



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

Annual Performance Plan for 2020/2021



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

Editorial, coordination, design and layout: MISA Communications

ISBN: 978-0-621-48200-3

RP: 67/2020

This report is also available on www.misa.gov.za

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LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
CoGTA	Cooperative Governance and Traditional Affairs
DCOG	Department of Cooperative Governance
DDG	Deputy Director General
DDM	District Development Model
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
GTAC	Government Technical Assistance Centre
IDPs	Integrated Development Plans
IDMS	Infrastructure Delivery Management System
IEEE	Institute of Electrical and Electronics Engineers
IUDF	Integrated Urban Development Framework
IWMPs	Integrated Waste Management Plans
LGTAS	Local Government Turnaround Strategy
MFMA	Municipal Finance Management
MIG	Municipal Infrastructure Grant
MIIF	Municipal Infrastructure Investment Framework
MISA	Municipal Infrastructure Support Agent
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NRS	National Rationalised Specifications
NSDF	National Spatial Development Framework
NWMS	National Waste Management Strategy
OSD	Occupation Specific Dispensation
PPE	Property Plant and Equipment
PPP	Public Private Partnerships
PSPs	Professional Service Providers
RMSC	Regional Management Support Contract
SAICE	South African Institution of Civil Engineering
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SOE	State Owned Enterprises
SONA	State of the Nation Address
SP	Strategic Plan
SPLUMA	Spatial Planning and Land Use Management Act
SETAs	Sector Education and Training Authorities
SWOT	Strength, Weaknesses, Opportunities and Threats

Executive Authority Statement



The declaration of the coronavirus outbreak as a global pandemic by the World Health Organisation (WHO) marked the start of a challenging period not only for our country but for the entire world. As we have since witnessed the prevailing state requires unity of purpose from stakeholders across the entire spectrum to effectively mitigate the impact of this novel virus on our society. The nationwide lockdown introduced soon after the declaration of the state of disaster in March was part of government's response plan to the pandemic. Its main aim was to slow down the rate of infection while giving relevant government agencies and the private sector sufficient time to prepare the country's health system to effectively deal with the

pandemic in the event of rising level of infections. Since the onset of the lockdown period we tirelessly implemented a range of measures in the response plan.

As the Portfolio responsible for coordinating the implementation of the Covid-19 response plan, CoGTA continues to interact with provincial and local spheres of government to ensure coherence in the implementation of measures to curtail the spread of the virus and mitigate its impact. Access to water is a critical aspect of our response plan to contain the spread of coronavirus. In collaboration with our colleagues and other relevant role players, CoGTA is driving efforts to improve access to water and sanitation for communities that previously experienced severe shortage of water. The Municipal Infrastructure Support Agent (MISA) continues to play a leading role in the engagement with municipalities to rejuvenate their focus on water infrastructure refurbishment. A key initiative in this regard is the reprioritisation of MIG allocations to direct more resources towards water and sanitation projects. After the introduction of the lockdown, the President announced the R500 billion relief package to fund initiatives aimed at cushioning the country against the economic downturn caused the pandemic. Funding for this relief package was partly sourced from the reprioritisation of R130 billion from in the 2020/21 baseline. The consequence of this reprioritisation exercise was the reduction of departments' allocations for the current financial year. Although the amount cut from MISA's allocation was not excessive, the resulting financial constraints have necessitated the revision of the agency's annual performance plan for 2020/21.

It is crucial that we continue to provide the necessary support to local government to enable then to provide quality services to communities and respond better to the challenges posed by Covid-19 pandemic. I remain fully committed to supporting MISA in the implementation of the revised annual performance plan by providing continuous guidance and exercising my executive oversight.



Dr. Nkosazana Dlamini Zuma, MP

Executive Authority of Cooperative Governance and Traditional Affairs

Accounting Officer Statement



It was not long after the tabling of MISA's strategic plan for 2020-2025 and annual performance plan for 2020/21 financial year when the President announced the declaration of the national state of Disaster on the 15th of March 2020. This announcement was our government's response to the declaration of the outbreak of coronavirus as a global pandemic by the World Health Organisation (WHO). As the President pointed out in that announcement, it had become patently clear that the world was confronted with a health emergency of great proportions. As it later turned out, the country went into a 21-days nationwide lockdown with effect from mid-night

on the 26th of March in an endeavour curb the rapid spread of the virus and allow time for setting up the necessary infrastructure and systems to effectively mitigate the impact of the pandemic on the country.

Since regular washing of hands with water and soap is one of the key measures to contain the spread of the coronavirus, key stakeholders within and outside government were mobilised to intensify the delivery of water, especially to rural communities. As CoGTA's agency for driving support to municipalities in respect to the provision of infrastructure for basic services, MISA has been involved in government's efforts to accelerate the provision of water and sanitation services as part of the response plan to mitigate the impact of the pandemic. Our experience of the last three months has laid bare the immense struggles confronting poor people in rural communities and townships to obtain water.


MISA has been collaborating with Tirisano Construction and the Development Bank of Southern Africa (DBSA) to drill boreholes for in areas with severe shortages of water. In this regard, Tirisano contributed R50 million and DBSA R41 million towards this initiative. MISA contributed R4.7 million from its previous year's budget. To date, 11 boreholes have been funded from MISA's funding have been completed. A total of R1.9 billion in MIG allocation is being reprioritised to fund water and sanitation projects as part of response to the pandemic.

The supplementary budget tabled by the Minister of Finance on the 24th of June 2020 resulted in the reduction of MISA's budget allocation for the current year by R5 982 000.00. This reduction together with the challenges of engaging with municipalities in midst of the lockdown has prompted the revision of MISA's annual performance plan for 2020/21. This amendment entails mainly the removal of two output indicators from the APP and reconfiguration of one indicator. The two indicators removed from the APP were focussing on the placement of qualified artisans and water process controllers in municipalities to enhance the capacity for infrastructure operations and maintenance. This intervention will be resuscitated in the next financial years since it is critical for the sustainability of water supply.

A major area of focus for MISA that will continue in the remainder of the current financial year is the coordination of municipal infrastructure programmes within the ambit of the District Development Model, spearheaded by the Department of Cooperative Governance (DCOG). MISA will continue to leverage on its capacity and the strengths of other institutions within and outside of government in its endeavour to strengthen the infrastructure delivery capability of municipalities. MISA will continue to support distressed municipalities to ensure that sufficient internal capacity is created for the optimal delivery of basic services infrastructure. More efforts will be directed at supporting municipalities continuing to underspend their MIG allocations. MISA will also continue to spearhead the Integrated Service Delivery programme targeted at 44 district and 8 metropolitan spaces across the country to unlock delivery constraints to enable the acceleration of infrastructure development.

It is my greatest pleasure to acknowledge the astute leadership and guidance provided by the Minister, Deputy Ministers and the Director-General for Cooperative Governance during the preparation of the 2020/21 annual performance plan. I also acknowledge the crucial role played by the management team within MISA in the process of compiling this annual performance plan. MISA will continuously adapt its strategic focus and operational model to achieve the outputs targets in the 2020/2021 annual performance plan and respond appropriately to the needs of the citizens.

Mr. N. Vimba



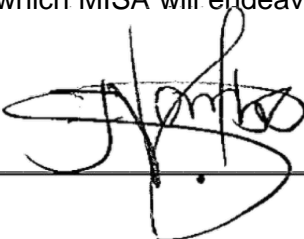
Accounting Officer of Municipal Infrastructure Support Agent

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Municipal Infrastructure Support Agent under the guidance of the Honourable Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma, MP
- Takes into account all relevant policies, legislation and other mandates for which the Municipal Infrastructure Support Agent is responsible.
- Accurately reflects the Outcomes and Outputs, which MISA will endeavour to, achieved over the period 2020/2021.

Ms. F. Nombembe
Chief Financial Officer



Mr. V. Mathada
Chief Director: Strategy



Mr. N. Vimba
Chief Executive Officer



Approved by:

Dr. Nkosazana Dlamini Zuma, MP
Minister



Part A: Our Mandate

1. Updates to the Relevant Legislative and Policy Mandates

1.1. Legislative Mandates

MISA is a government component established under the Cooperative Governance and Traditional Affairs Portfolio, in terms of section 7(5) (c) of the Public Service Act (PSA), 1994 and derives its mandate from section 154(1) of the Constitution of the Republic of South Africa, 1996. Its establishment was declared by the President of the country in terms of proclamation 29 published in the government gazette in May 2012. Section 7(A) (4) of the Public Service Act empowers the relevant Executive Authority to determine the duties and functions of a government component under his/her authority. To assign the roles and responsibility to MISA, as envisaged under this section, the Minister of Cooperative Governance and Traditional Affairs published a government notice in July 2013 setting out the objectives, duties, functions and accountability arrangement for MISA.

Given its own limited internal capacity, MISA prioritises the provision of technical support to low and medium capacity municipalities. There is a general recognition that high capacity/performing municipalities have the competency and suitable economic means to fulfil their infrastructure delivery and service provision mandate. However, the reality is that some Metros experience difficulties in executing their Constitutional mandate. MISA will therefore provide support to metropolitan municipalities on an *ad hoc* basis, focusing on national priority areas, such as the reduction of Non-Revenue Water.

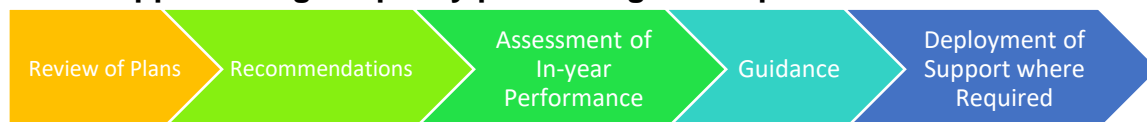
MISA support to low capacity/performing municipalities:



MISA support to medium capacity/performing municipalities:



MISA support to high capacity/performing municipalities:



The Government Notice on the operations and administration of MISA (operational notice) provides that the objective of MISA is to render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning. In executing its mandate, as articulated above, MISA is required to perform the functions listed below with the aim of

strengthening the capacity of municipalities to deliver sustainable infrastructure for basic services provision, exercise their powers and perform the functions necessary for planning, development, operations and maintenance of municipal infrastructure.

The functions of MISA as outlined in the operational notice includes:

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

The operational notice gives the powers to the Minister to assign other functions previously performed by the department of Cooperative Governance and that are complementary to the functions listed above, within the prescripts of applicable legislation. To give effect to the assignment of additional functions to MISA, the accounting officers are required to enter into an agreement for the orderly transfer of affected functions together with the concomitant funding, as directed in writing by the Minister.

In order to execute these tasks, it is important for MISA to act as the agency accountable for monitoring municipal infrastructure programmes working with responsible sectors and other government spheres to ensure the alignment, integration and implementation of their plans and programmes. This responsibility requires that, at the very least, MISA works closely with all sectors and spheres of government to report on how the specific responsibilities of each agency integrate with others to ensure effective alignment in planning and implementation of infrastructure projects.

1.2. Policy Mandates

1.2.1 National Development Plan (NDP) 2030

The National Development Plan (NDP) identifies capacity weaknesses as one of the major reasons behind poor performance in local government. The NDP (2011, 48) further states that “Local government faces several related challenges, including poor capacity, weak administrative systems, undue political interference in technical and administrative decision making, and uneven fiscal capacity”. Capacity and performance challenges are particularly greater in historically disadvantaged areas, where state intervention is mostly needed to improve the people’s quality of life. To address this problem, the NDP places a greater emphasis on the urgent need for South Africa to move towards a developmental state that is

capable, professional and responsive to the needs of its citizens. It further provides that progress needs to be made rapidly in those areas where state capacity is at its weakest. A great number of municipalities, especially in rural areas, continue to experience capacity challenges that inhibit them from fulfilling their mandate of providing basic services to communities.

MISA was established in response to identified capacity gaps that manifested in the inability of certain municipalities to deliver and manage infrastructure for the provision of basic services. One of the identified key indicators of underperformance was persistent underspending of conditional grants such as the municipal infrastructure grant (MIG) that contributes to delays in the expansion of access to basic services. In 2018/19 financial year MISA implemented a special support programme targeting 55 of the 87 municipalities found to be distressed during the assessment conducted as part of the back to basics strategy. These 55 municipalities were selected owing to severe challenges in respect to municipal infrastructure delivery.

MISA will continue to provide targeted support to municipalities lacking the necessary capacity to plan, deliver, operate and maintain infrastructure for service provision within the ambit of the newly adopted District Development Model.

With regard to the strengthening of internal capacity of municipalities to effectively deliver municipal infrastructure and basic services, the NDP calls on government to adopt a long-term approach that focusses especially on skills development strategies for technical specialists. MISA contributes to the strengthening of technical skills capacity in municipalities through the training programme for municipal officials and learning programmes for unemployed youth with requisite technical qualifications. The aim of the training programmes for municipal officials is to enhance the technical capacity for delivering municipal infrastructure and improving service delivery while the learning programmes seeks to create a pool of qualified artisans and graduates from which municipalities can recruit, with the aim of boosting their internal capacity.

In the spirit of building a skills pipeline for local government and closing the scarce skills gap, the NDP (2011: 419) recommends that:

“In South Africa, municipalities should be afforded the opportunity to recruit graduates through a formal programme/scheme. A formal recruitment programme for local government should start gradually, with a small number of municipalities and recruits so that it can develop on a demand-led basis. If it provides people who are valued by municipalities, the demand for graduates will increase. Similarly, if graduates have a positive experience, more recruits will be attracted. For this approach to be successful, municipalities will also need to provide adequate training and support for recruits”.

The NDP recognises that infrastructure in the country is often poorly located, inadequate and under-maintained. Furthermore, the NDP emphasizes that access to basic electricity, water

and sanitation, public transport, telecommunications and public transport is a daily challenge for many South Africans, particularly in poor rural and peri-urban communities. In terms of the Constitution's allocations of powers and functions, the provision of water supply and sanitation services is the responsibility of municipalities, with support and oversight from provincial and national spheres. In this regard, the NDP (2011: 182) recommends that:

“A balance is needed between allocating financial resources to support investments in higher levels of service and providing services to underserved households, while also maintaining and periodically refurbishing existing infrastructure.”

MISA will continue to work towards supporting municipalities and providing technical support through its programmes to assist municipalities to improve access to basic services and to improve the reliability of services.

1.2.2 Sustainable Development Goals

South Africa is one of the 193 countries which convened in 2015 to pledge their commitment to the pursuit of 17 goals under the auspices of the Sustainable Development Goals (SDGs) plan. The aim of the sustainable development goals plan is to realise the 17 goals by 2030. The table below provide a list and description of each of those goals from the set of 17 to which MISA is positioned to contribute through the implementation of its strategic plan over coming five years. It also provides a brief explanation of MISA's focus areas aligned to each of the relevant goals.

MISA's Contribution to Sustainable Development Goals

Goal	Short Description	MISA's Focus Areas
Clean Water and Sanitation – ensure availability and sustainable management of water and sanitation for all.	Everyone should have access to safe and affordable drinking water. The aim of this goal is to ensure that the remaining 40% of the world's population currently affected by water scarcity have access to clean water by 2030.	MISA will contribute to the realization of this goal through its support to districts aimed at enhancing the capacity to increase access to water.
Affordable Clean Energy – ensure access to affordable, reliable, sustainable and modern energy for all.	Although huge strides were made to expand access to electricity over the last two decades, more still needs to be done to provide energy to growing population and improve energy efficiency for environmental protection.	MISA's focus areas in relation to access to energy include support to municipalities around the roll-out of INEP programme aimed at increasing access to electricity, improved reliability of existing electricity distribution

Goal	Short Description	MISA's Focus Areas
		networks and optimisation of energy efficiency measures.
Industry, Innovation and Infrastructure – build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	The focus of this goal is to promote investment in innovation and resilient infrastructure as ways of facilitating sustainable development and job creation	The broad focus of MISA in the strategic plan is to support municipalities and coordinate efforts of other role players towards enhancing the capacity of municipalities to efficiently and sustainably implement their infrastructure programmes to ensure increased access to services and job creation.
Sustainable Cities and Communities – make cities and human settlements inclusive, safe, resilient and sustainable.	It is projected that up to two-thirds of the world's population will live in the cities by the year 2050. The rapid growth in urban population emanating from growing migration into cities poses a challenge to governments due to pressures placed on limited capacity of infrastructure a resources. To make cities sustainable, necessitates improvements in spatial planning and the approach to delivering housing as well as basic amenities is essential.	The 2020-2025 strategic plan for MISA covers support to districts with the development of spatial plans that are compliant with the spatial planning and land use management act (SPLUMA) and the development of long term municipal infrastructure investment plans. This focus will contribute to improve planning for infrastructure development to ensure sustainability of services.
Climate Action – take urgent action to combat climate change and its impact.	This main focus of this goal is to devise measures for countries to address the urgent challenges emanating from climate change, working in collaboration with each other.	The five-year strategic plan for MISA include an outcome that seeks to facilitate municipalities' access to funding earmarked for climate risk mitigation and adaption.

