management Support

| Sub-Programme R Thousand | Audited Outcomes | | | Adjusted Appropriation | Medium-Term Expenditure Estimates | | |
|--|------------------|----------|----------|---------------------------|-----------------------------------|--------------|--------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2017/18 | 2018/19 |
| Project Management Office | | | | New | | | |
| Framework Contracts and Infrastructure Procurement | | | | New | 6700 | 12582 | 13236 |
| Infrastructure Financing | | | | New | | | |
| Total | 0 | 0 | 0 | | 6700 | 12582 | 13236 |
| Change to 2015/16 budget estimate | | | | | | | |
| Current payments | | | | | | | |
| Compensation of employees | | | | | 1400 | 2400 | 3500 |
| Goods and services: | | | | | 5300 | 10182 | 9736 |
| Communication | | | | | | | |
| Computer services | | | | | | | |
| Consultants, contractors and special services | | | | | 5300 | 10182 | 9736 |
| Inventory | | | | | | | |
| Maintenance repair and running cost | | | | | | | |
| Operating leases | | | | | | | |
| Travel and subsistence | | | | | | | |
| Training and staff development | | | | | | | |
| General/Admin Expenditure | | | | | | | |
| Interest and rent on land | | | | | | | |
| Financial transactions in assets and liabilities | | | | | | | |



PART C
LINKS TO OTHER PLANS

7. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

MISA's support plans are informed by the Integrated Development Plans (IDPs) and Service Delivery and Budget Implementation Plans (SDBIPs) of municipalities that are identified for support. Focus is currently on the 27 Priority District Municipalities identified by Cabinet for eradication of service delivery infrastructure backlogs. District support plans have been developed and their on-going implementation in support of targeted municipalities will continue during the 2017/18 financial year. In doing so, MISA will also prioritise dysfunctional municipalities identified through the Back to Basics Programmes.

The Skills Training and Development Sub-programme is aligned with government's objectives to increase the pool of technically qualified personnel in municipalities, with the view to improving infrastructure delivery and management as well as general delivery of basic services. The Sector-wide Capacity Development Sub-programme aligns government interventions, and those by other stakeholders, to maximise technical capacity in the local government sector.

8. CONDITIONAL GRANTS

MISA will be responsible for supporting municipalities in the implementation of infrastructure development projects funded through the Municipal Infrastructure Support Grant (MIG). This role will entail coordination of the process of developing MIG Policy and monitoring the development of infrastructure through MIG.

9. PUBLIC ENTITIES

MISA will not be responsible for overseeing any public entity in the 2017/18 financial year.

10. PUBLIC-PRIVATE PARTNERSHIPS

MISA will not be involved in any public-private partnership in the 2017/18 financial year.



ANNEXURE A

MANDATE AND STRATEGIC INTENT

MISA's Mandate

MISA has been mandated to render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning. MISA is expected to execute this mandate by performing the following functions:

- *Supporting municipalities to conduct effective infrastructure planning to achieve sustainable service delivery;*
- *Supporting and assisting municipalities with the implementation of infrastructure projects as determined by the municipal integrated development plans (IDPs);*
- *Supporting and assisting municipalities with the operation and maintenance of municipal infrastructure;*
- *Building the capacity of municipalities to undertake effective planning, delivery, operations and management of municipal infrastructure; and*
- *Performing any function that may be deemed ancillary to those listed above.*

Vision

Our vision is to strive for sustainable municipal infrastructure and service delivery

Mission

Our mission is to render technical advice and support to municipalities to enable them to optimise municipal infrastructure provisioning. By optimising the provision of infrastructure, municipalities will be able to deliver municipal services to the right quality and standards.

Organisational Values

Guided by the spirit of Batho Pele, our values are:

- Commitment to public service;
- Integrity and dedication to fighting corruption;
- A hands-on approach to dealing with local challenges;
- Public participation and people centered approach;
- Professionalism and goal orientation;
- Passion to serve; and
- Excellence and accountability.

Strategic Outcome Oriented Goals

MISA strives to attain the following strategic outcome oriented goals and strategic objectives:

Goal 1: Refocus and strengthen the capacity of MISA to deliver on its mandate

Strategic Objective 1.1: Improve the usefulness and reliability of performance information

Strategic Objective 1.2: Improve the effectiveness of internal controls, risk management and

Strategic Objective 1.3: Provide effective and efficient corporate governance, financial and legal support services for MISA to deliver on its mandate

Goal 2: Ensure significant improvements in service delivery through sound infrastructure management

Strategic Objective 2.1: More effective support and interventions with greater impact on citizen's lives

Strategic Objective 2.2: Improved technical capacity and enhanced technical skills in municipalities

Goal 3: Improving technical capabilities in identified municipalities for effective and efficient delivery and management of municipal infrastructure

Strategic Objective 3.1: Increase the number of skilled technical professionals and artisans in identified municipalities

Strategic Objective 3.2: To coordinate and ensure the implementation of a strategic approach to the development of technical capacity in the sector

Goal 4: Ensure sustainable improvement in municipal infrastructure delivery through infrastructure procurement, financing, contract management and development of Institutional Capacity of municipalities to procure and contract manage infrastructure projects

Strategic Objective 4.1: Provide infrastructure planning, procurement and contract management capacity and services to identified municipalities

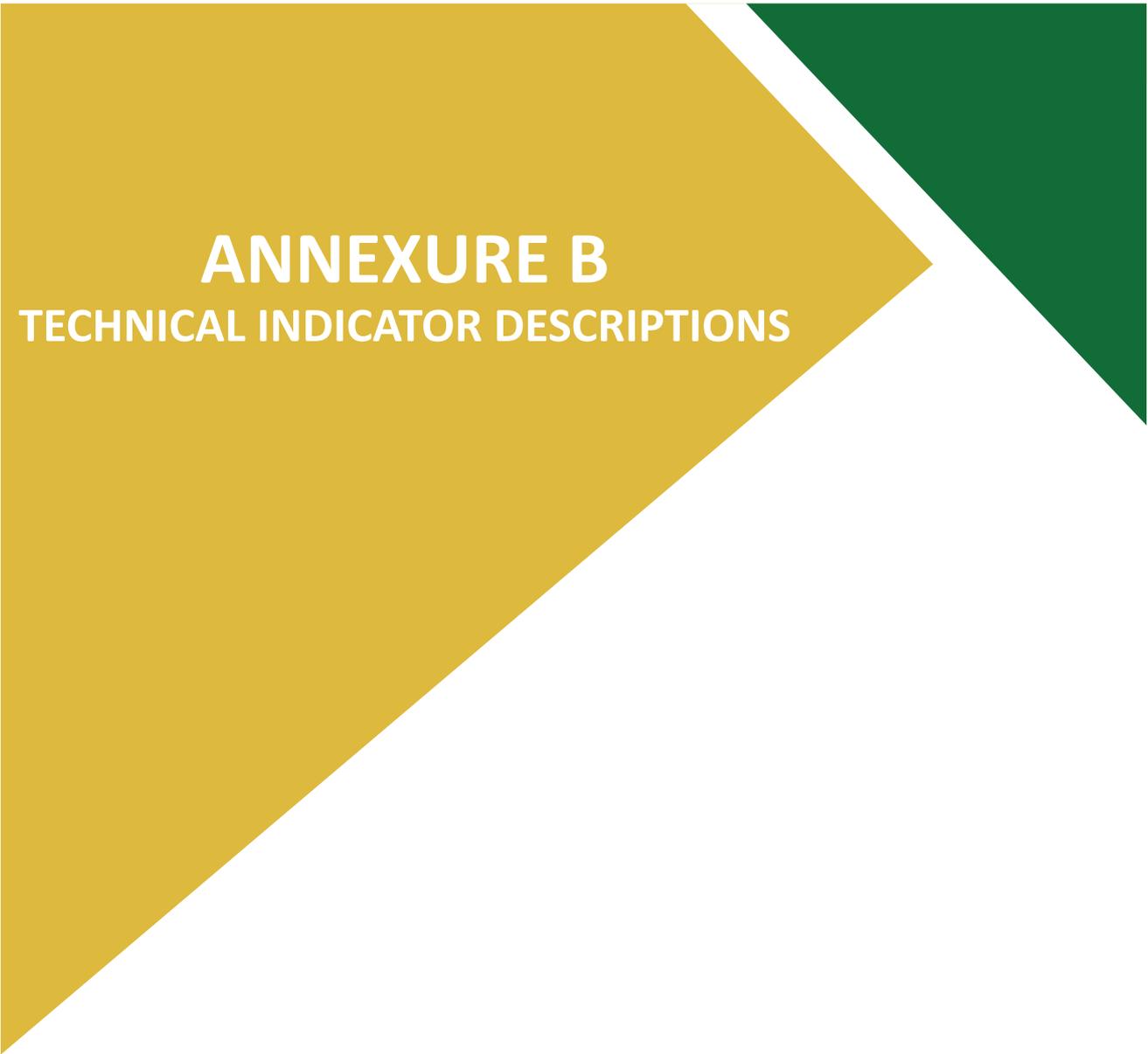
Strategic Objective 4.2: Facilitate private sector financing for municipal infrastructure projects

Budget Programmes

Based on its mandate and the recommendations of the Refining the Focus of MISA document (See Annexure C), the following changes have been made to the Budget Programme Structure of MISA:

- Old Budget Programme Structure:
 - o Programme 1: Administration;
 - o Programme 2: Municipal and Sectoral Technical Support;
 - o Programme 3: Capacity Development; and
 - o Programme 4: Strategic Support Services.

- New Budget Programme Structure:
 - o Programme 1: Administration;
 - o Programme 2: Technical Support Services; and
 - o Programme 3: Infrastructure Delivery Management Support.



ANNEXURE B

TECHNICAL INDICATOR DESCRIPTIONS

1. PROGRAMME 1: ADMINISTRATION

Sub-programme: Executive Support, Strategy and Systems

Executive and Administrative Support, Strategic Planning, and Monitoring & Evaluation

| | |
|----------------------------------|--|
| Indicator title | Programme performance indicator 1.1.1: Strategic Plan and/or Annual Performance Plan (APP) compiled, approved by Executive Authority and submitted to Parliament in line with the National Treasury guidelines, including within National Treasury stipulated timelines |
| Short definition | The 2017/18 APP compiled in line with National Treasury guidelines. APP to be approved by the Executive Authority and submitted to Parliament and the National Treasury within stipulated timelines. |
| Purpose/importance | To ensure systematic continuation of implementation of the Strategic Plan and the political priorities of government. |
| Source/collection of data | Approved APP, process flow report and registers/proofs of submission. |
| Method of calculation | Simple counting of number of Strategic Plans and/or Annual Performance Plans compiled, approved and submitted to Parliament |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | Draft APP and final APP approved and submitted in terms of National Treasury guidelines |
| Indicator responsibility | Head: Planning, Monitoring and Evaluation |

| | |
|----------------------------------|---|
| Indicator title | Programme performance indicator 1.1.2: Number of performance reports produced in terms of National Treasury guidelines and timeframes and approved by the Accounting Officer or Executive Authority |
| Short definition | Six performance reports will be produced in accordance with National Treasury guidelines; namely four Quarterly Performance Reports (including the fourth quarter performance report from the 2015/16 financial year), one Annual Performance Information Report (to be submitted with the Annual Financial Statements on the by the 31 st of May 2016) and the 2015/16 Annual Report. The documents will be produced at different stages in accordance with National Treasury guidelines. |
| Purpose/importance | To ensure that MISA, through the Accounting Officer, reports to the Executive Authority on performance and the Executive Authority accounts to Parliament on MISA's performance. |
| Source/collection of data | Approved reports and proofs of submission. |
| Method of calculation | Simple counting of performance reports approved and submitted |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | All reports produced and submitted in terms of National Treasury guidelines |
| Indicator responsibility | Head: Planning, Monitoring and Evaluation |

| | |
|----------------------------------|---|
| Indicator title | Programme performance indicator 1.1.3: Number of approved Programme and/or Project Monitoring & Evaluation reports per year as per approved Monitoring and Evaluation Plan |
| Short definition | Formal Monitoring and/or evaluation of programmes and/or projects conducted by the Monitoring and Evaluation Unit in accordance with the M&E Plan approved by the Head: Monitoring and Evaluation. The monitoring and evaluation reports are approved by the Accounting Officer. |
| Purpose/importance | The make sure that MISA's programmes and projects are implemented according to plan and remain on course towards achieving predetermined objectives. Monitoring and evaluation reports will be used for management decision making and implementing corrective measures, where necessary. |
| Source/collection of data | Approved programme or project monitoring and evaluation reports |
| Method of calculation | Simple counting |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | To conduct four monitoring/evaluation projects or a slightly higher number of projects |
| Indicator responsibility | Head: Monitoring and Evaluation |

Internal Audit and Risk Management

| | |
|----------------------------------|--|
| Indicator title | Programme performance indicator 1.2.1: Approved Risk Register |
| Short definition | Risk register approved by the Risk Management Committee to identify risks and implement mitigating actions |
| Purpose/importance | To identify and mitigate risks that might hamper achievement of organisational objectives |
| Source/collection of data | Approved risk register and minutes of Risk Management Committee meetings |
| Method of calculation | Simple count and verification of existence of updated risk register and minutes proving approval by Risk Committee |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Annually |
| New indicator | No |
| Desired performance | Risk Register updated and approved by Risk Management Committee by 31 March 2016 |
| Indicator responsibility | Head: Internal Audit and Risk Management |

| | |
|----------------------------------|--|
| Indicator title | Programme performance indicator 1.2.2: Number of risk monitoring reports submitted to the Audit Committee |
| Short definition | Risk monitoring reports on monitoring and implementation of risk management submitted to the Audit Committee |
| Purpose/importance | To identify and manage risks |
| Source/collection of data | Quarterly risk reports and proof of submission to Audit Committee |
| Method of calculation | Simple count and verification of the presence of quarterly reports and proof of submission to Audit Committee. |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | Produce and submit four reports to Audit Committee |
| Indicator responsibility | Head: Internal Audit and Risk Management |