1.2.3 Agenda 2063

The five-year strategic plan for MISA seeks to contribute to the achievement of the selected targets set for the first 10 years of the Agenda 2063 plan to which the African Union (AU) is a signatory. These 10-year goals are listed in the table below with the respective priority focus initiatives.

The Goals and Priority Areas for the First Ten Years of Agenda 2063

Goals	Priority Areas
A High Standard of Living, Quality of Life and Well Being for All Citizens	<ul style="list-style-type: none">• Incomes, Jobs and decent work• Poverty, Inequality and Hunger• Social security and protection, including Persons with Disabilities• Modern and Liveable Habitats and Basic Quality Services
Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation	<ul style="list-style-type: none">• Education and STI skills driven revolution
Transformed Economies	<ul style="list-style-type: none">• Sustainable and inclusive economic growth
Environmentally sustainable and climate resilient economies and communities	<ul style="list-style-type: none">• Sustainable natural resource management• Biodiversity conservation, genetic resources and ecosystems• Sustainable consumption and production patterns• Water security• Climate resilience and natural disasters preparedness and prevention• Renewable energy
Engaged and Empowered Youth and Children	<ul style="list-style-type: none">• Youth and Children Empowerment

1.2.4 District Development Model

The District Development Model is an intergovernmental relations mechanism for effective implementation of the seven priorities of the Sixth Administration. The rationale for this model is the need to address persisting fragmentation in budgeting, planning and implementation within and across the three spheres of government. It is a unique form of social compacting that involves the key role players in every district aimed at unlocking development and economic opportunities. It is premised on the recognition that lack of integrated service delivery has undermined the impact of development programmes on citizens' material conditions. It provides a framework for collaborative planning and implementation among all government agencies, including state owned enterprises (SOEs) and the private sector at the

district or metropolitan level. It is through the rollout of the District Development Model (DDM) that government will reinforce the building of a developmental state by strengthening coordination, integration and capacity at the district and metropolitan level.

The main objective of the model is to institutionalise long term co-planning, achieve spatial transformation in both rural and urban areas, enhance public participation, ensure long term infrastructure adequacy, deliver integrated services and strengthen monitoring and evaluation of impact. The model identifies the 44 Districts and 8 Metropolitan spaces as the strategic alignment platforms for all three spheres of government. The model proposes the development of a 'One Plan' that will focus on implementation through the integration of programmes and projects by all government agencies at the district or metropolitan level. The purpose of this single plan is not to produce an entirely new plan given that the IDPs provide the basis for integration, but to ensure that all planned programmes are aligned, including guiding and directing strategic investments and projects within a particular district or metropolitan space. District hubs will be established to drive the formulation and the implementation of a 'One Plan' in each district or metropolitan space while ensuring that such hubs respond to the significant disparities across the 52 district/metropolitan spaces.

The District Development Model outlines a process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. To achieve this Cabinet lekgotla approved the development and implementation of a Private sector Participation Model which is aimed at:

- **Mobilising private sector funding and develop new innovative funding solutions to manage the entire value chain of municipal infrastructure provision.** Crowding in and catalysing private sector investments represent one of the key shifts conceived in the Integrated Urban Development Framework ("IUDF") and the new District Development Model ("DDM"); as such investments stimulate development and play a central role in closing the gap arising from current fiscal constraints in government by unlocking resources in a manner that creates shared development with private sector and communities. Mustering private funding potentially reduces the burden on grant funding but also enables the effective utilisation of infrastructure grants in municipalities.
- Promoting **resource optimization** and **long-term financial sustainability** to achieve SDGs, climate change response, and the correct balance between financial returns and ESG (environmental, social, governance) benefits. Long term infrastructure planning and long-term financial strategies have not enjoyed the coordination necessary to improve service delivery. Infrastructure financing has to be attuned so that there is **matching of assets and liabilities**, there has been limited meaningful actions pursued to improve infrastructure funding through the

fiscal system, allocations from government have remained the same over the past 25 years despite lessons that suggest otherwise. For example, the current three years' infrastructure investment programme that is linked to infrastructure grant funding based on the local government fiscal framework is not optimal and does not support the institutionalization of long-term development planning as a policy imperative. That notwithstanding, there are best practices to be drawn from metropolitan municipalities on long term planning, using the fiscal system to support their ability to tap into debt capital markets to fund and expand infrastructure development.

- Providing a viable route to integrate climate change, and effective adaptation planning, with considered mitigation and adaptation strategies, executed on the back of infrastructure investments that support a zero-carbon municipalities and just transition. The IUDF sets the policy framework for investments in infrastructure that seek to simultaneously reduce emissions, enhance resilience and support inclusive, sustainable economic development.

MISA will play a prominent role in the implementation of the District Development Model as the leading support agency in respect to municipal infrastructure and service delivery. Its strategic focus areas for the next five years are aligned with some key elements of the model such as integrated service provisioning, infrastructure engineering, spatial restructuring and economic positioning for each district or metropolitan space. To ensure that MISA effectively contribute to the implementation of the seven priorities within the framework of the District Development Model, MISA will participate in the district hubs. This will necessitate the reorganisation and enhancement of resources currently within MISA.

1.2.5 National Spatial Development Framework

The National Spatial Development Framework (NSDF) seeks to make a bold and decisive contribution towards the realization of a peaceful, prosperous and truly transformed South Africa, as envisaged in the National Development Plan. It does so in full recognition of the following:

- The stranglehold that the unjust national spatial development paradigms, logics and patterns of the past have placed on government's efforts to break the back of poverty, unemployment and inequality;
- The valuable, and often hard lessons learnt over the last 25 years in the pursuit of national reconstruction, inclusive economic growth and spatial transformation; and
- The necessity for decisive, collaborative and targeted state action in national space, to drive the country towards the shared, inclusive and sustainable future we desire and require.

The NSDF is guided by the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA). To give effect to government's vision of transforming the space economy, government has included spatial integration, human settlements and local government as one of the seven priorities in the MTSF for 2019 – 2024. The main focus of interventions under this priority is to improve spatial patterns by addressing deficiencies and injustices emanating from Apartheid spatial planning. This is in line with the NDP vision of creating new spatial arrangements that could fundamentally transform job and livelihoods for the poor. Spatial transformation will reduce travel time and costs between home and work, and increase mobility for households to access better job and education opportunities. This in turn will reduce poverty and inequality. MISA supports municipalities to develop and implement spatial development plans that are SPLUMA compliant.

1.2.6 Medium Term Strategic Framework (MTSF)

The Medium Term Strategic Framework (MTSF) for the period 2019-2024 has been adopted as the high-level strategic document to guide the implementation and monitoring of NDP over the five-year term of the Sixth Administration. This MTSF focusses in seven key priorities as the pillars to enable the achievement of NDP objectives of building a developmental state, improving the human capital base, reducing inequalities, modernising the public service and transforming the economy.

The key seven priorities captured in the MTSF are:

- Priority 1: **Economic Transformation and Job Creation**
- Priority 2: **Education, Skills and Health**
- Priority 3: **Consolidating the Social Wage through Reliable and Quality Basic Services**
- Priority 4: **Spatial Integration, Human Settlements and Local Government**
- Priority 5: **Social Cohesion and Safe Communities**
- Priority 6: **A Capable, Ethical and Developmental State**
- Priority 7: **A Better Africa and World**

Under each of these key priorities there are numerous outcomes with corresponding interventions towards the achievement of the indicator targets for each outcome. The work of MISA responds directly and indirectly to priorities 1, 2, 4 and 6 in that:

- Improved infrastructure is critical for economic transformation and job creation;
- There is an urgent need to increase the number and experience of built environment professionals operating in the local government sphere;
- Spatial injustice remains one of the persisting legacies of apartheid which must be eliminated; and
- Social cohesion and safe communities, in part, get improved through the building of integrated environments where everyone has access to basic services.

2. Updates to Institutional Policies and Strategies

2.1 State of the Nation Address

In the State of the Nation Address (SONA) of June 2019, the Honourable President, Mr Cyril Ramaphosa announced the imminent adoption of the district-based approach as a mechanism to speed up service delivery within 44 districts and 8 metropolitan spaces. The announcement of this approach marked the start of a wider process of arresting the decline in state capacity and restructuring our model of service delivery that it best serves our citizens. The District Development Model was adopted by Cabinet in August 2019 and subsequently launched in three pilots' sites. These pilot sites are OR Tambo District, eThekweni Metro and Waterberg District.

The president further accentuated the importance of the district-based development approach in ensuring effective and integrated implementation of government programmes in the State of the Nation Address in February 2020. The President implored both the provincial and national government spheres to re-double their support towards strengthening the capacity of municipalities as required by Section 154 of the Constitution, given that is the sphere of government closest to the people. The Municipal Infrastructure Support Agent will adapt its operating model to align with the institutional arrangements underpinning the District Development Model.

2.2 DCOG Priorities over the MTSF Period

The Department of Cooperative Governance has formulated seven priorities that focus on strengthening cooperative governance and ensuring functional local government system with the district or metropolitan area as a platform for integration. MISA's strategic plan for the next five years is aligned with some of these priorities. These priorities as captured in the department's input for the MTSF for 2019 - 2024 are:

- Strengthening local government to deliver on its mandate;
- Strengthening cooperative governance;
- Policy compliance, wall-to-wall review, powers and functions and funding model for local government;
- Disaster risk reduction;
- Institutional development, governance and citizen participation;
- Integrated planning for spatial transformation and inclusive economic growth; and
- Infrastructure, service delivery and job creation.

MISA's focus is mainly on the following priorities:

- Strengthening cooperative governance;
- Disaster risk reduction;
- Integrated planning for spatial transformation and inclusive economic growth; and
- Infrastructure, service delivery and job creation.

These priorities seek to strengthen cooperative governance, transform the space economy for inclusive growth and improve the delivery of municipal infrastructure and services to enhance capacity for job creation and the improvement of the citizens' lives.

3. Updates to Relevant Court Rulings

There has not been any court ruling with significant impact on MISA or the performance of its functions since its establishment in 2012.

Description Of Litigation	Progress To Date
<p>28/8/2009 ISASA/Minister for CoGTA</p> <p>On 27 March 2009 the Minister of Cooperative Governance and Traditional Affairs ("the Minister") in concurrence with the Minister of Finance published Government Notice R363 in Government Gazette No. 32061 rates regulations on the rate ratio between the residential and non-residential categories of properties</p> <p>On 23 September 2009, the Independent Schools Association of Southern Africa ("ISASA") launched a judicial review in the North Gauteng High Court under Case No. 59133/09 seeking, inter alia, an order that the rates regulations referred to above as published by the Minister be reviewed and set aside, and that the notice issued by the Minister on 27 March 2009 be reviewed and set aside as constitutionally invalid.</p>	<p>The matter was heard on the 5-6 June 2019. Judgement was handed down on 3 July 2019, application was denied.</p> <p>The application for leave to appeal was heard on 6 August 2019.</p> <p>Leave to appeal to the SCA was granted. Costs reserved for the decision of the SCA.</p> <p>On 28 August 2019, the 1st appellant (eThekweni) filed a notice of appeal.</p> <p>On 5 September 2019, 2nd appellants filed their notice to appeal against Justice Lopes whole judgment delivered on 3 July 2019.</p> <p>The appeal is opposed by the Minister.</p>
<p>22/5/2015 Merafong City Local Municipality, COGTA / Valuation Appeal Board for Merafong City Local Municipality & 7 others</p> <p>The main focus of the application is on the valuation methods followed by the 1st respondent, the Valuation Appeal Board (VAB) on mining property and the review of this decision. This dispute is between the Municipality, the VAB and the mining houses.</p>	<p>The applicant filed the supplementary affidavit challenging the validity of Section 17(f) of the MPRA. The Applicants new substantive supplementary affidavit which introduces further constitutional challenge directed at section 17(1) (f) were filed.</p> <p>A hearing date is awaited</p>
<p>17/05/2018 Resilient Properties (Pty) Ltd & 3 Others /Eskom Holdings SOC Limited & Others-NC (Gamagara Municipality)</p> <p>Applicants applied in court in two parts. Part A pertained to an application wherein an order was sought against Eskom to prevent it from terminating or interrupting the electricity supply to the entire Gamagara Municipality.</p>	<p>Part A was heard on 3 July 2018 and an interim order was granted in favour of the Applicants.</p> <p>Part B is opposed. Eskom has filed the record and an answering affidavit.</p> <p>The state respondents are preparing an answering affidavit(s) on behalf of national government.</p>

Description Of Litigation	Progress To Date
<p>In Part B, the Applicants seek, amongst other reliefs, an order that the failure of the National and Provincial Executive to intervene, be declared inconsistent with the Constitution and for the Minister of Finance to intervene in terms of section 150 of the MFMA.</p>	<p>Counsel raised concerns about the fact that there is no intervention in Gamagara Municipality given the state of affairs in the Municipality.</p> <p>Consultation with counsel is planned for early in 2020 to discuss a way forward. Waiting for counsel to confirm availability.</p>
<p>17/05/2018 Resilient Properties (Pty) Ltd & 3 Others/ Eskom Holdings SOC Limited & 9 Others – MP (Govan Mbeki)</p> <p>Applicants applied in court in two parts. Part A pertained to an application wherein an order was sought against Eskom to prevent it from terminating or interrupting the electricity supply to Govan Mbeki Local Municipality.</p> <p>In Part B, the applicants seek, amongst other reliefs, an order that the failure of the National and Provincial Executive to intervene, be declared inconsistent with the Constitution and for the Minister of Finance to intervene in terms of Section 150 of the MFMA.</p>	<p>Part A was heard on 24 May 2018 and an interim order was granted in favour of the Applicants. Part B is opposed. Answering affidavits are being prepared for filing.</p> <p>Minister directed that this matter should also be resolved amicably without the involvement of court. Out-of-court settlement negotiations are currently underway between the parties.</p> <p>A progress report has been requested from the State Attorney.</p> <p>Report received from DCOG B2B Co-ordinator, is that the financial Recovery Plan as sought by the applicants in this case, is still to be presented by the MEC to the Municipal Council for adoption. Once the Plan has been adopted, all processes for the implementation and monitoring thereof would become activated.</p> <p>The provincial Government supported the Municipality by seconding two senior officials as Acting Municipal Managers who facilitated the appointment of the current Municipal Manager. The posture of the Department w.r.t. this case will be to argue that the relief sought by the litigant for a mandatory intervention by the provincial government is currently underway and that national COGTA is also supporting in line with the section 154 of the Constitution.</p>
<p>17/5/2018 (Lekwa Municipality) Astral Operations Limited & Another/ Government of RSA & 4 Others- MP</p> <p>The Application pertains to defaulting on electricity debt payments to Eskom as well as the Water Trading Entity for water.</p>	<p>The matter is opposed.</p> <p>Minister directed that this matter should also be resolved amicably without the involvement of court.</p> <p>On 14 August 2018, parties agreed that all proceedings in this matter would be held in abeyance.</p>