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| Indicator title | Programme performance indicator 1.2.3: 3-year rolling strategic internal audit plan and annual coverage plan submitted to the Audit Committee |
| Short definition | A systematic way of rolling out internal audit activities with a forward looking plan and an annual implementation plan for the current year. |
| Purpose/importance | To progressively evaluate the effectiveness of internal controls |
| Source/collection of data | Proof of submission of 3-year strategic internal audit plan and annual audit plan to the audit committee and audit committee minutes |
| Method of calculation | Simple count and verification of existence of the plan and verification of submission to the Audit Committee within the prescribed time frame. |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Annually |
| New indicator | No |
| Desired performance | Produce a 3-year rolling strategic internal audit plan and an annual implementation audit plan and submit to Audit Committee by June 2016 |
| Indicator responsibility | Head: Internal Audit and Risk Management |

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| Indicator title | Programme performance indicator 1.2.4: Number of progress reports against the annual audit coverage plan submitted to the Audit Committee. |
| Short definition | Indicator of whether the annual internal audit plan is implemented |
| Purpose/importance | To provide reports to Management and the Audit Committee about the status of management practices |
| Source/collection of data | Internal Audit Plan; progress reports and minutes of the Audit Committee |
| Method of calculation | Simple count and verification of the number of reports produced and proof of submission to the Audit Committee |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | Produce and submit four internal audit reports to the Audit Committee |
| Indicator responsibility | Head: Internal Audit and Risk Management |

Sub-programme: Corporate Management Services: Human Resource Management

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|----------------------------------|---|
| Indicator title | Programme performance indicator 1.3.1: Percentage of performance agreements, reviews and assessments concluded on time |
| Short definition | To ensure improvements in the completion and submission of performance agreements in terms of both quality and compliance to deadlines as set in the Performance Management and Development System framework. |
| Purpose/importance | To ensure a more systematic way of holding all staff members accountable for the implementation of the APP whilst ensuring personnel development |
| Source/collection of data | Fully completed and signed performance agreements and assessment forms with signature dates in compliance with timeframes set by the Performance Management and Development System framework. Register of compliance. |
| Method of calculation | Number of performance agreements, reviews and assessments concluded on time divided by the total number of agreements, reviews and assessments multiplied by 100. |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | 95% of all staff members complete and sign performance agreements and performance assessment forms by due dates. |
| Indicator responsibility | Head: Corporate and Financial Services |

Information and Communications Technology

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| Indicator title | Programme performance indicator 1.3.2: ICT Implementation plan approved and implemented |
| Short definition | This indicator is to ensure that MISA ICT implement the projects and systems that are aligned and support MISA programmes. It further ensure that end-users of ICT Network Infrastructure and applications are supported. |
| Purpose/importance | This performance indicator ensure that ICT implement projects which are aligned to MISA business and measures the availability and security of IT services. |
| Source/collection of data | Quarterly ICT progress implementation report approved by head of corporate services and IT support services reports on the availability of MISA ICT Network and application systems logged through ICT Helpdesk |
| Method of calculation | Progress against the implementation of ICT Plan |
| Data limitations | Third party connectivity and support such as internet services provider and application providers |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | Yes |
| Desired performance | Implementation of reliable and secured network infrastructure and application systems to support MISA core functions |
| Indicator responsibility | Head: Corporate services |

Vendor and Legal Services

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| Indicator title | Programme performance indicator 1.3.3: Percentage of internal requests for which legal opinions are provided within 15 days for cases not requiring external legal expertise (i.e. routine internal requests) |
| Short definition | The indicator aims to ensure that legal risks are managed effectively |
| Purpose/importance | The indicator is intended to achieve effective and efficient provision of legal support services |
| Source/collection of data | MISA approved contract management SOPs and precedents of contracts, legal opinions and MOUs |
| Method of calculation | Simple count of internal requests which were responded to within 15 days divided by total number of internal requests received, multiplied by 100 |
| Data limitations | No limitations |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | Same from the previous FY |
| Desired performance | Avoidance of legal risks and full compliance with legislative framework |
| Indicator responsibility | Head: Corporate and Financial Services |

Sub-programme: Management Services

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|----------------------------------|--|
| Indicator title | Programme performance indicator 1.3.4: Percentage of adjusted budget spent by the end of the financial year |
| Short definition | Indicator of whether the organisation is monitoring expenditure versus budget |
| Purpose/importance | To ensure that MISA spends the budget in order to achieve its strategic objectives |
| Source/collection of data | Expenditure reports approved by the Chief Financial Officer |
| Method of calculation | Budget spent as a percentage of approved drawings |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Cumulative |
| Reporting cycle | Annual |
| New indicator | No |
| Desired performance | Achieve at least 98% by the end of the financial year |
| Indicator responsibility | Head: Corporate and Financial Services |

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|----------------------------------|--|
| Indicator title | Programme performance indicator 1.3.5: Unqualified audit opinion over the annual financial statements |
| Short definition | The audit opinion indicates whether in the opinion of the Auditor General, the AFS fairly present the financial performance in terms of the financial reporting framework. |
| Purpose/importance | To assess the level of compliance with legislation, regulations and accounting standards |
| Source/collection of data | Audited annual financial statements and Auditor-General report |
| Method of calculation | Auditor-General audit outcomes report indicating unqualified audit opinion |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Annual |
| New indicator | No |
| Desired performance | Achieve unqualified audit opinion on financial statements in the annual report |
| Indicator responsibility | Head: Corporate and Financial Services |

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| Indicator title | Programme performance indicator 1.3.6:Approved Procurement Plan |
| Short definition | This indicator maps out the list of projects that each programme in MISA intends to undertake during each financial year in line with the approved budget. The procurement plan is approved by the Chief Executive Officer of MISA. |
| Purpose/importance | The indicator ensures that programmes spend according to the budget allocated in order to fulfil the MISA performance objectives and enables procurement to be planned well in advance. |
| Source/collection of data | Existence of Procurement Plan signed by the Accounting Officer and proof of submission to National Treasury on time in terms of National Treasury deadlines |
| Method of calculation | None |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Annual |
| New indicator | New |
| Desired performance | Production of Procurement Plan and submission to National Treasury on time |
| Indicator responsibility | Head: Corporate and Financial Services |

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|----------------------------------|---|
| Indicator title | Programme performance indicator 1.3.7:Quarterly verifications of asset register |
| Short definition | Complete asset register that is verified on a quarterly basis. The verification reports are signed off by the CFO |
| Purpose/importance | To ensure that MISA maintains an updated and compliant asset register. Maintenance will be conducted through performing quarterly asset verifications |
| Source/collection of data | Asset verification reports |
| Method of calculation | Simple count of verification reports |
| Data limitations | None |
| Type of indicator | Output Indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | New |
| Desired performance | An up to date asset register |
| Indicator responsibility | Head: Corporate and Financial Services |