Description Of Litigation	Progress To Date
<p>Further to the aforementioned, the Applicants also allege that the service infrastructure of Lekwa municipality has fallen into disrepair.</p> <p>The Applicants seek, amongst other reliefs, an order that the Court directs the Government of RSA to intervene in the affairs of Lekwa Municipality in terms of Section 139 of the MFMA as well as section 139(7) of the Constitution.</p>	<p>However, the out-of-court settlement negotiations failed, and parties had to proceed with the court process.</p> <p>An answering affidavit was due for filing on 18 October 2019.</p> <p>The National government has filed its answering affidavit.</p> <p>The intervention of the Province to Lekwa Local Municipality is through the development of the Financial Recovery Plan (FRP) in terms of section 139(5) a of the Constitution. The latest update received now from the Provincial Treasury is that the FRP was received yesterday from the National Treasury and is now on route to the MEC for approval.</p> <p>Meetings were held on 28 November 2019 and 17 December 2019 to discuss the intervention measures as well as the litigations. DCOG legal services and b2b co-ordinators attended the meetings.</p> <p>A meeting was held on 17 December 2019 between COGTA, GOLDI, DWS and Lekwa Municipality. It was resolved that Astral will be provided with a full report on progress in the implementation of a Recovery Plan</p>
<p>13/07/2018 XCalibre (Pty) Ltd / Dr Zweli Lawrence Mkhize</p> <p>The Plaintiff (XCalibre) issued combine summons wherein it prayed for an order against the Defendant (Dr ZL Mkhize) for payment of R766, 080.00 together with interest at the rate of 10.50% calculated from 10 July 2015 to date of final payment.</p>	<p>A notice to defend was filed on behalf of the Defendant on 18 July 2018. The State Attorney was instructed to brief Counsel to plead misjoinder.</p> <p>On 1 August 2018, the Defendant filed a Rule 30A notice claiming Plaintiff's non-compliance with Rules of Court.</p> <p>On 2 August 2018, Plaintiff filed an Application for Summary Judgment.</p> <p>On 24 August 2018, the Defendant filed a notice to oppose the application for Summary Judgment. On the same date, another Rule 30A notice was filed by Defendant.</p> <p>On 28 August 2018, the Summary was heard and dismissed with costs.</p> <p>On 21 September 2018, Plaintiff filed a Notice of Intention to Amend (Rule 28(1) and on 17</p>

Description Of Litigation	Progress To Date
	<p>October 2018, plaintiff filed notice to amend its Rule 28(7).</p> <p>On 14 November 2018, the Defendant's plea was filed. Non-compliance with rules and misjoinder are claimed.</p> <p>On 3 December 2018, the Plaintiff's Attorneys wrote a letter to Defendant's attorney proposing that the matter be resolved by way of negotiations and that the current proceedings be stayed pending the resolution of the dispute by means of arbitration.</p> <p>Defendant did not agree to arbitration.</p> <p>Plaintiff amended their particulars of claim.</p> <p>On 21 May 2019, the defendant filed a Special Plea and a Plea Over.</p>
<p>21/09/2018 The Minister of CoGTA / Greater Sekhukhune Secondary Regional Cooperative Limited & 7 others</p> <p>Recovery of monies erroneously paid to the First Respondent by the Applicant.</p> <p>On 18 December 2018, the Minister of CoGTA ("applicant") filed an urgent application to interdict and restrain the respondents from disposing, dissipating or transferring or using the monies received by each one of the respondents during various periods; and</p> <p>To hold the monies in trust for / on behalf of the applicant.</p>	<p>Matter was heard on 20 December 2018.</p> <p>An interim order was granted in favour of the applicant.</p> <p>On 3 January 2019, the summons was issued on all eight respondents. Service of Summons has been delayed because some of the summons were not properly served by the Sheriff and / or their returns of services have been defective resulting that matters for the Default Judgement could not proceed until the relevant Sheriffs have reserved the summons and delivered proper return of services</p> <p>Still waiting for court dates to move Hearing for Default Judgement</p> <p>A letter was sent to the SIU for further assistance in recovering the money. In response the SIU advised that the matter is being investigated.</p>
<p>05/03/2019 Unemployment Peoples Movement / The Premier, Province of the Eastern Cape (Makana Municipality)</p> <p>The applicants seek a mandatory intervention in Makana municipality. They rely on section 139 (1) (c) of the Constitution and 139 and 140 of the MFMA.</p>	<p>The application is opposed.</p> <p>The Minister filed his answering affidavit on 10 May 2019.</p> <p>The matter was heard on the 12 September 2019.</p> <p>Judgment was reserved. Still awaiting Judgement.</p> <p>Judgement was handed down on 14 January 2020 in favour of the Applicant.</p>

Description Of Litigation	Progress To Date
	DCOG is not appealing. The Province are proceeding with the appeal and have filed for an application for leave to appeal.
<p>27/02/2019 MMM Advisory Services & Matutu Consulting / The Minister of CoGTA</p> <p>An application involves an appeal by MMM Advisory Services and Matutu Consulting Joint Venture against the Minister of CoGTA in terms of the provisions of the Promotion of Access to Information Act, Act 2 of 2000 (PAIA).</p> <p>The application relates to documentation evidencing the process by which a tender for the provision of internal audit services was awarded to Sekela Xabiso Chartered Accountants Inc on 25 May 2018.</p>	<p>On 5 March 2019, the State Attorney was instructed to file a notice to oppose on behalf of the Minister.</p> <p>On 9 May 2019, the Minister's answering affidavit was filed and served.</p> <p>Applicants removed the matter from an unopposed roll of 17th July 2019, with respondent to pay costs occasioned by the setting down and removal of the matter from the roll.</p> <p>Hearing date is awaited.</p>
<p>06/05/2019 Mohamed Jafer Rassool/ The Minister: Cooperative Governance and Traditional Affairs & 2 others –</p> <p>The applicant seeks to make the following order:</p> <p>The decision by the Minister: Cooperative Governance and Traditional Affairs, dated 15 August 2018, refusing 3rd Respondent application (in terms of section 56(6) of the Local Government: Municipal Systems Act 32 of 2000) be reviewed and set aside and;</p> <p>The Minister of Cooperative Governance and Traditional Affairs is directed to afford the Applicant a reasonable opportunity to make representations in support and /or relation to the application in terms of the preceding paragraph.</p>	<p>On 06 May 2019, we instructed the State Attorney to file a notice to oppose the matter and brief Counsel to represent the Department.</p> <p>An answering affidavit has been filed on behalf of the Minister of CoGTA.</p> <p>There has been no progress to report on in Q3</p>
<p>05/04/2019 The Cape Party / The Minister of CoGTA & 3 Others-</p> <p>The applicants seek to make the following order (amongst others):</p> <p>That the first respondent be ordered to immediately and no longer than 30 days after this order; in terms of section 23 of the Disaster Management Act, No. 57 of 2002, properly investigate and after due diligence and applying of its mind determine whether the Load Shedding caused by the fourth respondent taking place in the South Africa and the Western Cape should be regarded as a national disaster; and</p>	<p>The matter is opposed.</p> <p>An answering affidavit was filed on behalf of the First and Second Respondents.</p> <p>A replying affidavit was filed by the applicant.</p> <p>Matter was heard on 22 October 2019. Acting Judge Davis dismissed the application with costs of 3 counsel.</p> <p>A written judgment is awaited.</p> <p>The matter can be regarded as finalised.</p>

Description Of Litigation	Progress To Date
<p>That the first respondent does in fact determine that the Load Shedding caused by the Fourth Respondent taking place in the South Africa and Western Cape should be regarded as a national disaster; then immediately and no longer than 14 days after this determination; in terms of section 23 and 27 of the Disaster Management Act, No. 57 of 2002, classify the load shedding as a national disaster.</p>	
<p>28/06/2019 Frans Johannes Meintjies & 8 Others VS BA- Phalaborwa Local Municipality & 1 Others (Minister of CoGTA</p> <p>The applicants seeks to make the following order (amongst others):</p> <p>A declaration of invalidity be made in respect of the exclusion contained in the definition of “agricultural property”, as set out in section 1 of the MPRA, in as far as it relates to the use of property”... for the trading in or hunting of game....”, as being inconsistent with the provisions of section 9(1) of the Constitution; and</p> <p>An order be made severing the invalid part of the definition by deleting the words “.... Or for the trading and hunting of game” from the wording of the definition of “agricultural property” in section 9 (1) of the Constitution.</p>	<p>On 25 July 2019 the Department filed its notice to oppose and instructed the State Attorney to brief Counsel.</p> <p>On 11 October 2019, a consultation was held with Senior Counsel to provide information to enable Counsel prepare an for the draft Answering Affidavit</p> <p>Progress report requested from the State Attorneys. No progress to report on for Q3</p>
<p>18/11/2019 Harrismith Business Forum 7 Others / Eskom ; Maluti-a-Phofung & Others.</p> <p>The Applicants seek to make the following order (amongst others)</p> <p>Part A: Urgent interdict vs Eskom’s implementation of electricity supply interruption. The court to order that the Business Forum be allowed to pay their Municipality electricity account directly to ESKOM.</p> <p>Part B: National Government to comply with the provisions of s150 MFMA and that failure to take steps to intervene in terms of s150 be declared unconstitutional</p>	<p>The matter was held in court and it culminated into a court settlement agreement being made an order of the court on 22 October 2018 where the Minister of COGTA was mandated to establish a Ministerial Consultative Committee.</p> <p>Currently the co-operative process stipulated in the Settlement Agreement is ongoing. However; the Meeting of the Consultative Committee has not been taking place as required in terms of the Settlement Agreement.</p> <p>Written notice of intention by Applicants to issue Certificate i.t.o clause 6 of Settlement Agreement. Applicants agreed to suspend the Issuing of Certificate subject to number of action item being agreed.</p> <p>Reconvening of the Consultative Committee Meeting with all the stakeholder and Minister is scheduled for 12 December 2019.</p>

Description Of Litigation	Progress To Date
	<p>Meeting was held on 12 December 2019 and representative agreed to hold the suspension of the issuing of the certificate. Parties to propose a new date in the new year to continue with the meetings to deal with the MAP impasse. Each party undertaking to work towards improving the situation in MAP. DM appointed as the Chairperson of the Consultative Committee. Currently the co-operative process stipulated in the Settlement Agreement is ongoing.</p>
<p>21/08/2018 Johannes Coetzee (1st Applicant) Save eMalahleni Action Group (2nd Applicant) Sam Nape on behalf of Interested and affected parties (3rd Applicant) vs Emalahleni Municipality Premier Mpumalanga Province (1st Respondent) Executive Council for Mpumalanga Province (2nd) MEC for Treasury Mpumalanga (3rd) NCP (5th) COGTA Minister (6th) Finance minister (7th) Emalahleni Local Municipality (8th) Mayor Emalahleni (9th) Eskom (10th) Municipality Finance Recovery Services (11th) SALGA (12th)</p> <p>The Applicants sought the relief which is directed primarily at the MEC for Mpumalanga and the Provincial Treasury, however, alternative relief is sought against the National Executive in the event that the Provincial intervention sought is unsuccessful.</p> <p>Specifically, the Applicants seek an order directing the Province to intervene in the affairs of the Emalahleni Municipality by way of a mandatory intervention in terms of section 139 of the MFMA. Further orders against the Province are sought to ensure that the Recovery Plan is approved and implemented.</p>	<p>On 10 October 2018 an agreement between the parties made a Court Order granted for a straight out intervention (in terms of section 139(5). The Municipality defaulted on the court order.</p> <p>On 31 October 2019 Eskom sends a termination of electricity supply notice to eMalahleni Local Municipality i.r.o the outstanding amount of R397 372 965.12. Applicant sends letter to Eskom demanding withdrawal of Termination Notice and inviting Eskom to participate in development of credible Financial Recovery Plan</p> <p>The applicants refused to agree to an order similar to the one granted in Maluti-A-Phofung. The attorneys for the applicants addressed a letter to the Presidency and CoGTA expressing unhappiness with the fact that they are not being consulted in the process of preparing the Recovery Plan.</p> <p>This is despite the fact that the order that they have does not allow them the benefit of being consulted, as is the case in Maluti-A-Phofung. B2B Coordinators have been requested of provide a detailed report on the consultative process that has been in place together with the resolution that have been taken in meetings. This report is required to enable our legal team to respond to the applicant's letter of complaint.</p>
<p>November 2018 Musina Municipality Adrian Marthinus Appelgryn- Siebert (2ND) vs ESKOM (1st) Musina Local Municipality (2nd)</p>	<p>A court order was granted in terms whereof the first respondent was interdicted from interrupting the power supply to the respondent pending the finalisation of Part B.</p>

Description Of Litigation	Progress To Date
<p> NERSA(3rd Minister of COGTA (4th) Minister of Finance (5th) MEC for Local Government Limpopo Province(6th) MEC: Finance Limpopo Province (7th) Limpopo Province Sakelinga Sakelinga NPC (1st) </p> <p> APPLICATION: Part A: interdicting ESKOM from interrupting the power supply to the Municipality pending the finalisation of Part B. Part B: Review of Eskom decision and S139 Intervention. </p>	<p> Musina Municipality was owing Eskom R93.8m at the end of July 2019. According to S41 report, Eskom rejected the municipality's request to pay R600 thousand for the current account monthly and requested that the current account be settled in full. </p> <p> Eskom further requested that the municipality submit a payment arrangement proposal and pay the committed R40 million from the equitable share allocation. The municipality has paid R37 million so far in July 2019 & has requested a meeting with Eskom. </p> <p> There is no intervention in Musina. Mpho Mogale to get the latest update on the state of the municipality and liaise with province to determine whether the province intends intervening or not and whether the national intervention maybe considered. </p>
<p> Madibeng Municipality </p> <p> The South Human Rights Commission & 19 Others </p> <p> Vs </p> <p> Madibeng Municipality (1st Respondent) Bonjanala Platinum District Municipality (2nd Respondent) MEC for Local Government and Human Settlement (3rd Respondent) Minister of Water and Sanitation (4th Respondent) Minister of Health (5th Respondent) Minister of COGTA (Joined as 6th Respondent) </p> <p> Residents seek declaration that First to third Respondents' failure to provide them with a basic water supply is unconstitutional.</p> <p> Also seek order directing Municipality to provide them with reliable, long-term supply of water that is sufficient in quantity and safe to drink.</p> <p> Should the Municipality fail to provide the supply of water within a specified period, the MEC and the Minister will be required to intervene and assume responsibility for the provision of water. </p>	<p> NW is under section 100 and Madibeng is under section 139(1) (b) intervention. </p> <p> On 01 August 2018 Applicants applied for Minister of COGTA be joined. </p> <p> A notice of set down was received by the state attorney regarding the joinder application which was to be heard in January 2019 (23/01/19) Minister COGTA is joined as sixth respondent </p> <p> There was no activity thereafter. State Attorney is still to provide papers and report on the status of the court process. </p>

B: Our Strategic Focus

4. Vision

Leaders in Municipal Infrastructure Support.

5. Mission

Our mission is to provide integrated municipal infrastructure support services to municipalities through technical expertise and skills development towards the efficient infrastructure delivery systems, processes and procedures.

6. Values

In executing its mandate, the Municipal Infrastructure Support Agent is guided by the following core values:

- Integrity
- Collaboration
- Knowledgeable
- Professionalism
- Service Excellence

7. Updated Situational Analysis

The process of drafting the annual performance plan for MISA for the 2020/2021 financial year took into consideration factors in both the external and internal environments likely to influence the pursuit of outputs in the plan. The analysis of the external and internal environment is presented below.

7.1 External Environment Analysis

The five-year term for the Sixth Administration commenced during the period of protracted economic slump as reflected in the average annual economic growth below 2% over the last five years against the NDP target of 5% growth per annum. It is projected that the low growth trajectory will more than likely continue for the near future. Unfavourable domestic economic conditions are manifested in high inequality, persistently high unemployment and poverty levels. The implication is that the MTSF for 2019-2024 will be implemented within a low economic growth environment. As witnessed over the last five years, low economic growth is typically accompanied by low levels of revenue collection by the South African Revenue Services and other agencies of government.

Low revenue collection has a negative effect on the ability of municipalities to pay for bulk supplies by utilities such as Eskom and the Water Boards. As of June 2019, National Treasury records (Section 71 reporting 4th Quarter 2018/19) revealed that at least 45 Municipalities had a negative cash position. If this trend continues unabated it will have disastrous consequences, with regard to the viability of most Municipalities. As of October 2019, Eskom data in the National Treasury MFMA Section 41, January 2020 report, revealed that the municipal debt to Eskom was estimated at R27.0bn, whilst the debt to water boards was estimated at R14.9bn (Department of Water and Sanitation Annual Report 2018/19). According to National Treasury MFMA Section 41, January 2020 report, 20 municipalities accounted for 79% of the total local government debt to Eskom. In the same period, it was also reported that 77% of municipalities with payment arrangements concluded with the power utility were unable to honour their commitments.

The failure to service the debt equally extends to water boards as Municipalities are defaulting on settling their accounts and honouring payment arrangements. This is compounded by the fact that municipalities are also owed huge amounts by consumers. SALGA (Section 71 reporting 4th Quarter 2018/19) estimate the debt owed to municipalities to be over R165bn. Municipalities need to be supported with the implementation of revenue enhancement strategies as well as the application of more efficient technologies such as installation of smart prepaid meters, to improve their revenue collection.

Over and above settling debts to Eskom and the water boards, municipalities are faced with the challenge of addressing service delivery backlogs or at least improving access to services for communities. Stats SA (2018) data shows that the country has made commendable strides with regard to access to basic services. Average household access to above Basic Level of service (Stats SA General Household Survey 2018) for Electricity is at 91%. Average household access to above Basic Level of service for Sanitation is at 87% and for Water Services is 94% of households. *Water services refers to water supply services, which encompass the abstraction, conveyance, treatment and distribution of potable water.* Progress on the provision of above basic services for Solid Waste has been relatively slow at 66% of households.

The diagram below presents the percentage households' access to services across four sectors:

Overall service levels: SA Average (% of households with level of service)

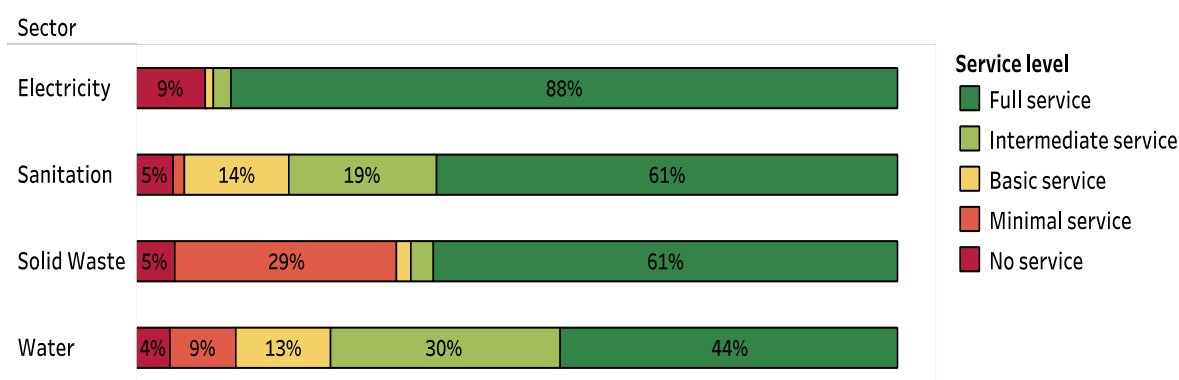


Diagram: Percentage household access to services (Source: Stats SA, 2018)

With regard to higher levels of services, the country is also doing relatively well, considering the very low historical base of basic services provision. At least 88% of the households have full access to electricity (in-house pre- and post-paid electricity meters). On the other hand, only 44% of the households have full access to water (piped water in dwelling). Access to full sanitation (conventional water borne) and full solid waste (removed once a week) services is, each, at 61%. About 34% of households have access to between minimal and no solid waste services. These households have communal or own refuse dumps, or have no facilities at all.

The table below explains the differentiation in the levels of services provision and puts into context the basic level of services provision.

Service Level	Water	Sanitation	Solid Waste	Electricity
1=None	No access to piped water	No sanitation	No facilities/dump anywhere	No access to electricity
2=Minimal	Communal standpipe >200m	Bucket toilets	Communal/Own refuse dump	Generator/Solar
3=Basic	Communal standpipe <200m	Pit toilet without ventilation pipe	Communal container/collection point	Access to electricity don't pay for it
4=Intermediate	Piped water in yard	VIP, Chemical or ecological toilets	Removed less than once a week	Connected to source and pays for it
5=Full	Pipe water in dwelling	Conventional water borne	Removed one a week	In-house pre- and post-paid meters

Table: Differentiation in the levels of services provision (Source: Stats SA, 2018)

The current state of local government infrastructure is further affected by the fact that municipalities experiencing financial difficulties try to address their situation by reducing the budget allocated for infrastructure operations, maintenance and refurbishment with negative consequences on the continuous functionality of such infrastructure. The National Water and

Sanitation Master plan (NWSMP) (2018), estimates that 56% of wastewater treatment works and 44 % of water treatment works are in a poor or critical condition whilst 11% are dysfunctional. MISA has witnessed a growing number of infrastructure breakdowns in the recent past reflected in the high cases of sewer spillages. According to the Department of Water and Sanitation (2018), nationally, non-revenue water and water losses have worsened from 36.8% in the year 2012 to 41% in 2017. It is recommended that the situation be addressed through the development and implementation of non-revenue water management programme, adoption and funding of Water Conservation and Water Demand Management Strategies and business plans. South Africa needs to adopt water conservation strategies that will assist in pushing down the current *per capita* consumption of water.

Municipalities are failing to balance investment in new infrastructure with sound operation and maintenance of existing infrastructure so as to ensure sustainable service delivery. Consequently, inadequate infrastructure maintenance undermines service delivery and contributes to increased backlogs. According to a study conducted by the Financial and Fiscal Commission (2014/15) in 2011, municipalities were investing, on average 5% of total operating expenditure on infrastructure rehabilitation. The study revealed that the majority of municipalities do not have formally costed maintenance strategies or asset lifecycle strategies. They don't have formal asset management plans and therefore cannot properly budget for specific asset-care tasks and interventions. This is despite the fact that National Treasury Guideline for spending on repairs and maintenance is 8% or more of property plant and equipment (PPE), as published in MFMA Circular 71[1].

This trend of under expenditure has not improved but rather worsened as evidenced by National Treasury 2020 statistics which indicate that between the period 2015 to 2018 only four municipalities have spent 8% or more on repairs and maintenance, with only two (Sol Plaatjie and City of Cape Town) of these being consistent, from a possible 141 municipalities responsible for water services in South Africa. In addition, it is also concerning to see that metros are also not investing appropriately in infrastructure maintenance (the exception being the City of Cape Town), this is unacceptable as metros have adequate own revenue to repair and maintain their infrastructure.

Although National Government, through the grant systems, provides infrastructure development funds, it should be noted that without a commensurate increase in operating revenue this infrastructure can easily become an operating and maintenance burden. There is a growing observation that as a result of lack of proper maintenance, asset care is gradually shifting towards asset stripping. Poor asset condition has a negative effect on municipalities' financial viability, since aged infrastructure contribute towards poor revenue collection.

This calls for a need to build municipal capacity for infrastructure asset management. Currently, there is no government authority that enforces and monitors asset management throughout the asset value chain. There is, instead, a tendency to rely on accounting standards to measure the extent to which municipalities undertake asset management. Consideration should be given to introducing local government infrastructure asset

management legislation. There is also a need to develop and implement credible infrastructure asset management plans and pay attention to the operating implications of infrastructure developed through capital funding.

Municipalities' failure to manage infrastructure assets is partly attributed to lack of revenue bases. However, there are recorded cases of poor expenditure on allocated infrastructure grants, such as the Municipal Infrastructure Grant (MIG). As shown in the table below, between 2013/14 and 2018/19 a total of R4,3bn in MIG transfers was stopped by National Treasury following municipalities' failure to spend allocated funds. This translates to an annual average of R732 million. There is, therefore, a need to support municipalities with project preparation and sound project management principles to improve expenditure and delivery of services.

Financial Year	Number of Municipalities	% of Total	Amount Stopped ('R000)
2013/14	46	19	678,159
2014/15	34	14%	956,760
2015/16	30	12%	828,669
2016/17	44	18%	939,834
2017/18	56	23%	669,219
2018/19	47	21%	549,226
Total	244	100%	4,389,607

Another major challenge confronting municipalities in the provision of infrastructure and spending of capital budgets is the lack of requisite skills to effectively plan, deliver, operate and maintain infrastructure. There is, therefore, a need to support and strengthen the capacity of municipalities to manage their affairs, execute their powers and perform their functions. According to SAICE report on Numbers and Needs in Local Government of 2007 there has been a drop in the number of experienced engineers per capita within the local government space. Furthermore, many of the current reduced staff complement are also inexperienced and have limited capacity to initiate, manage and monitor projects.

This situation undermines MISA's efforts to provide technical support and advice since MISA's technical professionals end up assuming full responsibility for the performance of functions relating to infrastructure planning, delivery, operations and maintenance in municipalities. With technical expertise in the public sector being so limited currently, it is necessary to engage private partners, and where possible, to deliver infrastructure projects through public private partnerships (PPPs).

The shortage of technical experts in municipalities reduces MISA technical support to gap filling instead of desired internal capacity development. In this regard, an independent study conducted by Government Technical Assistance Centre (GTAC, 2016) on behalf of MISA revealed that the employment of technical experts without internal capacity building was not

yielding desired results. The diagram below illustrates the effects of gap filling in a municipal context – gap filling support has a potential to improve performance, but on its own (or if not coupled with structured pairing support), often leaves a municipality worse off in the long run.



Source: Diagnostic of MISA's Capacity (GTAC, 2016)

There is a need for structured capacity building in municipalities, in order to address lack of technical capacity for infrastructure management. Although MISA has an infrastructure capacity building framework, there is no technical capacity building strategy for local government. There is also an acknowledgement that current capacity building initiatives in the country are poorly coordinated and fragmented. Municipal capacity building initiatives are also implemented at a small scale to make meaningful impact.

There is consensus amongst stakeholders involved in municipal technical capacity building that the following options, based on the MISA's Capacity Building Framework, be considered towards developing a technical capacity building strategy for the South African local government sector:

- **Building capacity of existing municipal staff and systems:** strategic management; change management; systems and process mapping; mentoring and coaching; pairing; twinning; infrastructure specific skills development programmes; service provider contracts; and active citizenry.
- **Engineering sector development:** education and training of potential new employees (building a technical skills pipeline for local government), through bursary schemes; internships; apprenticeships, and candidacy programmes. This can be achieved through collaborative efforts with the Sector Education and Training Authorities (SETAs).
- **Technical assistance from public sector organisations:** direct technical assistance, MIG PMU support; district core skills teams; and integration of functions.

The above-mentioned technical capacity building options can be realised through partnerships with the private sector and international partners. The private sector can provide

direct technical assistance through contracted service providers and under PPPs. On the other hand, international partners can provide technical assistance to national and provincial officials to improve their ability to support municipalities. They can also contribute through the setting up PPPs with municipalities.

The delivery of municipal infrastructure and services is highly dependent on governance stability in municipalities. The 2017-18 Auditor General's report highlights that out of the 257 municipalities audited, only 18 municipalities managed to produce quality financial statements and performance reports, and complied with all key legislation, thereby receiving a clean audit. This is a regression from the 33 municipalities that received clean audits in the previous year. The AG's report notes that this is the highest level of non-compliance with key governance laws since 2011-12. This trend poses significant threats to MISA's role in providing support to municipalities as it tends to negate progress made in capacity building.

There is even a heightened risk of increasing number of municipalities defaulting on the payment of outstanding debt for bulk supply by Eskom and Water Boards due to declining revenue in the wake of the slow economic activities caused by the COVID-19 pandemic. Some municipalities had consistently struggled to settle their long outstanding debt to bulk suppliers long before the onset of the pandemic. The ongoing pandemic will more likely exacerbate this situation. On the other hand, municipalities are expected to collect even lower revenue from their customers whose ability to earn income would have been seriously curtailed during the lockdown period and continuing disruptions as a result of growing infections in the workplace. The negative consequences of diminishing revenue collection is that municipalities will pay less attention to the proper maintenance of the infrastructure assets. Poorly maintained infrastructure inexorably results in frequent disruption of services to the detriment of communities.

7.2 Internal Environment Analysis

Prior to the development of MISA's Strategic Plan (SP) and Annual Performance Plan (APP), the management committee of MISA conduct an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) to identify key internal and external factors that must be taken into consideration during the development of its strategic plan and annual performance plan. These key internal and external factors are summarise with a detailed explanation provided of these factors in the table below.

Table 7.2.1 MISA's SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Filling of technical positions leading to improved institutional capacity and performance. Filling of one DDG post – leading to improved stability in the organisation. 	<ul style="list-style-type: none"> Vacancy rates in technical positions still high. Delays in the filling of the remaining DDG post.

<ul style="list-style-type: none"> • Improved governance leading to an improved internal control environment. • Stable senior management component. 	<ul style="list-style-type: none"> • Capacity constraints to meet high demand for support by municipalities in the country. • Lack of automated processes and systems
Opportunities	Threats
<ul style="list-style-type: none"> • District Development Model for better coordination in local government support programmes. • Government intention to strengthen the role of MISA as a leader in municipal infrastructure support. • The urgency to extend water services to communities as a measure for mitigating the spread of the coronavirus has provided an opportunity to significantly reducing backlogs in relation to water and sanitation through the reprioritisation of MIG allocations. 	<ul style="list-style-type: none"> • Higher staff turnover in technical positions due to better remunerations in the private sector. • Insufficient budget to meet the demand for support. • Instability arising from political interference in administrative matters within municipalities. • Increasing governance and financial management challenges in municipalities • Lack of enforcement/regulatory mechanism as MISA to municipalities towards a sustainable impact. • High probability of decline in the rate of revenue collection from customers due to severe economic down caused by the COVID-19 pandemic.

Prior to the approval of the revised structure for MISA in 2017 for the entity, MISA supported municipalities through technical professionals appointed on fixed term contracts and professional service providers (PSPs). This operational approach resulted in high level of instability within the organisation since deployed professionals were contracted for a maximum period of three years with negative impact on their ability to fully focus on the performance of their functions. This resulted in high staff turnover during the period. Simultaneously, the organisation also experienced instability at top management level due to prolonged period of vacancies at the Deputy Director General (DDG) level.

Due to capacity weaknesses arising from the resourcing model outlined above, MISA experienced slow implementation of projects leading to poor performance against performance targets in the annual performance plans and underspending of allocated budgets. Following the granting of concurrence by the Department of Public Service and Administration (DPSA) to the revised structure in January 2017, MISA embarked on an intensive recruitment drive, prioritising the appointment of technical professionals and provincial managers. This process has resulted in the filling of 85% (71 out of 84) of technical positions on the approved structure. The filling of technical and other critical positions on the

structure has contributed to improved organisational performance in 2018/19 financial year. The current vacancy rate in respect to technical positions is still high due to resignations as some of the technical professionals are enticed by better remuneration offered by other organisations despite MISA applying the Occupation Specific Dispensation (OSD) in determining the salary structures for technical professionals.

MISA accumulated a large amount of irregular expenditure in the years prior to 2017/18 due to weaknesses in the internal control environment, particularly the supply chain management (SCM) processes. Through engagements with the Chief Procurement Officer in National Treasury and implementation of appropriate remedial actions, National Treasury eventually condoned the entire irregular expenditure amount in 2019. Due to internal control weaknesses, the Auditor General issued unqualified audit with matters of emphasis for each of the financial years before 2018/19. The organisation received an unqualified audit opinion with no matters of emphasis (clean audit) for 2018/19 financial year, which demonstrated that significant strides have been made in improving the internal control environment. The overall performance in relation to the annual performance plan for the same period also improved substantially in comparison to prior years.

It is crucial for MISA to remodel its operational approach to be aligned with the District Development Model. Furthermore, in light of the July 2019 Cabinet's Lekgotla resolution that MISA should be strengthened to improve the provision of support to municipalities, additional resources will be needed. To mobilise additional resources, MISA has developed a business case outlining the key initiatives to be implemented in line with the envisaged strengthened role of MISA as a basis for soliciting additional resources. Management is continuing with the recruitment process to bring the current vacancy rate to an acceptable level and strengthen the organisational capacity to ensure that the agency contribute meaningfully in the implementation of the MTSF for 2019-2024.

The nation-wide lockdown introduced at the end of March following the declaration of the national state of disaster in response to the outbreak of the COVID-19 pandemic has fundamentally changed the operational environment for both MISA and municipalities. This is because the pandemic has placed constraints to the performance of certain functions towards the achievement of performance targets in the approved APP. Furthermore, government initiated a fiscal package amounting to R500 billion to mitigate the socio-economic impact of the pandemic. This response packaged is partly funded through the reprioritisation of R130 billion from the baseline for 2020/21, which resulted in the reduction of allocations to various departments and other government institutions. The reprioritisation process resulted in the reduction of MISA's allocation for 2020/21 by R5 982 000.00. This reduction has necessitated the amendment of the APP, as some of the indicators could not be continued due to financial constraints.

In the Special Adjustment Budget, an amount of R19.6 billion was set aside for the current financial year to implement the President's Employment Stimulus, which seeks to build a new economy through public investment in a mass employment strategy. MISA will contribute to

the employment stimulus of Presidency by facilitating the creation of job opportunities for the unemployed through labor-intensive infrastructure maintenance in municipalities across the 52 districts spaces. Well-maintained infrastructure (roads, water and sanitation, energy and solid waste management) through the employment stimulus will contribute towards the socio-economic development and improvement of people's lives and livelihoods. The additional funding MISA will receive through DCoG, has necessitated the amendment of the APP, by adding an additional one indicator to our current APP.