2. PROGRAMME 2: TECHNICAL SUPPORT SERVICES

Sub-programme: Infrastructure Assessment and Analysis

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|----------------------------------|---|
| Indicator title | Programme performance indicator 2.1.1: Number of approved municipal infrastructure assessments. |
| Short definition | MISA technical consultants and/or MISA appointed service providers conduct assessments and analysis of municipal infrastructure challenges in particular geographic areas and infrastructure sectors. |
| Purpose/importance | To identify key challenges in improving basic municipal service delivery and to propose actions to address the challenges. This work is part of Outcome 9 and MTSF targets. |
| Source/collection of data | Census, IDP, SDBIP, Budgets and Expenditure reports, Sector Development Plans, municipal asset registers. |
| Method of calculation | Counting number of assessment reports signed off by the Head of Technical Support |
| Data limitations | Incomplete municipal asset registers, lack of data in some sectors, lack of up to date information. |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | Yes |
| Desired performance | Assessment reports approved by CEO |
| Indicator responsibility | Head of Division: Technical Support |

Sub-programme: Infrastructure Delivery, Maintenance and Stakeholder Coordination

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|----------------------------------|--|
| Indicator title | Programme performance indicator 2.2.1: Number of municipalities with which annual technical support plans are signed and reported against |
| Short definition | MISA technical consultants provide advice and other forms of technical support to municipalities to assist them to plan, and/or deliver, and/or maintain municipal infrastructure, i.e. roads, storm water, water, waste water, sanitation, energy, human settlements and waste management |
| Purpose/importance | To improve basic services infrastructure delivery |
| Source/collection of data | An annual Technical Support Plan (TSP) signed by the Head: MSTs and the Municipality; and quarterly progress reports against the TSP approved by the Head: Technical Support |
| Method of calculation | Simple count of number of municipalities with which annual technical support plans are signed and reported against |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Annually |
| New indicator | No, with minor modifications |
| Desired performance | Technical support plan targets fully met |
| Indicator responsibility | Head of Division: Technical Support |

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|----------------------------------|--|
| Indicator title | Programme performance indicator 2.2.2: Number of municipal sector plans developed or reviewed |
| Short definition | MISA technical consultants or MISA appointed service providers assist municipalities to put in place or review sector plans for municipal services such as roads, storm water, water and sanitation, energy, human settlements, LED, revenue enhancement plans, environmental management plans, disaster management plans and waste management plans |
| Purpose/importance | Improved infrastructure planning and implementation |
| Source/collection of data | An annual Technical Support Plan (TSP) signed by the Head: MSTs and the Municipality, which includes support for the development of at least one infrastructure master plan; and quarterly progress reports against the TSP approved by the Head: MSTs or ToR and award letter |
| Method of calculation | Simple count of municipalities for which municipal infrastructure master plans are developed or reviewed |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non –cumulative |
| Reporting cycle | Quarterly |
| New indicator | No with minor modification |
| Desired performance | Technical support plan targets fully met |
| Indicator responsibility | Head of Division: Technical Support |

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|----------------------------------|--|
| Indicator title | Programme performance indicator 2.2.3: Number of municipalities for which Spatial Development Frameworks are developed or reviewed. |
| Short definition | MISA technical consultants or appointed service providers assist municipalities to develop or review and update develop Spatial Development Frameworks (SDFs), Land Use Management Systems which could include the following: procedures for municipal planning tribunals, municipal planning by-laws, land audits, land use schemes inclusive of register land use and zoning plans |
| Purpose/importance | Compliance with SPLUMA |
| Source/collection of data | An annual Technical Support Plan (TSP) signed by the Head: MSTs and the Municipality, which includes support for at least one aspect of SPLUMA compliance; and quarterly progress reports against the TSP approved by the Head: MSTs |
| Method of calculation | Simple count of municipalities for which Spatial Development Frameworks, Land Use Management Schemes and land audits are developed or reviewed |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non- cumulative |
| Reporting cycle | Quarterly |
| New indicator | No with minor modification |
| Desired performance | Technical support plan targets fully met |
| Indicator responsibility | Head of Division: Technical Support |

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|----------------------------------|--|
| Indicator title | Programme performance indicator 2.2.4: Number of municipalities for which Infrastructure Operations and Maintenance Plans are developed. |
| Short definition | MISA technical consultants or appointed service providers assist municipalities to develop or review and update infrastructure operations and maintenance plans. |
| Purpose/importance | Improved operations and maintenance of infrastructure |
| Source/collection of data | An annual Technical Support Plan (TSP) signed by the Head: Technical Support and the Municipality, which includes support for the development or review of at least one Infrastructure Operations and Maintenance Plan, and/or policy and/or procedure; and quarterly progress reports against the TSP approved by the Head: Technical Support |
| Method of calculation | Simple count of municipalities for which Infrastructure Operations and Maintenance Plans, and/or policies and/or procedures are developed or reviewed. |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No with minor modifications |
| Desired performance | Technical support plan targets fully met |
| Indicator responsibility | Head of Division: Technical Support |

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|----------------------------------|--|
| Indicator title | Programme performance indicator 2.2.5: Number of municipalities supported with institutional turnaround for water services function |
| Short definition | MISA appoints regional management support contractors to assist municipalities to improve all aspects of basic municipal service delivery focussing on the water services function. The notion of regions is as explained in the business plan for the RMSC programme that was submitted to National Treasury for funding. |
| Purpose/importance | The programme is aimed at improving the delivery of water services in municipalities |
| Source/collection of data | Signed contract document between MISA and the appointed service provider, turnaround strategies and implementation plans, as well as implementation progress reports approved by the Head: Technical Support Services |
| Method of calculation | Simple count of turnaround strategies, implementation plans and progress reports in the implementation of the plans |
| Data limitations | None |
| Type of indicator | Output indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Annually |
| New indicator | Yes |
| Desired performance | RMSC Programme implemented in at least one region |
| Indicator responsibility | Head of Division: Technical Support Services |

Sub-programme: Technical Skills

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|-----------------------------------|---|
| Indicator Title | Programme performance indicator 3.1.1: Number of learners provided with apprenticeship training towards meeting the requirements for qualifying as artisans |
| Short Definition | Facilitation of the recruitment and placement of apprentices in municipalities and/or other entities for workplace experience and/or theoretical training with accredited training centres. Workplace experience and theoretical training are components of an apprenticeship towards qualifying as an artisan through obtaining a trade certificate (as defined by the Department of Labour). Apprentices' stipends and other training related costs are to be funded by MISA. |
| Purpose/Importance | To contribute to the creation of a pool of qualified artisans in critical technical skills for local government. |
| Source/ Collection of Data | Learner registration forms for theoretical training, progress reports and learners' attendance registers from municipalities for workplace experience, SLA with municipalities for workplace experience. |
| Method of Calculation | Simple Count of number of apprentices provided with workplace experience and/or theoretical training. |
| Data Limitations | No specific limitations |
| Type of Indicator | Output Indicator |
| Calculation Type | Non- Cumulative |
| Reporting Cycle | Annually |
| New Indicator | No |
| Desired Performance | 100% achievement of the target |
| Indicator Responsibility | Head: Capacity Building |

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|-----------------------------------|--|
| Indicator Title | Programme performance indicator 3.1.2: Number of learners provided with workplace (experiential) training |
| Short Definition | Facilitation of workplace opportunities in suitable municipalities for learners in identified technical disciplines to undergo experiential learning in order to meet the requirements of formal learnerships as defined by the Department of Labour and/or their training institutions. |
| Purpose/Importance | To create a pool of individuals qualified in critical technical disciplines for local government and offer opportunities for their employment in host and other municipalities to improve the delivery and management of municipal infrastructure. MISA will provide monthly stipends for the experiential learners. |
| Source/ Collection of Data | Learner registration forms, progress reports and learners attendance registers from municipalities, SLA with municipalities. |
| Method of Calculation | Simple count of number of learners provided with workplace (experiential) training |
| Data Limitations | No specific limitations |
| Type of Indicator | Output indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Annually |
| New Indicator | No |
| Desired Performance | 100% achievement as per the target |
| Indicator Responsibility | Head: Capacity Building |

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|-----------------------------------|---|
| Indicator Title | Programme performance indicator 3.1.3: Number of graduates recruited and placed with municipalities for workplace training and/or mentorship towards professional registration. |
| Short Definition | To facilitate opportunities for workplace experience and/or mentorship for graduates (i.e. graduates of tertiary educational institutions) towards meeting the requirements for professional registration as set by the relevant recognised professional bodies (such as the South African Institute of Civil Engineers). MISA will provide stipends and other training related costs to the young graduates. |
| Purpose/Importance | Municipalities have a shortage of professionally registered technical employees. Providing this workplace. This initiative is aimed at alleviating this shortage. |
| Source/ Collection of Data | Contracts with graduates, progress reports on implementation of training and/or mentorship plans, SLAs with participating municipalities and progress reports on training and/or mentorship plans. |
| Method of Calculation | Simple count of number of graduates recruited and placed with municipalities |
| Data Limitations | No specific limitations |
| Type of Indicator | Output indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Annually |
| New Indicator | No |
| Desired Performance | Desired performance should match the targeted performance. (ie. 100% achievement of the target) |
| Indicator Responsibility | Head: Capacity Building |

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|----------------------------------|---|
| Indicator title | Programme Performance Indicator 3.1.4: Number of municipal officials provided with technical skills training |
| Short definition | Facilitating training for municipal technical officials to improve their skills for effective and efficient delivery and management of municipal infrastructure. MISA will appoint training service providers and take care of training related costs (excluding transport and accommodation for municipal officials attending training) |
| Purpose/importance | To address the shortage of priority technical skills in municipalities. Municipal officials who are already professionally registered will benefit through earning continuing professional development (CPD) points to retain their professional registration whilst unregistered officials will be supported through training programmes aimed at improving their competency levels. Officials without minimum academic qualifications will be supported to improve their academic qualifications in compliance with the requirements of relevant professional bodies. |
| Source/collection of data | Attendance registers, progress reports from training providers and progress reports on the implementation of training programme |
| Method of calculation | Simple count of number of municipal officials provided with technical skills training |
| Data limitations | No specific limitations |
| Type of indicator | Output Indicator |
| Calculation type | Non-cumulative |
| Reporting cycle | Quarterly |
| New indicator | No |
| Desired performance | Actual performance should match the targeted performance. |
| Indicator responsibility | Head: Technical Skills |

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|-----------------------------------|--|
| Indicator Title | Programme performance indicator 3.1.5: Number of students provided with bursaries for studies in technical professions |
| Short Definition | Providing bursary funding for qualifying students pursuing tertiary qualifications in technical disciplines with the view to creating a pipeline of technically skilled individuals for local government |
| Purpose/Importance | To expand a pool of individuals with technical skills that are critical for effective and efficient delivery and management of municipal infrastructure. |
| Source/ Collection of Data | Letters of bursary award and bursary contracts for all bursary holders (no students are given more than one bursary in a particular year) |
| Method of Calculation | Simple count of number of bursary awards (which is equal to the number of students awarded bursaries) |
| Data Limitations | No specific limitations |
| Type of Indicator | Output Indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Annually |
| New Indicator | No |
| Desired Performance | Actual performance should match the targeted performance |
| Indicator Responsibility | Head: Capacity Building |

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|-----------------------------------|--|
| Indicator Title | Programme performance indicator 3.1.6: Number of Municipal general workers (Section 28 Apprentices) provided with training |
| Short Definition | To provide opportunities for municipal general workers in infrastructure related divisions to receive formal training and/or to be trade tested to qualify as artisans through the recognition of prior learning programme |
| Purpose/Importance | To give recognition to experienced municipal general workers who don't have formal qualifications for the work they do |
| Source/ Collection of Data | Lists of section 28 learners registered with the LGSETA and the Technical Vocational education and Training colleges. |
| Method of Calculation | Simple count of number of municipal general workers afforded the opportunity |
| Data Limitations | No specific limitations |
| Type of Indicator | Output Indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Annually |
| New Indicator | Yes |
| Desired Performance | Actual performance should match the targeted performance |
| Indicator Responsibility | Head: Capacity Building |

Sector-wide Technical Capacity Development

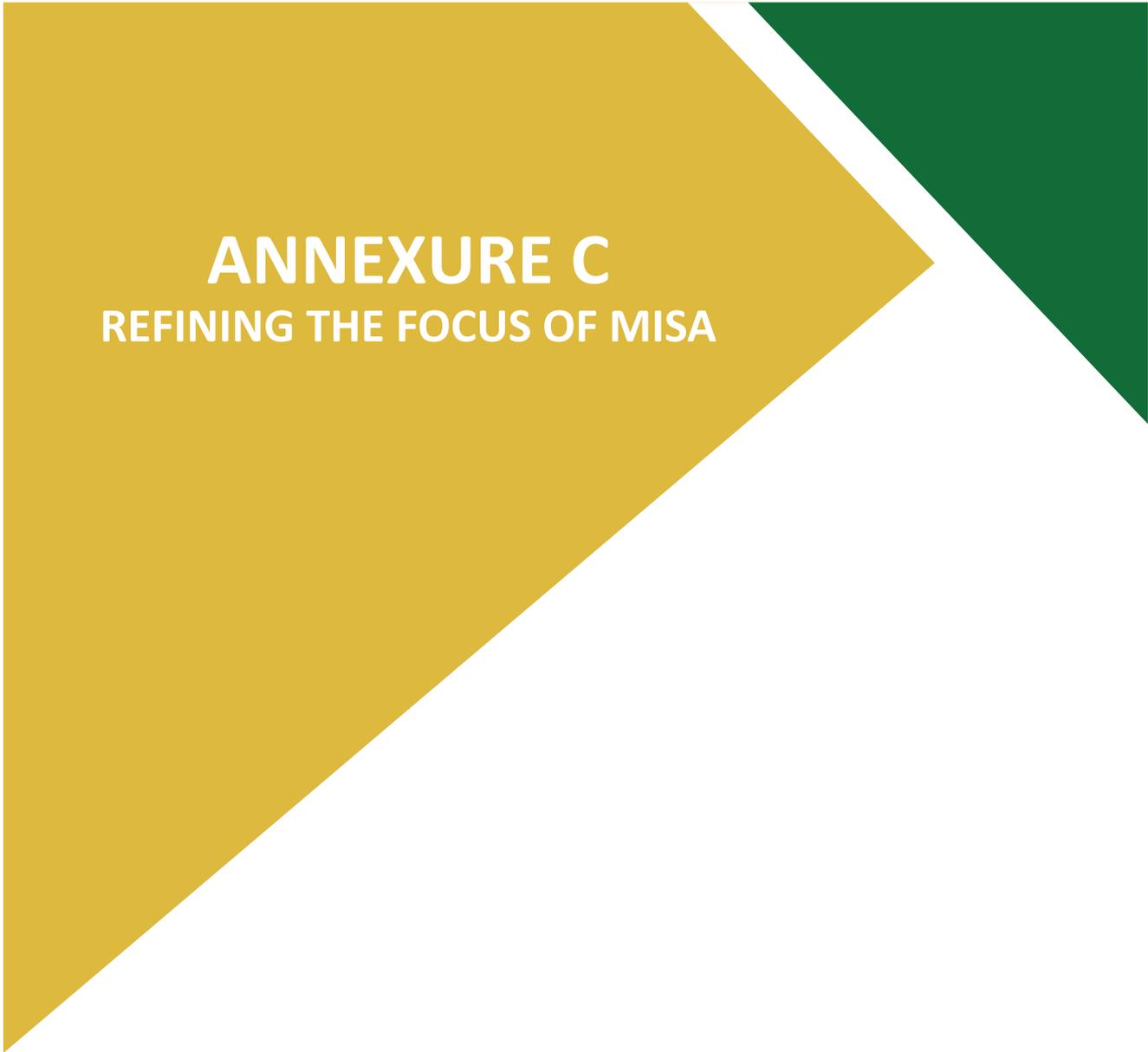
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|-----------------------------------|---|
| Indicator Title | Programme performance indicator 3.2.1: Approved Capacity Development Framework |
| Short Definition | To coordinate and mobilise local government stakeholders for the purposes of developing a sector-wide technical capacity development framework. |
| Purpose/Importance | To provide national tools and guidelines towards supporting municipalities with the development and implementation of municipal technical capacity development plans. |
| Source/ Collection of Data | Capacity Development Framework |
| Method of Calculation | Simple count |
| Data Limitations | None |
| Type of Indicator | Output indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Quarterly |
| New Indicator | Yes |
| Desired Performance | Approved Capacity Development Framework |
| Indicator Responsibility | Head: Capacity Building |