Part C: Measuring Our Performance

Institutional Programme Performance Information

8. Programme: Administration

8.1 Purpose: The programme ensures effective leadership, strategic management and administrative support to the Municipal Infrastructure Support Agent in line with applicable legislation and best practice.

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

8.1.1 Sub-programme: Executive Support, Strategy and Systems

Executive Support, Strategy and Systems sub-programme reports directly to the Chief Executive Officer (CEO) and provides strategic management support to the organisation. It consists of the following functions:

Strategic Management, Monitoring and Evaluation that facilitate the formulation of strategic plan and annual performance plan. It is also responsible for institutional performance assessment and for conducting programme evaluation.

Executive Support provides executive support services to the Chief Executive Officer and management. It also provides administrative and secretariat support to the agency's management and oversight structures, including the Audit Committee.

Government Information and Communication Technology (GICTM) performs information communication technology business enablement and governance services. It is also responsible for information and knowledge management function.

Internal Audit Services reports to the Chief Executive Officer for administrative purposes and functionally to the Audit Committee. It facilitates the performance of internal and forensic audits. It also provides technical support to the Audit Committee.

Risk, Anti-corruption and Integrity sub-directorate is responsible for managing the provision of organisational risks and integrity management, and anti-corruption services. The sub-directorate reports directly to the Chief Executive Officer and is separate from Internal Audit Services.

8.1.2 Sub-programme: Corporate Management Services

Corporate Management Services sub-programme reports directly to the Chief Executive Officer and provides administrative support to the entire organisation. It consists of the following functions:

Human Resource Management and Development provides the human resource administration and development services. It is also responsible for labour relations and employee wellness services within the organisation.

Legal Services provides legal advice to the organisation, litigation support and ensures compliance with the national and international laws. It also assists the organisation with the drafting and monitoring of service level agreements between MISA and external parties.

Security and Facilities Management Services is responsible for ensuring that both the staff and other resources within the organisation are protected and that the work environment is conducive for productive performance.

Communications is responsible for managing the provision of communication services within the organisation. It provides both internal and external communication services, media liaison support, public liaison, events management, publication and photo journalism support, as well as developing and maintaining the departmental website.

8.1.3 Sub-programme: Financial Management Services

Financial Management Services manages and facilitate the provision of financial management services and reports to the Chief Executive Officer. It consists of the following functions:

Financial Accounting and Administration that develops and oversee the implementation of financial administration and accounting policies, processes and systems. Its main aim is to ensure that the financial resources allocated to the agency are optimally utilised.

Management Accounting provides guidance on the preparation of budgets and monitors the expenditure trends on an ongoing basis.

Supply Chain and Asset Management facilitates the development and monitors the implementation of supply chain management policies, processes and systems. It also provides procurement and asset management support within the organisation.

Internal Control and Compliance facilitates the development and implementation of an internal control system to improve governance and compliance with applicable regulations, internal policies, processes and procedures. It is also responsible for fraud prevention and loss minimisation.

8.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved governance, administrative support system and ethical practices.	Approved communication strategy	Approved communication strategy implemented	New indicator	New indicator	New indicator	Approved communication strategy implemented	Approved communication strategy implemented	Approved communication strategy implemented	Approved communication strategy implemented
	Risk Management Plan	Annual risk management plan implemented	New indicator	New indicator	New indicator	Annual risk management plan implemented	Annual risk management plan implemented	Annual risk management plan implemented	Annual risk management plan implemented
	Internal audit plan	Annual internal audit plan implemented	New indicator	New indicator	New indicator	Annual internal audit plan implemented	Annual internal audit plan implemented	Annual internal audit plan implemented	Annual internal audit plan implemented
	Approved ICT Operational Plan	Approved ICT operational plan implemented	New indicator	ICT governance framework and IT Strategy approved and implemented	ICT Operational Plan approved by 30 April each year and implemented	Approved ICT operational plan implemented	Approved ICT operational plan implemented	Approved ICT operational plan implemented	Approved ICT operational plan implemented

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Unqualified audit opinion on the annual financial statements	Achieve unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements	Achieve unqualified audit opinion on annual financial statements 2018/19	Achieve unqualified audit opinion on annual financial statements 2019/20	Achieve unqualified audit opinion on annual financial statements 2020/21	Achieve unqualified audit opinion on annual financial statements 2021/22
	Approved procurement plan	Approved procurement plan implemented	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 31 March each financial year	Approved procurement plan implemented	Approved procurement plan implemented	Approved procurement plan implemented	Approved procurement plan implemented

8.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Approved communication strategy implemented	Approved communication strategy implemented	Quarterly progress report on the approved communication strategy	Quarterly progress report on the approved communication strategy	Quarterly progress report on the approved communication strategy	Quarterly progress report on the approved communication strategy

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
		implementation	implementation	implementation	implementation
Annual risk management plan implemented	Annual risk management plan implemented	Quarterly progress report on risk management plan implementation	Quarterly progress report on risk management plan implementation	Quarterly progress report on risk management plan implementation	Quarterly progress report on risk management plan implementation
Annual internal audit plan implemented	Annual internal audit plan implemented	Quarterly progress report on internal audit plan implementation	Quarterly progress report on internal audit plan implementation	Quarterly progress report on internal audit plan implementation	Quarterly progress report on internal audit plan implementation
Approved ICT operational plan implemented	Approved ICT operational plan implemented	Approved ICT Operational Plan and Quarterly progress report on approved ICT operational plan implementation	Quarterly progress report on approved ICT operational plan implementation	Quarterly progress report on approved ICT operational plan implementation	Quarterly progress report on approved ICT operational plan implementation
Achieve unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements	-	Unqualified audit opinion on annual financial statements 2019/20	-	-
Approved procurement plan implemented	Approved procurement plan implemented	Quarterly progress report on approved procurement plan implementation	Quarterly progress report on approved procurement plan implementation	Quarterly progress report on approved procurement plan implementation	Quarterly progress report on approved procurement plan implementation

8.4 Explanation of Planned Performance over the Medium Term Period

Improved Governance, Administrative Support System and Ethical Practices

The main objective of output indicators and targets under the Administration is to foster a culture of compliance with applicable legislation and ethical conduct within the organisation. They also focus on the effectiveness of assurance provided by various oversight bodies and ensure the maintenance of an effective system of internal controls. All these measures together will enable the organisation to maintain sound governance system and achieve favourable audit outcomes in the coming years. It is also crucial for MISA to improve the communication of its programmes and achievements with relevant stakeholders, hence the inclusion of an output indicator relating to the implementation of a communication strategy and plan in the next financial year.

8.5 Programme Resource Considerations

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand							
Programme: Administration							
Total	66332	57942	98847	90023	95018	101849	105639
Economic Classification							
Compensation of employees	15364	16085	41577	39243	48863	52375	54324
Goods and Services	43525	35500	51839	43280	40155	43042	44644
Depreciation	7443	6357	5431	7500	6000	6432	6671
Total	66332	57942	98847	90023	95018	101849	105639

The budget for compensation of employees under Administration Programme increased significantly between 2017/18 and 2018/19 due to the rising number of staff complement as MISA embarked on a drive to fill vacancies on the revised organisation structure. Before then, MISA heavily relied on co-sourcing arrangements in terms of which functions such as supply chain management (SCM), ICT and Internal Audit were performed mainly by external service providers contracted by MISA. Both SCM and ICT functions are now fully in-sourced whereas a service provider is still contracted to complement limited capacity for internal audit functions. Since 2018/19 spending on this item has remained steady. The total budget for Administration is split proportionally between the compensation of employees and goods and services at the

48:52 ratio in 2020/21.

The improvement in human resources capacity within the programme, as reflected in the increased salaries and wages budget, enables the organisation to provide efficient support to the line functions and ensures the maintenance of an effective system of internal control. This has contributed to the improvement in the audit outcomes and prevention of wasteful, fruitless and wasteful expenditure. This is reflected in the fact that MISA did not incur new irregular expenditure since 2017/18 financial year and received a clean audit opinion for 2018/19 financial year. The goods and service budget of R44 894 000 in 2020/21 financial year will be spent mainly on the procurement of contractors to providing ICT equipment, systems and services and travelling support services. These services are critical to the efficient operation of the organisation to enable the achievement of the policy priorities and performance targets in the strategic plan and annual performance plan.

9. Programme: Technical Support Services

9.1. Purpose: The purpose of the programme to enhance the capabilities of municipalities for improved municipal infrastructure planning, delivery, operations and maintenance. Its main focus is to manage the provision of technical support and capabilities to enhance the management of municipal infrastructure support programmes by:

- providing assistance to selected municipalities in conducting infrastructure assessment and analysis; and
- providing technical support and expertise to enable the delivery, planning, maintenance and land use management services in collaboration with relevant stakeholders; and coordinating the development of technical skills to support the delivery of municipal infrastructure programmes.

Programme overview: The Programme coordinates 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; and coordinate the development of technical skills to support the delivery of municipal infrastructure support programmes.

The Programme consists of the following sub-programmes:

9.1.1 Sub-programme: Infrastructure Assessment and Analysis

The primary aim of the sub-programme is to lay a sound basis for establishing the support requirements for each of the selected municipalities. This determination is based on the outcome of the assessment of infrastructure assets condition, review of infrastructure maintenance budgets and expenditure trends and assessment of backlogs on access to basic service, among other focus areas. This assessment allows MISA to design support and

intervention plans that appropriately respond to the predetermined needs for each targeted municipality.

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

The sub-programme provides technical support to municipalities based on the needs identified during the assessment and analysis stage. It also provides support to municipalities in relation to planning for land use management and spatial development frameworks. Furthermore, the IDMSC is responsible for coordinating other role-players such as sector departments, state-owned companies and provincial government towards the integrated delivery of municipal infrastructure.

9.1.3 Sub-programme: Technical Skills

The main role of this sub-programme is to strengthen the capacity within municipalities for planning, delivery and maintenance of municipal infrastructure. This is achieved by facilitating workplace opportunities in municipalities for graduates, apprentices and learners in technical disciplines and technical training for municipal officials. It further supports municipalities in the recruitment of qualified technical personnel and mentoring of learners placed in municipalities for workplace learning.

9.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance		MTEF Period	
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Effective water management system for the benefit of all	Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented	Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented	New	New	10	N/A	10	30	30
Efficiency in infrastructure management	Jobs created through labor-intensive infrastructure maintenance in municipalities	Number of jobs created through labor-intensive infrastructure maintenance in municipalities	New Indicator	New Indicator	New Indicator	New Indicator	25 000	0	0
	Districts with implemented infrastructure Operations and Maintenance Plans.	Number of Operations and Maintenance plans implemented in districts	20	16	N/A	N/A	30	30	30
	Districts with improved spending on MIG	Number of districts with improved MIG spending to at least 90%	New	New	New	39 Districts	44	44	44

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Youth enrolled in the MISA Apprenticeship Programme	Number of youth enrolled in the MISA Apprenticeship Programme	373	350	303	230	100	100	100
	Youth enrolled in the MISA Experiential Learning Programme	Number of youth enrolled in the MISA Experiential Learnership Programme	65	90	103	70	70	70	70
	Youth enrolled in the MISA Young Graduate Programme	Number of Youth enrolled in the MISA Young Graduate Programme	35	50	85	135	150	150	150
	Youth awarded MISA bursaries to study towards technical qualifications relevant to local government infrastructure management	Number of youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management	186	164	202	80	75	100	100

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Municipal officials trained in municipal infrastructure management	Number of municipal officials trained in municipal infrastructure management	644	300	557	250	250	250	250
	Municipal officials capacitated through recognition of prior learning programmes	Number of municipal officials enrolled in MISA Recognition of Prior Learning (RPL) programmes	New Indicator	11	50	80	100	100	100
	Municipal capacity development plans implemented	Number of municipal capacity development plans implemented	New Indicator	New Indicator	7	7	15	15	15
Enhanced intergovernmental and interdepartmental coordination through the implementation of the District Development Model	Districts supported with the implementation of district-wide infrastructure plans	Number of districts with implemented district-wide infrastructure plans	New	New	New	New	23	44	44
A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in	Implemented SPLUMA compliant municipal spatial plans, Spatial Development Framework (SDF's) and Land Use	Number of SPLUMA Compliant municipal spatial plans, SDF's and land-use schemes implemented in districts	11	30	2	30	30	30	30

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
cities, regions and rural areas	Schemes in districts								
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services	Districts with increased household access to reliable water services	Number of districts with implemented standard operating procedures for reliable water services	New	New	New	New	10	20	30
	Districts with increased household access to sanitation services	Number of districts with implemented standard operating procedures for improved households access to sanitation services	New	New	New	New	10	20	30
	Districts with reduced waste disposal to landfill sites	Number of districts supported implement Integrated Waste Management (IWM) plans	New	New	New	New	10	10	10
	Districts with increased households' access to reliable electricity services	Number of districts supported with implementation of a performance monitoring strategy and electricity supply management	New	New	New	New	8	15	20

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		strategies							
	Districts with implemented Regional Management Support Contract (RMSC) Programme	Number of districts supported with implementation of the Regional Management Support Contract (RMSC) programme	3	3	3	3	3	6	9
	Districts with implemented infrastructure inspectorate's assessment reports	Number of districts supported with the compilation and implementation of infrastructure functionality assessment reports	New	New	New	18	10	10	10

9.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented	10	-	-	-	10
Number of jobs created through labor-intensive infrastructure maintenance in municipalities	25 000	-	-	12 500	12 500
Number of Operations and Maintenance plans implemented in districts	30	-	10	10	10
Number of districts supported to improve spending on MIG to at least 90%	44	66% of selected MIG receiving municipalities spending 90% of MIG allocation from 2019/20 Municipal FY Quarterly Progress Reports	Quarterly Progress Reports on MIG spending	70% of selected MIG receiving municipalities spending at least 40% of MIG allocation from 2020/21 Municipal FY Quarterly Progress Reports	Quarterly Progress Reports
Number of youth enrolled in the MISA Apprenticeship Programme	100	-	-	-	100
Number of youth enrolled in the MISA Experiential Learnership Programme	70	-	-	-	70
Number of Youth enrolled in the MISA Young Graduate Programme	150	-	-	-	150
Number of Youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management	75	-	-	-	75
Number of municipal officials trained in municipal infrastructure management	250	50	100	50	50
Number of municipal officials enrolled in MISA the Recognition of Prior Learning programmes	100	-	-	-	100
Number of municipal capacity development plans implemented	15	15	15	15	15

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of districts with implemented district-wide infrastructure plans	23	-	-	-	23
Number of SPLUMA Compliant municipal spatial plans, SDF's and land-use schemes implemented in districts	30	-	-	-	30
Number of districts with implemented standard operating procedures for reliable water services	10	10	10	10	10
Number of districts with implemented standard operating procedures for improved household access to sanitation services	10	10	10	10	10
Number of districts supported implement Integrated Waste Management (IWM) plans	10	-	-	-	10
Number of districts supported with implementation of a performance monitoring strategy and electricity supply management strategies	8	Progress reports	Progress reports	Progress reports	Progress reports
Number of Districts supported with implementation of the Regional Management Support Contract (RMSC) programme	3	Progress report	Progress report	Progress report	-
Number of Districts supported with the compilation and implementation of infrastructure functionality assessment reports	10	-	3	3	4

9.4 Explanation of Planned Performance over the Medium Term Period

Effective water management system for the benefit of all

MISA has a responsibility, in terms of its mandate and the provisions of section 154 of the Constitution, to contribute towards supporting and strengthening the capacity of municipalities to execute their constitutional mandate. In order to ensure effective water management systems for the benefit all communities, MISA will support identified municipalities to develop and implement Water Conservation and Water Demand Management (WC/WDM) plans. The objectives of these plans, amongst others, are to assist identified municipalities to conserve, manage and improve revenue on water supply services.

Implementation of WC/WDMs will strengthen the capacity of municipalities to effectively and efficiently manage their water resources and systems. Water losses will, in the process, be reduced and thereby improving access to reliable and sustainable water services to communities. When the provision of reliable water services improves it will render communities to be investor friendly and thereby meaningfully contribute to socio-economic growth. Economic growth will contribute towards creating job opportunities for unemployed youth.

In order to address poor water management in municipalities, MISA will over the MTSF provide capacity support to municipalities to develop and implement WC/WDM plans. At least ten municipalities, on an annual basis, will be supported to either develop or implement existing WC/WDM. Municipalities without financial muscles to fund the development and/or implementation of WC/WDM, will be assisted to secure funds or (to the extent possible) through MISA to develop and/or implement their WC/WDM.