| | |
|-----------------------------------|---|
| Indicator Title | Programme performance indicator 3.2.2: Number of municipal capacity development plans developed and/or implemented |
| Short Definition | To support municipalities with the development and implementation of municipal capacity development plans |
| Purpose/Importance | To ensure systematic and coordinated support to municipalities towards improving technical capacity in municipalities |
| Source/ Collection of Data | Municipal capacity development and implementation plans approved by MISA |
| Method of Calculation | Simple count |
| Data Limitations | None |
| Type of Indicator | Output indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Quarterly |
| New Indicator | Yes |
| Desired Performance | 100% achievement of annual target |
| Indicator Responsibility | Head: Capacity Building |

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|-----------------------------------|--|
| Indicator Title | Programme performance indicator 3.2.3: Number of qualified artisans placed in municipalities or private sector companies |
| Short Definition | Facilitation of the recruitment and placement of qualified artisans in municipalities or other entities within and outside the public sector |
| Purpose/Importance | To ensure systematic and coordinated support to municipalities towards improving technical capacity in municipalities |
| Source/ Collection of Data | Placement contracts signed between the artisan and municipality |
| Method of Calculation | Simple count |
| Data Limitations | None |
| Type of Indicator | Output indicator |
| Calculation Type | Non-cumulative |
| Reporting Cycle | Quarterly |
| New Indicator | Yes |
| Desired Performance | 100% achievement of annual target |
| Indicator Responsibility | Head: Technical Skills |

3. PROGRAMME 3: INFRASTRUCTURE DELIVERY MANAGEMENT SUPPORT

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|----------------------------------|--|
| Indicator title | Programme Performance Indicator 4.1.1: Number of national framework contracts for municipal infrastructure goods and services concluded |
| Short definition | To conclude national framework contracts for certain categories of municipal infrastructure goods or services, for example, for electrical power transformers or for managing contractors for water and sanitation works. Concluding a framework contract for a particular category of municipal goods or services means managing a tender process and awarding the tender to one or more contractors or suppliers. Once the framework contracts are in place, municipalities will be able to place orders against them. |
| Purpose/importance | Municipalities are provided with a faster, more effective and more economical procurement and contracting mechanism for municipal infrastructure goods and services |
| Source/collection of data | Signed contracts with service providers for a particular category of municipal infrastructure goods or services. |
| Method of calculation | Simple count of national framework contracts for municipal infrastructure goods and services concluded |
| Data limitations | None |
| Type of indicator | Output |
| Calculation type | Non-cumulative |
| Reporting cycle | Annually |
| New indicator | No |
| Desired performance | To meet the set target for the number of framework contracts put in place |
| Indicator responsibility | Head: Infrastructure Delivery Management Support |



ANNEXURE C
REFINING THE FOCUS OF MISA

REFINING THE FOCUS OF MISA

1. Summary of proposals for refining the focus and functions of MISA.

In future, the main functions of MISA should be to:

- Facilitate the development of municipal infrastructure plans which are informed by spatial development plans and minimum standards for access to basic services
- Provide technical support of a specified duration to prioritised municipalities (low capacity municipalities prioritised in terms of COGTA programmes) to plan, deliver, operate and maintain infrastructure
- Develop the individual capacity of municipal officials as well as the institutional capacity of municipalities to deliver and manage infrastructure sustainably
- Facilitate placements in municipalities and training opportunities for qualified and trainee technical personnel, to meet identified technical capacity gaps
- Put in place national transversal contracts for municipal infrastructure goods and services, where appropriate
- Manage the delivery of municipal infrastructure projects on behalf of municipalities, if requested by the Minister as part of an intervention
- Monitor and analyse the extent and condition of existing municipal infrastructure, as well as progress with projects to deliver new infrastructure and progress of infrastructure expenditure against budgets, with a view to informing intervention and support actions
- Provide sectoral expertise on municipal infrastructure to municipalities, in collaboration with sector departments and state owned companies
- Contribute to the development of national sectoral infrastructure policy, from a municipal point of view
- Manage the infrastructure programmes currently in other parts of COGTA, including monitoring of the MIG, to avoid duplication in COGTA
- Advise the Minister regarding any matters relating to municipal infrastructure, including its financing.