Efficiency in infrastructure management

Municipalities have since the advent of the democratic dispensation focused on addressing infrastructure backlogs with the view to improving access to basic services. Although significant achievements have been made in this regard, there is an acknowledgement that the rate at which new infrastructure is developed is not commensurately met with requisite operations and maintenance of the same and existing infrastructure. This results in infrastructure falling apart and communities not receiving reliable and sustainable services. Over the MTSF, MISA will be supporting municipalities to develop and implement infrastructure operations and maintenance plans to address the challenge. All 44 districts shall have been supported by the end of the 2025 financial year. The support will, at the same time, be aimed at improving households' access-levels to services.

Historically low expenditure on the Municipal Infrastructure Grant (MIG) impacts on the development of bulk infrastructure for the provision of basic services. This has further knock-on effects in terms of job creation through infrastructure development and stimulating the local economy in a municipal space, as it is widely recognized that infrastructure development

stimulates economic activity. Whilst, the national average expenditure on MIG was at 90.8% in the 2018/2019 municipal Financial Year, it is only 66% of MIG receiving municipalities that are spending 90% or more of their MIG allocation. Some municipalities have spent less than 10% of their grant allocation. It is therefore, of significant importance for MISA to support MIG improved expenditure through the provision of technical support to municipalities.

Effective and efficient management of infrastructure is dependent on, amongst other factors, the capacity of municipalities to do so. MISA will roll out a number of capacity support initiatives or programmes aimed at improving the capacity of municipal officials, municipal systems and process, and the enabling (policy) environment. Capacity development programmes aimed at creating a technical skills pipeline and professionalising local government will also be implemented over the MTSF.

The planned target is intended to support the President's Employment Stimulus and prevent an employment catastrophe over the remainder of the financial year 2020/21. MISA will facilitate the creation of 25 000 job opportunities for the unemployed through labor-intensive infrastructure maintenance in municipalities across the 52 districts spaces. Well-maintained infrastructure (roads, water and sanitation, energy and solid waste management) will contribute towards socio-economic development and improvement of people's lives and livelihoods.

Enhanced intergovernmental and interdepartmental coordination through the implementation of the District Development Model

There is fragmentation and poor coordination of infrastructure planning and delivery efforts by government departments and entities charged with implementation of projects in municipal spaces. Through the District Development Model (DDM), MISA will support municipalities and sector departments with coordination and compilation of infrastructure plans at a district level. This will assist in sector departments to integrate their efforts, supplement each other, and avoid duplication of efforts as well as role conflict and confusion. The effort will contribute towards enhancing intergovernmental and interdepartmental coordination.

A well coordinated service delivery, through the DDM and municipal IDPs, will improve access to sustainable services by communities and strengthen the capacity of municipalities to execute their mandate. The coordinated process will enhance value for money invested in government infrastructure initiatives and improve socio-economic growth.

MISA's objective is to establish a coordinated and structured framework for supporting infrastructure development across all the 44 districts by the year 2025. MISA, working with other role players, will coordinate district roadshows for infrastructure development, which will be aligned with the IDP process. The roadshows will provide a platform for communication amongst stakeholders on the delivery of infrastructure programmes and projects in municipalities.

A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas

South Africa aims to address spatial settlement patterns associated with the past through creating a spatially just and transformed national space economy that enables equal access to social services and economic opportunities. The Spatial Planning and Land Use Management Act (Act 16 of 2013) (SPLUMA) was introduced as a broad framework to govern planning permissions and approvals, set parameters for new development and provide for different lawful land uses in the country.

MISA has a responsibility to support and strengthen the capacity of municipalities to develop and implement spatial plans that will promote the objectives of the SPLUMA. MISA will contribute towards the achievement of the national objective by providing support to municipalities, at a district level, to develop and implement SPLUMA compliant municipal spatial plans, SDFs and land use management schemes. The achievement of performance target related to this indicator is dependent on the unlocking of impediments to the implementation of the Act such as lack of buy-in from Traditional Affairs.

Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase households access to basic services

MISA will assist the identified municipalities to develop and Implement Integrated Waste Management Plans. The objectives of this plan is to assist the identified municipalities to improve its Solid Waste Management. MISA will also develop the infrastructure reliability score card. The objective of this score card is measure the current reliability of service delivery infrastructure and the services it is used to render. This report card may also be used to benchmark the required interventions with the aim of improving reliability of Services Infrastructure.

Strategically, from a national perspective, the main focus has shifted from increasing access to improving performance of municipal energy networks. Great progress has been made in improving access to basic energy supply, and this is currently at approximately 97%. Work towards achieving 100% access is ongoing through various grants. Network performance in terms of the frequency of network supply interruptions and the duration of supply interruptions, however, is decreasing. This is largely a function of municipal planning, operations and maintenance, which are also dependant on municipal financial management including revenue collection, supply chain management and human resource management. MISA undertakes to provide technical support to municipalities, with the view to improving the performance of infrastructure operations and maintenance. In this regard, MISA will develop energy network performance measurement tools and systems and install and institutionalise these in Municipalities. MISA will also support Municipalities in collecting data to be able to monitor network performance more effectively. Lastly, MISA will support Municipalities in the effective and efficient operations and maintenance of energy network

infrastructure.

MISA will provide technical assistance to municipalities to ensure compliance with sector norms and standards and access funds to address service delivery backlogs. Through MISA support, municipalities will be able to assess and respond to their household service level access to basic services. Support will focus mainly on water and sanitation, waste management, roads and storm water, and energy.

9.5 Programme Resource Considerations

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
<u>Rand Thousand</u>							
Programme: Technical Support							
Total	229445	181268	296084	229675	227770	244144	253229
Economic Classification							
Compensation of employees	37959	16368	118108	150746	151890	162809	168867
Goods and Services	191486	164900	177976	78929	75880	81335	84362
Depreciation	-	-	-	-	-	-	-
Total	229445	181268	296084	229675	227770	244144	253229

The Technical Support Services (TSS) Branch or Programme has an estimated budget allocation of R956 143 000.00 over the 2020 MTEF. This allocation accounts for about 83% of the MISA budget over the same period. It is the biggest Programme in terms of human capital and it is also responsible for more than 75% of the key performance indicators in core business. The TSS budget is shared amongst three sub-programmes, namely Infrastructure Assessment and Analysis (IAA), Infrastructure Delivery, Maintenance and Stakeholders Coordination (IDMSC), and Technical Skills (TS).

More than 50% of the TSS budget is allocated to the IDMSC sub-programme. The funds are to be spent mainly on cost of employees, since MISA's core business is about provision of technical assistance to municipalities. As a result, in the 2020/21 financial year, cost of employees accounts for 73% (R151 890 000.00) of the TSS budget (R227 770 000.00). The funds will be utilised to pay the salaries of MISA technical experts (professional engineers and town planners) deployed to support municipalities across the nine provinces. About R32 400 000.00 of the 2020/21 TSS budget will be spent on professional service providers who

will be procured to augment MISA's internal capacity. Professional services, for which MISA does not have capacity, will be outsourced to consultants. With the limited resources, the TSS branch is expected to support low to medium capacity municipalities with infrastructure planning, delivery, operations and maintenance.

The funds allocate to the Programme will be utilised to support municipalities with, amongst other outputs, the implementation of Water Demand Management (WC/WDM) strategies, acceleration of MIG expenditure, technical skills training, as well as implementation of spatial plans and standard operating procedures for improved infrastructure management. Experience has proven that, more often than not, MISA will be required to stretch available resources and attend to *ad hoc* requests for technical support coming from poor performing municipalities. In the process, it has to transfer skills and build institutional capacity.

Additional funding to be received through the President's Employment Stimulus package will be used to create jobs opportunities through labour-intensive infrastructure maintenance in municipalities.

10. Programme: Infrastructure Delivery Management Support

10.1 Purpose: The purpose of the programme is to support the efficient delivery of municipal infrastructure programmes and projects, build a credible project pipeline for long term infrastructure investment, as well as to support municipalities with infrastructure procurement.

Programme Overview: The programme's objective is to support the delivery of municipal infrastructure projects in an effective and efficient manner as well as providing infrastructure financing, procurement and contract management guidance and support to municipalities.

The Programme consists of the following sub-programmes:

10.1.1 Sub-programme: Project Management

The sub-programme is responsible for providing programme and project management support services to promote efficiencies in the municipal infrastructure delivery value chain.

10.1.2 Sub-programme: Framework Contracts and Infrastructure Procurement

The sub-programme focuses on supporting municipalities with the institutionalization of Infrastructure Delivery Management System (IDMS) in order to improve planning, delivery and procurement of infrastructure goods, services and works. The programme also provides municipalities with alternative procurement strategy through the use of framework contracts to improve infrastructure procurement efficiencies and shorten procurement period.

10.1.3 Sub-programme: Infrastructure Financing

The sub-programme facilitates the exploitation of alternative and innovative mechanisms for financing municipal infrastructure and the management of long term investment plans, alternative sources of funding for infrastructure leveraging on Municipal Infrastructure Grant (MIG) programme.

10.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Efficiency in infrastructure management	Districts implementing IDMS and Framework Contracts	Number of districts implementing IDMS	New	New	3	3	5	7	10
		Number of districts supported to use framework contracts	New	1	4	15	15	15	15
	Municipalities accessing private sector funding for infrastructure development through the Private sector Participation model (PSP model)	Number of municipalities supported to access private sector funding to implement infrastructure projects through the PSP model	New	New	New	New	10	20	30
	WSAs supported with the integration of priority projects with the Municipal IDP projects	Number of WSAs supported with the integration of priority projects with the Municipal IDP projects	New	New	5	5	5	5	5
Long term municipal infrastructure investment	Improved infrastructure investment in municipalities supported with the packaging bankable projects	Number of districts supported with implementation of long term infrastructure investment plans	New	New	New	New	5	10	20

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Increased access to climate change mitigation and adaptation funds by municipalities	Municipal infrastructure projects plans to access funding earmarked for climate change mitigation and adaptation	Number of municipalities supported to prepare municipal infrastructure project plans to access funding earmarked for climate change mitigation and adaptation	New	New	New	New	5	10	15

10.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of districts implementing IDMS	5	5	5	5	5
Number of districts supported to use framework contracts	15	3	4	4	4
Number of WSAs supported with the integration of priority projects with the Municipal IDP projects	5	-	Progress report	Progress report	Approved integrated list of projects per municipality
Number of districts supported with implementation of long term infrastructure investment plans	5	Progress report	Progress report	Progress report	5
Number of municipalities supported to access private sector funding to implement infrastructure projects through the PSP model	10	Awareness campaigns and road shows	3	3	4
Number of municipalities supported to prepare municipal infrastructure projects plans to access funding earmarked for climate change mitigation and adaptation	5	Progress report	Progress report	Progress report	5

10.4 Explanation of Planned Performance over the Medium Term Period

Efficiency in infrastructure management

Crowding in and catalysing private sector investments can contribute to the stimulation of development and play a central role in closing the gap arising from current fiscal constraints in government by unlocking resources in a manner that creates shared development with private sector and communities. Mustering private funding potentially reduces the burden of grant funding but also enables the effective utilization of infrastructure grants in municipalities. MISA will, therefore, support municipalities to access private sector funding through the private sector participation model (PSP) for infrastructure development.

The development and implementation of the approved methodologies, standards, procedures and policies for project/programme will ensure a repeat of successful aspects and learning from mistakes, resulting in a continuous improvement process in the implementation of project across the entire organisation thereby inherently improving efficiency in infrastructure delivery.

At the heart of IDMS is learning and application of best practices in planning, management and delivery (procurement) of infrastructure in line with the applicable legislation. Therefore, municipalities supported with the implementation of IDMS will be able to address challenges and difficulties encountered before, during and after implementation of infrastructure projects and thereby improving efficiency in infrastructure delivery.

Municipalities are facing challenges in packaging the projects that will facilitate the long-term infrastructure investment. The support to the municipality in packing the projects that are critical for the infrastructure development in the municipal space will expedite and facilitate the funding of the long-term investment plans of the municipalities. Sound service delivery infrastructure stimulate local economic development

Long term municipal infrastructure investment

MISA will support the development of long term infrastructure development plans. The objective of these plans is to offer an integrated infrastructure investment plan which will be easy to implement in a coordinated manner. It will also be used to plan, implement, monitor and evaluate the rollout of infrastructure programmes in a coordinated approach. The development of long-term infrastructure investment plans will enable municipalities to adopt a longer-term planning horizon on infrastructure development and the required capital to achieve the long term infrastructure development targets. Municipalities will be in a better position to plan for capital and human resource requirements for infrastructure development throughout the value chain. The mobilization of private partners to support local government by investing in infrastructure projects will unlock the service delivery challenges as they seek to ensure that municipalities are assisted in accessing financing for the development of critical service delivery infrastructure.

The development of 'one plan' for each district space will enable the whole of government to implement interventions that are responsive to the development challenges and gaps identified in the district spaces. MISA has been assigned the responsibility to coordinate the municipal infrastructure component of the district development model. MISA's role will be mainly to support the districts with the profiling of the state of municipal infrastructure, development of interventions and implementation thereof. This will contribute towards the achievement of the objectives of the DDM of ensuring that there is alignment of sector plans and interventions as it relates to municipal infrastructure.

Increased access to climate change mitigation and adaptation funds by municipalities

Climate change mitigation and adaptation is rapidly becoming an integral part of infrastructure development that municipalities need to embrace when planning for infrastructure projects. There are funding products available at a national and global level earmarked for projects that are responsive to climate change mitigation and adaption. Municipalities will be supported to identify and prepare projects for submission to access the funds for climate change mitigation, adaptation and resilience.

10.5 Programme Resource Considerations

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Baseline	Revised Baseline	Planning Budget Estimate
Rand Thousand							
Infrastructure Delivery Management Support							
Total	0	63242	25265	24278	30979	33206	34442
Economic Classification							
Compensation of employees		32801	3413	12383	22398	24009	24902
Goods and Services		30441	21852	11895	8581	9197	9540
Depreciation	-	-	-	-	-	-	-
Total	0	63242	25265	24278	30979	33206	34442

The coordination of stakeholders that have a role in the municipal infrastructure development value chain is critical. MISA will utilise its personnel and budget to facilitate engagements with the various stakeholders for infrastructure planning, preparation, financing, procurement, execution, operations and maintenance. The financial resources allocated for projects under the goods and services item will contribute to supporting municipal compliance with the

Infrastructure Delivery Management System, addressing the misalignment of bulk water and reticulation services in priority municipalities.