MISA needs to make a number of changes and introduce new initiatives:

- a) Prioritise its work in accordance with COGTA's Back 2 Basics Programme, District Strategy, national and provincial interventions in municipalities, and the plans of the Service Delivery IMC.
- b) Partner with the Chief Procurement Office in National Treasury to develop a range of transversal national contracts for goods and services related to municipal infrastructure and to develop the capacity of municipalities for infrastructure supply chain management.
- c) Partner with the private sector, National Treasury and the DBSA to develop and implement innovative models for private sector investment in municipal infrastructure.
- d) Partner with the private sector to provide support and advice to municipalities regarding work process reengineering to improve the productivity and quality of work on in-house maintenance teams in municipalities.
- e) Over time, change its capacity building programme to focus on a narrower skills set. It should leave the funding of generic training of engineers, technicians and artisans to DHET, TVET's and the SETA's, and MISA should rather focus on the specialised skills required by municipal officials to deliver and manage municipal infrastructure efficiently and effectively, in areas such as municipal infrastructure planning, municipal infrastructure procurement and the management of operations and maintenance. As far as the generic training of skills such as engineers and artisans is concerned, MISA should focus on determining what capabilities are required in municipalities and assessing whether these capabilities are in place, as well as facilitating access to municipal workplace experience and placements in municipalities for artisans and graduates.
- f) Put more emphasis on attaching conditions to its technical support. For example, if a technical consultant is deployed to a municipality, there should be a condition that the municipality should put it in place its own technical capacity within a specified duration of time, and if the municipality fails to do so, the technical consultant should be withdrawn.
- g) Put in a place a programme aimed at ensuring appropriate remuneration, recruitment and retention policies and practices for technical staff in municipalities.
- h) In partnership with the relevant professional associations, mobilise technical personnel to apply for positions in municipalities and support them when they are in those positions.
- i) Develop links with other B2B programmes in the Department of Cooperative Governance, to inform actions to address non-infrastructure related challenges in municipalities, such as weaknesses in the management and governance of procurement.

The reasoning behind these proposals is provided below.

2. Reflections on the work of MISA to date

To date, MISA has focused on four main functions as per the Parliament-approved feasibility study for the creation of MISA as a government component:

- a)** Providing technical support to municipalities through a continuation of the DBSA SiyenzaManje programme involving the deployment of technical consultants and artisans
- b)** Developing technical capacity in municipalities through various technical training initiatives (graduates, apprentices, and workplace experience learners)
- c)** Managing the delivery of certain infrastructure programmes
- d)** Developing an information system for monitoring municipal infrastructure.

Some reflections on the experience are provided below.

2.1 Providing technical support

In general, the MISA technical support appears to be adding value in municipalities, and most of the municipalities with MISA technical consultants appear to value their presence. However, there are issues which should be addressed in future:

- a)** While the technical consultants may often provide a valuable service to municipalities, questions may be asked regarding the sustainability of the impact of their deployment to municipalities. The deployments do not have defined end dates, and the deployments have not been linked to conditions, such as that the municipalities must employ their own staff to do the work of the technical consultants within a specified time-frame.
- b)** There is also a risk that municipalities may become dependent on the support of the MISA technical consultants, rather than developing their own capacity. Furthermore, there is a risk that municipalities may be viewing MISA as an additional financial resource, enabling municipalities to use money that they would have used to hire their own technical staff for other purposes.
- c)** Municipalities have often not kept to their commitments to absorb qualified artisans deployed to them by MISA.

There are indications that these risks are materialising to various extents in many of the municipalities being supported by MISA.

2.2 Developing technical capacity in municipalities

There is potential duplication between MISA's training initiatives and those of the Department of Higher Education and Training and SETA's such as the Local Government SETA, the Energy and Water SETA, and the Construction SETA. MISA has attempted to deal with this potential duplication by building partnerships with the SETA's and certain TVET Colleges. However, related to the fact that it has not been established as an organisation specialising in education and training, to do this training work more effectively, MISA would need to have pedagogical knowledge and expertise, which it is currently lacking.

In addition, while the intention has been for trainees to be absorbed into municipalities once qualified, in reality MISA is struggling to ensure that all the trainees that complete their training are absorbed into municipal positions. Absorption commitments made by municipalities are often not kept. This could be related to the fact that MISA has been covering costs such as stipends for the trainees. In future MISA should focus on facilitating workplace experience and training opportunities and should not fund training or trainees. Municipalities are more likely to keep to their absorption commitments if they are paying for the cost of their trainees.

MISA is a small organisation with a relatively small budget, only part of which is available for training. This is unlikely to change in the foreseeable future. The number of people currently being trained or supported with bursaries by MISA is very small compared to the need for skills in municipalities, and the impact of MISA on technical skills levels in municipalities is therefore limited. A contributing factor to this limited impact is MISA's approach of attempting to cover a comprehensive range of municipal infrastructure-related skills, from civil engineers to artisans to municipal officials.

MISA should therefore focus on developing a narrower set of skills in municipalities. The funding of generic training of engineers, technicians and artisans should be done by DHET, TVET's and the SETA's, and MISA should rather focus on the specialised skills required by municipal officials to deliver and manage infrastructure efficiently and effectively, in areas such as municipal infrastructure planning, municipal infrastructure procurement and the management of operations and maintenance of basic municipal services. This should be done in partnership with a selection of higher education institutions, which would need to develop a knowledge base and teaching capacity in these areas. As far as the generic training is concerned, MISA should focus more on determining what capabilities are required in municipalities and assessing whether these capabilities are in place, as well as facilitating access to municipal workplace experience in for artisans and graduates.

2.3 Managing the delivery of infrastructure programmes or projects (being an implementing agent)

In future, MISA could play a role as an implementing agent for municipalities which are persistently failing to deliver on infrastructure. For example, a municipality could be persistently failing to utilise MIG funds and repeatedly applying for rollovers. Rather than reallocating such funds to other municipalities to the peril of beneficiary communities, MISA could enter into an implementation protocol with such a municipality and implement specific projects on its behalf, on condition that the municipality meets certain milestones for developing its own infrastructure delivery capacity, with the support of MISA.

2.4 Developing an information system for monitoring municipal infrastructure

Predictably, MISA is struggling to get municipalities to submit their asset register data for inclusion into the Municipal Infrastructure Performance Management information System (MIPMIS), with only half of all municipalities having submitted to date. One option to address this is to link the submission of asset, condition and project data to MIPMIS to the payment of infrastructure grants.

The usefulness of MIPMIS to MISA, COGTA, sector departments and National Treasury will depend on the integrity of the data which it contains. Some of the asset registers that have been submitted are incomplete and there is often poor alignment of submitted condition assessment data with asset register data.

In general, government departments and municipalities are struggling to maintain their own GRAP-compliant asset registers. Asset registers are one of the major sources of audit queries and are one of the key areas of concern identified by the Auditor-General, across government. Asset registers are often incomplete, inaccurate and out-of-date.

The collection of condition assessment data is an expensive exercise and the data goes out of date rapidly. Given that there are millions of municipal infrastructure assets across the country, it will not be possible for MISA to undertake comprehensive condition assessments itself, and MISA will need to rely on condition assessments carried out and submitted by municipalities. Such data is not generally audited by the Office of the Auditor General and is likely to be even less reliable than the asset register data submitted by municipalities.

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In conclusion, MIPMIS should be used by MISA and DCOG as a tool to drive improvements in the quality of municipal infrastructure assets, project and condition information, particularly in weaker municipalities. Notwithstanding the current deficiencies in the quality of the data on MIPMIS, it is still likely to provide a useful source of information for MISA, COGTA, NT and sector departments. However, the data on MIPMIS will need to be used with caution.