11. Updated Key Risks and Mitigations

Outcome	Key Risk	Risk Mitigation
Improved governance, administrative support system and ethical practices	Lack of staff capacity.	Ensure that the unit is adequately staffed.
Effective water management system for the benefit of all	Lack of funding and technical skills from municipalities to develop and implement revenue enhancement strategy	Support municipalities to develop business case to develop/implement revenue enhancement strategy
Efficiency in infrastructure delivery	Collapse of the programme due to mismanagement and lack of continuous funding	Development and implementation of a programme management methodology with a governance framework and achievement of set targets.
	Impact of COVID-19 and other natural disasters.	Allow for provision of health and safety provision and allocate the responsibility throughout the programme.
	Lack of buy-in and ownership by the municipalities	Institutionalization of the IDMS, Standards, Processes, procedures and methodologies through the involvement of the municipal leadership
	Reluctance by municipalities to participate in the framework contracts in view regulation 32 perceptions	Treasury to be engaged to provide and assurance of the legality on the usage of the Framework Contracts
	Over-reliance on Technical Consultants (TCs)	Recruitment of permanent and skilled technical personnel and pairing of experienced professionals with Young Graduates.
	Lack of capacity to present bankable projects for private sector funding	Project preparation support to municipalities
Long term municipal infrastructure investment	<ul style="list-style-type: none"> • Insufficient funds to implement the long term infrastructure investment plans • Poor responses by the financing industry to finance municipal infrastructure • Lack of information and cooperation from the municipalities 	<ul style="list-style-type: none"> • Identification and exploitation of various funding options • Increase cooperation with the different sectors

Outcome	Key Risk	Risk Mitigation
Enhanced intergovernmental and inter-departmental coordination through the implementation of the District Development Model	Reluctance by municipalities to participate in the implementation of the District Development Model	Thorough engagements with municipalities with regard to the adoption of District Development Model
A spatially just and transformed national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas	Municipalities not prioritizing spatial planning and lack of technical skills	<ul style="list-style-type: none"> • Thorough engagements with municipalities and other relevant stakeholders and fast-tracking the recruitment processes. • The adoption of District Development Model
Increased access to climate change mitigation and adaptation funds by municipalities	Unavailability of bankable projects for funding application	Professional resources secured to assist municipalities with project packaging and financing applications.
Improved municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services.	<ul style="list-style-type: none"> • Lack of strategy to implement recycle programmes for solid waste • Lack of infrastructure asset management plans • Lack of buy in from municipalities. • Lack of infrastructure asset data and management plans 	<ul style="list-style-type: none"> • Support municipalities to source funding to develop strategy to recycle solid waste • Support municipalities to source funding for development of infrastructure asset management and O&M implementation. • Engage municipalities upfront about the programme and its advantages • Support municipalities to develop infrastructure data and or to source funding for the development of infrastructure data

12. Public Entities

Name of public entity	Mandate	Outcomes	Current Annual Budget (R thousand)
N/A	N/A	N/A	N/A

13. Infrastructure Projects

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
1.	Lejwaneng Pump Stations in Maluti-a-Phofung LM	TSS	Design, construction, refurbishment, rehabilitation and alteration services for Lejwaneng Pump Stations in Maluti-a-Phofung LM	Municipal WC/WDM strategies implementation	29-May-2019	31-Oct-2019	R2 276 492.47	R295 945
2.	Environmental Impact Assessment in Frankfort in Mafube LM	TSS	Upgrading of landfill site phase1: Environmental Impact Assessment (EIA) at Frankfort in Mafube LM	Districts with reduced waste disposal to landfill sites	03-Sep-2018	30-Aug-2019	R1 371 77.00	R68 589
3.	2,7km access road at Vuwani (Sibudi to Vyeboom road) in Collins Chabane	TSS	Construction of 2,7km access road at Vuwani (Sibudi to Vyeboom road)	Districts with implemented infrastructure Operations and Maintenance plans	01-Jul-2019	30-Jun-2020	R19 500 968.98	R929 000
4.	24 Solar powered boreholes in ward 1 and 12 in Newcastle	TSS	Assessment, design, siting, drilling, equipping, refurbishment of 24 solar powered boreholes in ward 1 and 21 in Newcastle	Municipal WC/WDM strategies implementation	05-Dec-2018	15-Apr-2020	R9 290 160.00	R569 356
5.	Water supply infrastructure at Enyathi and Bhokwe village in Abaqulusi LM	TSS	Construction of water supply infrastructure at the Enyathi and Bhokwe villages	Municipal WC/WDM strategies implementation	28-May-2018	21-Apr-2020	R16 815 149.00	R4 489 796
6.	Water supply infrastructure at	TSS	Design and construction supervision of water	Municipal WC/WDM	21-Jun-2017	30-Apr-2020	R2 574 888.00	R448 000

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
	Enyathi and Bhokwe village in Abaqulusi LM		supply infrastructure at Enyathi and Bhokwe village (Professional service)	strategies implementation				
7.	eMondlo Waste water and water works Abaqulusi LM	TSS	Assessment, design, tender documentation and construction supervision of eMondlo waste water and water works (Professional service)	Municipal WC/WDM strategies implementation	03-May-2019	23-Oct-2020	R3 577 627.92	R2 261 061
8.	eMondlo Waste water and water works Abaqulusi LM	TSS	Construction and refurbishment of eMondlo waste water and water works	Municipal WC/WDM strategies implementation	03-May-2019	23-Oct-2020	R16 000 000.00	R23 547 407
9.	Waste water treatment works at Bhokwe village in Abaqulusi LM	TSS	Status-quo assessment, review design, design and construction supervision for the upgrading of the sewer reticulation and construction of waste water treatment works at Bhokwe village (Professional service)	Municipal WC/WDM strategies implementation	03-May-2020	31-May-2021	R4 484 000.00	0
10.	Boreholes, construction monitoring and commissioning of a solar powered borehole at Fatima, Drayini, Bhidla, Khwashaya,		Assessment, discharge yield testing, quality testing of design, siting, drilling, equipping, refurbishment of boreholes, construction monitoring and commissioning of a solar powered borehole at	Municipal WC/WDM strategies implementation	05-Dec-2019	05-Dec-2020	R4 978 230.40	R4 978 230

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
	Nkumba, Ngwempisi, Kwamnyamana and Phosane in Dr. Nkosazana Dlamini Zuma		Fatima, Drayini, Bhidla, Khwashaya, Nkumba, Ngwempisi, Kwamnyamana and Phosane					
11.	Boreholes infrastructure in Harry Gwala DM-Buhlebezwe LM-Spring Valley Village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning of one (1) Boreholes infrastructure in Harry Gwala DM-Ubuhlebezwe LM-Spring Valley Village.	Municipal WC/WDM strategies implementation	14-Apr-2020	29-Apr-2020	R449 851.25	R449 851.25
12.	Boreholes infrastructure in Harry Gwala DM-Buhlebezwe LM-Spring Valley Village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning of Two (2) Boreholes infrastructure in Harry Gwala DM-Ubuhlebezwe LM-Spring Valley Village.	Municipal WC/WDM strategies implementation	14-Apr-2020	29-Apr-2020	R449 851.25	R449 851.25
13.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza	Municipal WC/WDM strategies implementation	16-Apr-2020	16-May 2020	R435 000.00	R435 850.00

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
			Hill LM- Vlei (Mqhume Village)					
14.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- (Ngwenyeni Village)	Municipal WC/WDM strategies implementation	19-Apr-2020	16-May 2020	R435 000.00	R435 850.00
15.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- Upper (Hlabathi Village)	Municipal WC/WDM strategies implementation	22-Apr-2020	29-May 2020	R435 000.00	R435 850.00
16.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- (Emarhamzeni Village)	Municipal WC/WDM strategies implementation	16-Apr-2020	16-May 2020	R435 000.00	R435 850.00
17.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- (Hlabathi Village)	Municipal WC/WDM strategies implementation	25-Mar-2020	29-May 2020	R435 000.00	R435 850.00

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
18.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- (Mdeni Village)	Municipal WC/WDM strategies implementation	22-Apr-2020	29-May 2020	R435 000.00	R435 850.00
19.	Borehole infrastructure in Alfred Nzo DM-Nqguza Hill LM-Vlei at Mqhume village	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping and commissioning Nqguza Hill LM- Upper (Kwacoka Village)	Municipal WC/WDM strategies implementation	19-Apr-2020	16-May 2020	R435 000.00	R435 850.00
20.	Borehole infrastructure in Dawid Kruiper LM-Kalksloot community	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping, and commissioning of borehole infrastructure in Kalksloot community	Municipal WC/WDM strategies implementation	04-May-2020	16-May 2020	R425 000.00	R432 000.00
21.	Borehole infrastructure in Dawid Kruiper LM-Swartkop Dam community	TSS	Appointment of a service provider for siting, drilling, yield testing, water quality testing, equipping, and commissioning of borehole infrastructure in Swartkop Dam community	Municipal WC/WDM strategies implementation	04-May-2020	16-May 2020	R425 000.00	R432 000.00

No	Project Name	Programme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs	Current year Expenditure
22.	Feasibility Study to address misalignment of Bulk Water and Reticulation in Siyathemba Loal Municipality (WSA)	TSS	Feasibility Study to address misalignment of Bulk Water and Reticulation	Implemented SPLUMA compliant municipal spatial plans, spatial development land-use schemes implemented in districts	15-Oct-2019	14-Oct-2020	R6 191 287.20	R5 881 207

14. Public Private Partnerships

PPP	Purpose	Outputs	Current Value of Agreement	End date of Agreement
N/A	N/A	N/A	N/A	N/A

Part D: Technical Indicator Descriptions (TIDs)

Indicator Title	Approved communication strategy implemented
Definition	To provide effective and efficient communication service
Source of data	Approved communication strategy and implementation plan
Method of Calculation / Assessment	Simple Count -
Means of verification	Q1 – Approved annual communication implementation plan by Accounting Officer Q2 – Q4: Quarterly progress reports approved by CD: Corporate Services
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	To produce and submit an approved annual communication implementation and four quarterly progress reports.
Indicator Responsibility	Deputy Director: Communications

Indicator Title	Annual risk management plan implemented
Definition	Risk monitoring reports on monitoring and implementation of risk action plans against the approved risk register signed-off by the Accounting Officer.
Source of data	Risk Register and Risk Action Plans
Method of Calculation / Assessment	Simple Count
Means of verification	Approved quarterly risk reports by the Accounting Officer
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative

Reporting Cycle	Quarterly
Desired performance	Produce and submit four risk monitoring reports approved by the Accounting Officer
Indicator Responsibility	Deputy Director: Risk Management

Indicator Title	Annual internal audit plan implemented
Definition	To provide reports to Management and the Audit Committee about the status of management practices and internal controls
Source of data	Internal Audit Plan
Method of Calculation / Assessment	Simple Count
Means of verification	Approved quarterly audit progress reports by the CAE
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Produce and submit four internal audit progress reports to the Audit Committee
Indicator Responsibility	Director: Internal Audit Services

Indicator Title	Approved ICT operational plan implemented
Definition	This is to ensure that MISA implement an ICT Operational Plan that comprises projects aligned with the broader ICT Governance Framework for the organisation and to effectively monitor the implementation of such plan on a quarterly basis. It's to ensure that ICT programmes and projects that addresses business requirements and enable the migration towards the target Architecture are fully implemented
Source of data	ICT Annual Operational Plan that comprises projects aligned with the broader ICT Governance Framework
Method of Calculation / Assessment	Simple Count
Means of verification	Approved Annual ICT operational plan by the Accounting Officer and quarterly ICT progress reports approved by the CD: ESSS
Assumptions	N/A
Disaggregation of	N/A

Beneficiaries (where applicable)	
Spatial Transformation (where applicable)	N/A
Calculation Type	Quarterly
Reporting Cycle	Non-cumulative
Desired performance	Full implementation of the ICT Operational Plan each year
Indicator Responsibility	Director: Government Information and Communication Technology Management

Indicator Title	Achieve unqualified audit opinion on annual financial statements
Definition	The audit opinion indicates whether in the opinion of the Auditor General, the Annual Financial Statements (AFS) fairly present the financial performance in terms of the financial reporting framework. This is to assess the level of compliance with legislation, regulations and accounting standards.
Source of data	Audited annual financial statements and Auditor-General's report
Method of Calculation / Assessment	Auditor-General audit outcomes report indicating unqualified audit opinion
Means of verification	Audited annual financial statements and Auditor-General's report indicating unqualified audit opinion.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Achieve unqualified audit opinion on financial statements in the annual report
Indicator Responsibility	Chief Financial Officer

Indicator Title	Approved procurement plan implemented
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. This is to ensure 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 of data	Approved Procurement Plan
Method of Calculation / Assessment	Simple Count
Means of verification	Approved annual procurement plan by the Accounting Officer and quarterly progress reports approved by D: SCM.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Approved Procurement Plan and submission to National Treasury within the required timelines
Indicator Responsibility	Director: Supply Chain Management

Indicator Title	Number of jobs created through labor-intensive infrastructure maintenance in metros and municipalities
Definition	Creation of job opportunities for the unemployed through labour intensive municipal infrastructure operations and maintenance programmes and or projects as part of the President's Economic Stimulus initiative
Source of data	Database of programme participants
Method of Calculation / Assessment	Capturing of created employment opportunities to the Expanded Public Works Programme Reporting System (EPWP – RS) tool for reporting employment opportunities
Means of verification	Progress reports of jobs created.
Assumptions	<ul style="list-style-type: none"> Continued allocation of funds over the MTSF
Disaggregation of Beneficiaries (where applicable)	55% woman participants; 55% youth participants; and 2% people with disabilities participants
Spatial Transformation (where applicable)	All 52 district spaces, with priority given to the unemployed in rural municipalities
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Creation of 100% of targeted jobs
Indicator Responsibility	Chief Director: IDMSC

Indicator Title	Number of Municipal Water Conservation or Water Demand Management (WC/WDM) strategies implemented
Definition	To support the development and implementation of Water Conservation/Water Demand Management Plans (WC/WDMP) for identified municipalities within the Districts. Where a municipality already has a Water Conservation/Water Demand Management Plan in place and which needs to be updated, MISA will review and update the plan. Within the context of MISA's mandate as a support agent, implementation of the WCDMP will mean providing technical support in the actual implementation of the plan through the municipality's own budget. MISA will take advantage of District Development Model to pursue relevant government agents to prioritise funding for the planning and implementation of WC/WDM plans.
Source of data	Technical Support Plans and Municipal Data
Method of Calculation / Assessment	Simple count
Means of verification	Progress reports on the development or implementation of Water Conservation and Water Demand Management Plans, approved by the CD: IDMSC
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement.
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of Operations and Maintenance plans implemented in districts
Definition	To support the development and implementation of Operations and Maintenance Plans (O&MP) for identified municipalities within the Districts. Where a municipality already has an Operations and Maintenance Plan in place and which needs to be updated, MISA will review and update the plan. Within the context of MISA's mandate as a support agent, implementation of the O&MP will mean providing technical support in the actual implementation of the plan

	through the municipality's own budget. MISA will take advantage of the District Development Model to pursue relevant government agents to prioritise funding for the planning and implementation of O&MPs. Furthermore, work under this indicator will not be restricted to a particular sector, although water and sanitation will be prioritised.
Source of data	Technical Support Plans and Municipal Data
Method of Calculation / Assessment	Simple count
Means of verification	Quarterly progress reports on Operations and Maintenance Plans (O&MP) development or implementation, approved by the CD:IDMSC
Assumptions	Availability of funding for implementation of the operation and maintenance plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD: IDMSC

Indicator Title	Number of districts supported to improve spending on MIG to at least 90%
Definition	Municipalities will receive MISA technical assistance in project preparation and project management to expedite implementation of MIG projects. MISA will also support with monitoring and verification of MIG expenditure in selected municipalities. MISA support will entail, among other things visiting project sites and selected municipalities for verification of work done prior to reimbursement and disbursement of MIG funds and generating quarterly progress reports.
Source of data	MIG Expenditure Report
Method of Calculation / Assessment	Simple count
Means of verification	Q1 – Q4: Quarterly progress reports per district on districts supported to improve spending on MIG approved by the CD: IDMSC Q1: One Expenditure Report showing 66% of selected MIG receiving municipalities spending 90% of MIG allocation from 2019/20 Municipal FY

	Q3: One Expenditure Report showing 70% of selected MIG receiving municipalities spending 40% of MIG allocation from 2020/21 Municipal FY
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% achievement of target
Indicator Responsibility	CD: IDMSC

Indicator Title	Number of youth enrolled in the MISA Apprenticeship Programme
Definition	Unemployed youth in the three-year artisan development programme as apprentices in technical fields such as (but not limited to) electrical, plumbing, bricklaying, motor mechanics and diesel mechanics. During the apprenticeship period, learners will be hosted by municipalities or third parties for work exposure. They will also receive theoretical training provided by training service providers, such as TVETs (public and private). Learners will undergo preparatory training before trade testing for their red seal certificates and exiting the Programme. MISA will provide apprentices with protective equipment, tools of trade, a monthly stipend, and transport, accommodation and meals (during off-the-job training). Some of the apprenticeship costs will be shared with the LGSETA, through an agreement between the two parties.
Source of data	MISA listing of Apprentices. Monthly payroll schedules. Service level agreements with hosts.
Method of Calculation / Assessment	Number of apprentices on MISA listing
Means of Verification	MISA listing of Apprentices. Monthly payroll schedules. Service level agreements with hosts.
Assumptions	It is assumed there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All apprentices will progress without hindrances and pass their trade tests on time.
Disaggregation of Beneficiaries (where applicable)	100% unemployed youth. At least 50% women. At least 2% with disabilities.