3. Considerations for refining the focus of MISA

3.1 For some of its functions, MISA needs to work itself out of a job

For many of its functions, MISA needs to work itself out of a job in the long-term. In other words, for many of its functions, MISA will have been successful when it is no longer needed. Once all municipalities have the capacity to sustainably deliver and manage infrastructure, most of MISA's current functions will no longer be required. Of course, this may be a long time into the future, depending on MISA's success rate. This is a challenge for MISA's leadership, because organisations tend to focus on protecting, perpetuating and growing themselves. The implications of this are that many of MISA's initiatives need to be designed to be limited in duration, with an objective of coming to an end at some point.

3.2 Institutional capacity building of municipalities for infrastructure delivery and management

To date, MISA has tended to interpret its objective of "developing the capacity of municipalities" in a narrow sense of either providing skilled support to municipalities or developing skills within municipalities

However, deployment of skilled technical staff to a municipality, or training of technical staff to work in a municipality, is often not sufficient to enable the municipality to sustainably deliver and manage infrastructure. If the municipality does not have the right infrastructure planning, budgeting, staffing, procurement and supply chain management decision-making, governance and business processes in place, it is likely that the technical staff will struggle to ensure that the municipality sustainably delivers and manages infrastructure, no matter how skilled they are.

In future, there is therefore a need for MISA to broaden its interpretation of 'capacity building' and its scope of work to include initiatives aimed at developing the institutional capacity of municipalities to sustainably deliver and manage infrastructure, in addition to initiatives aimed at developing or providing skilled individuals. In other words, MISA should focus more on addressing the systemic issues which result in municipalities being unable to deliver and manage infrastructure sustainably.

3.3 The importance of infrastructure planning, procurement and supply chain management (SCM)

Over the years, as municipalities have increasingly outsourced functions, the delivery, maintenance and operation of infrastructure has increasingly become an SCM function (including demand planning, developing sourcing strategies, managing the procurement process, contracting, contract management, project management, asset management and operation, maintenance and disposal).

A municipality which has outsourced these functions needs to have the capacity to effectively and efficiently procure and manage the services of professional service providers and contractors. While professional service providers can assist municipalities with planning, it is important for the municipality to have the capacity to provide overall guidance and leadership of the infrastructure planning process.

Infrastructure procurement is a complex and specialised field of procurement. Coupled with the Treasury Regulations, the IDMS Infrastructure Toolkit enables managers to choose from a wide range of procurement approaches and a wide range of forms of contract to design the most appropriate procurement strategy for a particular procurement event or for a group of similar series of procurement events. It provides tools for managers to use to make infrastructure procurement more efficient and effective. Increased rigour and standardisation in infrastructure procurement will also close some of the loopholes which have enabled corruption to occur. Until recently, National Treasury and the CIDB have been focusing on promoting the use of the Infrastructure Toolkit at provincial level, but are now ready to focus on the municipal level, and are eager to partner with MISA in this regard.

Framework and period contracts are included in the variety of procurement approaches and forms of contract in the Infrastructure Toolkit. These procurement mechanisms provide an opportunity for MISA to work with the Chief Procurement Office in National Treasury to put in place national transversal contracts for goods and services related to municipal infrastructure. The national procurement process would be based on strategic sourcing methodologies, including detailed market research. It should result in smarter procurement and economies of scale, resulting in lower prices and substantial savings for municipalities which participate in the transversal contracts

Individual municipalities would be able to place orders against the national contract, without going through their own procurement processes. For weaker municipalities this would be advantageous as it would reduce the administrative work involved in obtaining goods and services, and reduce the skills requirement of the municipality. It could enable standardisation of certain goods and services, firstly across municipalities and thereafter the wider industry, which could in turn promote localisation and industrialisation. SIP 10 (transmission and distribution of electricity), coordinated by Eskom, includes an action for bulk procurement of municipal electricity distribution equipment, which has been allocated to MISA for implementation. This could be used by MISA as a pilot project for the wider introduction of national transversal contracts.

For example, a national transversal framework contract could be put in place for certain types of standard maintenance work carried out on water treatment plants. MISA and the Chief Procurement Office could engage in a strategic sourcing process to put in place the framework contract, and municipalities could place orders against the contract without going through their own procurement processes. For weaker municipalities, MISA could also offer to support municipalities with contract management, i.e. to assist municipalities to supervise the implementation of their orders against the contract.

3.4 Infrastructure financing models

To date, MISA has assumed that it is not within its mandate to be concerned with infrastructure financing. However, the development of infrastructure financing models is an important element of the development of the capacity of municipalities to sustainably deliver and manage infrastructure. In future, MISA should therefore be partnering with National Treasury, the DBSA and the private sector in this area.

3.5 The need to prioritise technical support to maximise impact

Currently, MISA's technical support is provided on ad-hoc basis, in the absence of a technical support prioritisation framework. Some weak municipalities are receiving much more support than others.

In one municipality, MISA has committed itself to use MISA funds to construct a road and a bridge as part of immediate interventions to provide much needed infrastructure in a poor community. However, there are many poor communities which need basic infrastructure, and MISA does not have the funds to provide roads and bridges to all such communities. It is unclear how this project was prioritised. It is also questionable for MISA, as a support agency, to be funding actual infrastructure projects

The extent of the challenges facing local government, coupled with the fact that MISA is a small organisation with a limited budget, mean that it is likely that the demand for MISA's technical support services will always exceed the supply of such services. MISA must therefore have a set of criteria for prioritising technical support, and it will sometimes have to turn down requests for technical support.

In order to maximise impact, MISA should be proactive as well as reactive. It should not just provide technical support on request – it should also be seeking to provide technical support where it is needed most. Some of those municipalities which need support the most may not request support.

3.6 Analysis and diagnostics

To date, MISA has not carried out analyses of the municipal infrastructure sector. It has not attempted to identify key challenges and priorities per category of municipality or per sector, based on such analysis. It has also not carried out diagnostic assessments of the causes of the key challenges

MISA has simply assumed that its main activities of providing technical support and training of individuals in technical skills are effective actions to address the most important municipal infrastructure challenges. As illustrated in the discussion on MISA's technical support above, without such analysis and diagnostics, it is not possible to know whether such assumptions really hold. This needs to change in future and MISA needs to put in place the capacity to carry out such analysis and diagnostic

4. Capabilities required

The current and required capabilities for perform the proposed functions of MISA are summarised in the table below .

| Required capability | Current capability |
|--|--|
| Civil, electrical and structural engineering, town planning, waste management | MISA currently has substantial capacity in these areas – largely contracted individual consultants |
| Operations management and management of maintenance | MISA has some capacity in these areas, again contracted as consultants |
| Municipal infrastructure sectors including water, sanitation, roads and storm-water, electricity, and waste management | MISA has some capacity in these areas, largely contracted as consultants, and focusing more on technical aspects than policy aspects |
| Infrastructure planning | MISA currently has substantial capacity in this area, although almost all of these people are contracted consultants |
| Infrastructure SCM (procurement) | MISA has almost no capacity in this area |
| Contract management | Some capacity - contracted consultants |
| Infrastructure asset management and the IDMS | Some capacity - contracted consultants |
| Use of information technology, including GIS | Limited capacity |
| Infrastructure financing modelling | No capacity |
| Programme management and project management | Some capacity - contracted consultants |
| Research and analytical capabilities related to municipal infrastructure delivery and management | Limited capacity |





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