Spatial Transformation (where applicable)	Preferential treatment will be afforded to youth coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of youth enrolled in the MISA Experiential Learnership Programme
Definition	<p>Two categories of Experiential Learners:</p> <p>(1) Unemployed youth registered with institutions of higher learning and seeking work integrated learning to complete their studies. The learners will be contracted to MISA for the minimum period stipulated by their institutions for exposure and completion of logbooks. MISA will cover costs related to stipends, protective equipment, and tools of trade. They may be placed with third parties for work exposure, where the primary host is unable to provide adequate experience.</p> <p>(2) Unemployed youth with qualifications in technical fields relevant to municipal infrastructure management and seeking work exposure in preparation for entering the job market. This group will be treated as interns and contracted for a fixed 24 months' period with MISA. The interns will be hosted in municipalities for work exposure. MISA will cover costs related to their stipends, protective equipment and tools of trade.</p>
Source of data	MISA listing of experiential learners. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts.
Method of Calculation / Assessment	Number of experiential learners on MISA listing
Means of Verification	MISA listing of experiential learners. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts.
Assumptions	It is assumed there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All Experiential Learners will progress without hindrances and complete all activities in their logbooks on time.
Disaggregation of Beneficiaries (where applicable)	100% unemployed youth. At least 50% women. At least 2% with disabilities.
Spatial Transformation (where applicable)	Preferential treatment will be afforded to youth coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Actual performance that is higher than targeted performance is desirable.

Indicator Responsibility	Chief Director: Technical Skills
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Indicator Title	Number of Youth enrolled in the MISA Young Graduate Programme
Definition	<p>To recruit and place young graduates, with technical qualifications, in municipalities and/or other entities for them to get work exposure and mentoring towards meeting the requirements for registering as professionals.</p> <p>MISA will facilitate mentoring towards registration as set by the relevant recognised professional bodies (such as the Engineering Council of South Africa (ECSA)). In addition to paying for mentoring services and facilitation of work exposure, MISA will provide mentorship services, stipends, candidacy registration fees, protective clothing, and basic tools of trade to the young graduates.</p>
Source of data	MISA listing of young graduates. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts. Mentorship reports.
Method of Calculation / Assessment	Number of young graduates on MISA listing
Means of Verification	MISA listing of young graduates. Monthly payroll schedules. Contracts with MISA. Service level agreements with hosts. Mentorship reports.
Assumptions	It is assumed that there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All young graduates will receive adequate work exposure and progress without hindrances to register as professionals.
Disaggregation of Beneficiaries (where applicable)	100% unemployed youth. At least 50% women. At least 2% with disabilities.
Spatial Transformation (where applicable)	Preferential treatment will be afforded to youth coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of Youth awarded MISA bursaries in technical qualifications relevant to local government infrastructure management
Definition	Providing bursary funding for qualifying students pursuing tertiary qualifications in technical disciplines with the view to creating a pool of technically skilled individuals for local government. Some of the bursaries will be co-funded, through an agreement, with the LGSETA.
Source of data	MISA listing of bursary holders. Bursary award letters. Bursary contracts.

Method of Calculation / Assessment	Number of bursary holders on MISA listing
Means of Verification	MISA listing of bursary holders. Bursary award letters. Bursary contracts.
Assumptions	It is assumed that there will be enough qualifying applications to cover targets set for disadvantaged and vulnerable groups. All bursars will progress without hindrances and complete their qualifications on time. All the graduates will be afforded and take the opportunity to participate in the MISA Young Graduate Programme, upon completion of their studies.
Disaggregation of Beneficiaries (where applicable)	100% unemployed youth. At least 50% women. At least 2% with disabilities.
Spatial Transformation (where applicable)	Preferential treatment will be afforded to youth coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of municipal officials trained in municipal infrastructure management
Definition	Facilitating training for municipal technical officials to improve their skills for effective and efficient delivery and management of municipal infrastructure. The definition of municipal officials will include Process Controllers. MISA will appoint training service providers and take care of training related costs (excluding transport and accommodation for municipal officials attending training). Where necessary, provincial officials (MISA and provincial CoGTAs) will attend the training courses as a way of indirectly enhancing municipal capacity.
Source of data	MISA listing of officials trained. Attendance registers.
Method of Calculation / Assessment	Number of municipal officials trained on MISA listing
Means of Verification	MISA listing of officials trained. Attendance registers.
Assumptions	It is assumed that municipalities will release relevant officials to attend technical courses. Officials will apply lessons learnt during training, upon returning to their workplaces.
Disaggregation of Beneficiaries (where applicable)	At least 30% women. At least 2% with disabilities.
Spatial Transformation	Preferential treatment will be afforded to municipal officials coming from low and

(where applicable)	medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of municipal officials enrolled in MISA Recognition of Prior Learning (RPL) programmes
Definition	To provide opportunities for suitably experienced municipal officials (including general workers) in infrastructure related departments to receive formal assessments and recognition of their informally acquired skills towards obtaining formal qualifications (including artisan and process controller qualifications). The municipal officials will be enrolled at different times of the year.
Source of data	MISA listing of municipal officials in the MISA RPL Programmes (including Artisan recognition of prior learning). Attendance registers. Assessment reports.
Method of Calculation / Assessment	Number of municipal officials in the MISA RPL Programmes on MISA listing
Means of Verification	MISA listing of municipal officials in the MISA RPL Programmes (including Artisan recognition of prior learning). Attendance registers. Assessment reports.
Assumptions	It is assumed that municipalities will release relevant officials to attend assessments and gap closure sessions. Officials will apply lessons learnt during training, upon returning to their workplaces.
Disaggregation of Beneficiaries (where applicable)	At least 20% women. At least 2% with disabilities.
Spatial Transformation (where applicable)	Preferential treatment will be afforded to municipal officials coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of municipal capacity development plans implemented
Definition	To utilise the services of a MISA appointed service provider, MISA officials or deployed resources (including learners and/or candidates) to support with implementation of municipal capacity development plans. 15 municipalities will

	be supported with implementation throughout the 2020/21 financial year.
Source of data	Approved municipal capacity development plans. Service level agreements with beneficiary municipalities. Progress reports on the implementation of municipal capacity building plans
Method of Calculation / Assessment	Simple Count
Means of Verification	Service level agreements with beneficiary municipalities. Progress reports on the implementation of municipal capacity building plans
Assumptions	Provincial cooperative departments will spearhead capacity coordination and key capacity building departments will participate in the implementation of plans. Municipalities will take ownership of the plans and ensure internal capacity coordination and development. Provinces and districts will, respectively, consolidate and implement district and provincial capacity building plans.
Disaggregation of Beneficiaries (where applicable)	Low and medium capacity municipalities
Spatial Transformation (where applicable)	Preferential treatment will be afforded to municipal officials coming from low and medium capacity municipalities. These are municipalities in rural districts.
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Director: Technical Skills

Indicator Title	Number of districts with implemented district-wide infrastructure plans
Definition	To support municipalities with the development and implementation of municipal infrastructure plans.
Source of data	District infrastructure plans
Method of Calculation / Assessment	Simple Count
Means of verification	District infrastructure plans and approved progress reports by CD: IDMSC
Assumptions	Roll out of District Development Model in the 23 District
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly

Desired performance	To have infrastructure plans developed and implemented in the 23 Districts
Indicator Responsibility	CD: IDMSC

Indicator Title	Number of SPLUMA Compliant municipal spatial plans, SDF's and land-use schemes implemented in districts
Definition	MISA will support the development or review of SPLUMA compliant plans, Municipal Spatial Plans, SDF's and land-use schemes in identified municipalities within the 44 District and report on progress thereof. Where possible, the development of SPLUMA compliant plans, Municipal Spatial Plans, SDF's and land-use schemes on behalf of a municipality will entail MISA taking responsibility of the entire process and the costs thereof. MISA will take advantage of District Development Model to pursue relevant government agents to prioritise funding for the development and implementation of SPLUMA compliant plans, Municipal Spatial Plans, SDF's and land-use schemes
Source of data	<ul style="list-style-type: none"> Terms of Reference for the appointment of PSP for development SPLUMA compliant Plans.
Method of Calculation / Assessment	<ul style="list-style-type: none"> Simple Count
Means of verification	Quarterly Progress Reports on the review/development or implementation of SPLUMA compliant plans, Municipal Spatial Plans, SDF's and land-use schemes
Assumptions	<ul style="list-style-type: none"> Municipalities budget for the implementation of SPLUMA compliant plans MISA is allocate budget for the development of SPLUMA compliant Plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of in ensuring that development and optimal land use are in line with SPLUMA principles of Spatial justice, Spatial sustainability, Efficiency and Spatial Resilience
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement.
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of districts with implemented standard operating procedures for reliable water services
Definition	To support municipalities with the implementation, and where necessary development, of standard operating procedures for improving delivery of reliable

	water supply services.
Source of data	Standard Operating Procedures
Method of Calculation / Assessment	Simple Count
Means of verification	Quarterly progress reports on the development and implementation of SoPs
Assumptions	Municipalities have sound standard operating procedures. In some municipalities, SoPs will either be reviewed or developed before implementation support is provided.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of ensuring that municipalities improve reliability and availability of supply to their customers to improve service delivery.
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement.
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of districts with implemented standard operating procedures for improved households access to sanitation services
Definition	To support municipalities, through implementation of SoPs to improve household access level to sanitation services. The access levels are as defined STATS SA (2018) under section 4.1 of the 2020 - 2025 MISA Strategic Plan.
Source of data	Standard Operating Procedures
Method of Calculation / Assessment	Simple Count
Means of verification	Quarterly Progress Reports on the development and implementation of SoPs
Assumptions	Municipalities have sound standard operating procedures. In some municipalities, SoPs will either be reviewed or developed before implementation support is provided.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of ensuring that municipalities improve the quality and availability of supply to their customers to improve service delivery.
Calculation Type	Non-Cumulative

Reporting Cycle	Quarterly
Desired performance	100% Achievement.
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of districts supported to implement Integrated Waste Management (IWM) plans
Definition	MISA will assist the identified Municipalities within the 44 Districts to develop or implement the IWM plans. Where possible, the development of Integrated Waste Management Plans on behalf of a municipality will entail MISA taking responsibility of the entire process and the costs thereof. MISA will take advantage of District Based Coordination Model to pursue relevant government agents to prioritise funding for the implementation of Integrated Waste Management Plans
Source of data	<ul style="list-style-type: none"> • Technical Support Plans and Municipal Data
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Simple Count
Means of verification	<ul style="list-style-type: none"> • Progress Reports on the development or implementation of Integrated Waste Management Plans approved by CD: IDMSC • Approved Terms of references for the appointment of Professional Service Providers
Assumptions	<ul style="list-style-type: none"> • Municipalities budget for the implementation of IWMP plans • MISA is allocate budget for the development of IWMP Plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of districts supported with implementation of a performance monitoring strategy and electricity supply management strategies
Definition	To support identified municipalities in improving reliability and availability of electricity supply to their customers to improve service delivery and ensure compliance to the Distribution Network Code. MISA will provide support to municipalities through development of an appropriate methodology to

	measure frequency and duration of electrical network interruptions and assist identified municipalities in implementation of the methodology. MISA will also support to identified municipalities in developing and or implementing strategies for management of electricity supply which will be aimed at improving the availability of supply.
Source of data	Progress report implementation of systems and processes for the assessment of performance of municipal electrical network. Implementation progress reports of electricity supply management strategies
Method of Calculation / Assessment	Simple Count
Means of verification	Q1 - Progress report on the development of systems and processes for the assessment of performance of municipal electrical network approved by CD: IDMSC Q2 – Q4 Progress report implementation of systems and processes for the assessment of performance of municipal electrical network. Q1 – Q4 Implementation progress reports of electricity supply management strategies interventions approved by CD: IDMSC
Assumptions	Municipalities do not currently have systems and processes for the assessment of performance of municipal networks for energy provision in place.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of ensuring that municipalities improve reliability and availability of supply to their customers to improve service delivery.
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD:IDMSC

Indicator Title	Number of districts with implemented Regional Management Support Contract (RMSC) Programme
Definition	MISA appointed regional management support contractors to assist municipalities in improving all aspects of basic municipal service delivery, focusing on the water services function.
Source of data	RMSC SLA's with Service Providers
Method of Calculation /	Simple Count

Assessment	
Means of verification	Quarterly progress reports on Phase 3: Implementation Phase approved by the CD: IAA
Assumptions	
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD:IAA

Indicator Title	Number of districts supported with the compilation and implementation of infrastructure functionality assessment reports
Definition	To assess the functionality of water and sanitation infrastructure including project management capacity within municipalities to implement infrastructure projects. The MISA inspectorate will advise on alternative technologies for infrastructure delivery and will identify priority intervention areas to improve the delivery and functionality of water and sanitation infrastructure.
Source of data	Final assessment report per district
Method of Calculation / Assessment	Simple Count
Means of verification	One Final Report Card on the state of municipal infrastructure for districts assessed, approved by the CD: IAA
Assumptions	
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	CD:IAA

Indicator Title	Number of districts implementing IDMS
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Definition	To support identified municipalities in implementation of Treasury developed Infrastructure Delivery Management System (IDMS) using Standards for Infrastructure Procurement and Delivery Management (SIPDM) as a guide. MISA will provide support to municipalities through training municipality on the IDMS modules, hand-holding the municipality to implement IDMS. MISA will support municipalities to institutionalise IDMS and also support municipalities that face underspending and procurement challenges to make use of framework contracts and appoint contractors to provide the necessary services. MISA will also target those municipalities that lack technical resources to implement infrastructure projects.
Source of data	Standards for Infrastructure Procurement and Delivery Management (SIPDM)
Method of Calculation / Assessment	Simple Count
Means of verification	Workshops conducted (agenda, attendance registers and minutes of the workshop). Quarterly progress reports on municipalities implementing IDMS approved by CD: Framework Contracts and Infrastructure Procurement
Assumptions	There is buy-in by the municipalities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100%
Indicator Responsibility	CD: Framework Contracts & Infrastructure Procurement

Indicator Title	Number of districts supported to use the framework contracts
Definition	To determine the number of municipalities that have been capacitated to understand the framework contracts and use them to fast-track infrastructure procurement. MISA will target those municipalities that lack technical resources to implement infrastructure projects and struggling infrastructure grant allocations.
Source of data	Framework Contracts
Method of Calculation / Assessment	Simple Count
Means of verification	Quarterly progress reports indicating the nature of capacitation rendered to municipalities.
Assumptions	There is buy-in by the municipalities

Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired performance	100%
Indicator Responsibility	CD: Framework Contracts and Infrastructure Procurement

Indicator title	Number of municipalities supported to access private sector funding to implement infrastructure projects through the PSP model
Definition	MISA will support municipalities to access private sector funding and develop new innovative funding solutions to manage the entire value chain of municipal infrastructure provision.
Source of data	Municipal Data
Method of calculation/assessment	Simple Count
Means of verification	Quarterly progress reports on the number of municipalities supported to prepare bankable projects and access private sector funding
Assumptions	There is buy-in by the municipalities; there is a need for alternative funding for infrastructure development
Disaggregation of beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desire performance	100% Achievement
Indicator Responsibility	DDG: IDMS

Indicator Title	Number of WSAs supported with the integration of priority projects with the Municipal IDP projects.
Definition	To support priority WSAs with the integration and prioritisation of projects which were recommended in the feasibility study to address the

	<p>misalignment of bulk water and reticulation through presentation of recommended projects to:</p> <ul style="list-style-type: none"> • Municipal Portfolio Committee; • IDP consultative meetings; • Municipal Manager for approval.
Source of data	Municipal Data
Method of Calculation / Assessment	Simple Count
Means of verification	<p>Q2 – Q4 – Quarterly report</p> <p>Q4 – Approved integrated list of projects per municipality which are included in the IDP.</p>
Assumptions	There is buy-in by the municipalities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100%
Indicator Responsibility	DDG: IDMS

Indicator Title	Number of districts supported with implementation of long term infrastructure investment plans
Definition	To support municipalities to develop and implement integrated long term infrastructure investment plans.
Source of data	Progress reports on Infrastructure Sector Plans
Method of Calculation / Assessment	Simple Count
Means of verification	Quarterly progress reports and draft integrated long term infrastructure investment plans
Assumptions	Availability of infrastructure sector plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly

Desired performance	To have draft integrated long term infrastructure investment plans
Indicator Responsibility	CD: Infrastructure Financing

Indicator Title	Number of municipalities supported to prepare municipal infrastructure project plans to access funding earmarked for climate change mitigation and adaptation
Definition	The objective of this indicator is to support municipalities to access the infrastructure funding available to mitigate against climate change. These include the green climate fund, climate adaptation fund and the global environment fund
Source of data	Green climate fund, climate adaptation fund and the global environment fund information documents
Method of Calculation / Assessment	Simple Count
Means of Verification	Q1 – Q3: Progress reports indicating support provided towards climate change funding/finance Q4 – Approval letters of funding institutions
Assumptions	Municipalities have projects that can be funded through the climate change funds
Disaggregation of Beneficiaries (where applicable)	The beneficiaries of this outcome will be the citizens of the identified Municipalities.
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	DDG IDMS