

MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

Annual Performance Plan

2025/26



cooperative
governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



MUNICIPAL INFRASTRUCTURE
SUPPORT AGENT

Today. Creating a Better Tomorrow



Today, Creating a Better Tomorrow

MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

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LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBEE	Broad Black Economic Empowerment
CBP	Capacity Building Programme
CEO	Chief Executive Officer
CoGTA	Cooperative Governance and Traditional Affairs
CSIP	Corporate Services Improvement Plan
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
ESD	Enterprises and Supplier Development
FCIP	Framework Contracts and Infrastructure Procurement
FIDPM	Framework for Infrastructure Delivery and Management
GICTM	Government Information and Communication Technology
GTAC	Government Technical Assistance Centre
IAA	Infrastructure Assessment Analysis
IDPs	Integrated Development Plans
IDMS	Infrastructure Delivery Management System
IDMS	Infrastructure Delivery Management Support Programme
IDSP	Infrastructure Delivery System and Processes
IEEE	Institute of Electrical and Electronics Engineers
IPDM	Infrastructure Planning, Delivery and Maintenance Sub Programme
IUDF	Integrated Urban Development Framework
IWMPs	Integrated Waste Management Plans
LGTAS	Local Government Turnaround Strategy
LIC	Labour Intensive Construction
MFMA	Municipal Finance Management
MIG	Municipal Infrastructure Grant
MIIF	Municipal Infrastructure Investment Framework
MIPMIS	Municipal Infrastructure Performance Management Information System
MISA	Municipal Infrastructure Support Agent
MSIPS	Municipal Support and Intervention Plans



MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDMC	National Disaster Management Centre
NDP	National Development Plan
NRS	National Rationalised Specifications
NSDF	National Spatial Development Framework
NT	National Treasury
NWMS	National Waste Management Strategy
NWSMP	National Water and Sanitation Master Plan
OSD	Occupation Specific Dispensation
PES	Presidential Employment Stimulus
PMBOK	Project Management Body of Knowledge
PPE	Property Plant and Equipment
PPLCM	Project and Programme Management Life Cycle Management
PPP	Public Private Partnerships
PSA	Public Service Act
PSPs	Professional Service Providers
RMSC	Regional Management Support Contract
RPL	Recognition of Prior Learning
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
SOLG	State of Local Government Report
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
TSS	Technical Support Services Programme
WC / WD/	Water Conservation or Water Demand Management



Executive Authority Statement


South Africa's guiding blueprint, the National Development Plan (NDP) 2030, remains our long-term country plan towards 2030 and is aligned to our international commitments on the continent and globally. The NDP 2030 identifies local government as the primary platform for providing accountable, effective and efficient service delivery. The continued priorities as set for the seventh administration include renewal and rebuilding of a capable developmental state for the acceleration of inclusive service delivery in local government. The functionality of municipalities remains key to the pursuit of the NDP's aspiration of creating safe and economically sustainable spaces where the citizens can live and work with minimum discomfort.



It has been five years since government introduced the District Development Model, DDM, to strengthen coordination of its development programmes, and improve the system of cooperative governance, harnessing a strategic, all of government approach to maximise socio-economic development, and to implement practical methods to step up the intergovernmental relations system with the DDM approach. The District Development Model seeks to facilitate joint planning, budgeting and implementation, as well as monitoring and evaluation between and among all spheres of government. In terms of the District Development Model, 44 districts and 8 metropolitan spaces will serve as strategic alignment platforms for all three spheres of government. The 'one plan', 'one budget' and 'one space' will be the focal point for each of these 52 spaces to guide all strategic investments and projects spaces. Working in unison means planning, budgeting and implementing as one, while we hold each other accountable along the process towards not only service delivery, but about the importance of ensuring the holistic development of all our communities in our country.

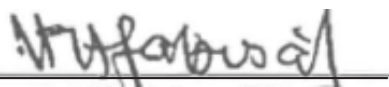
Local government is in desperate need for additional resources to address growing backlogs in respect to maintenance and refurbishment of their aging infrastructure for basic services provision. It is important to acknowledge that municipalities have previously not given this area sufficient attention. Consequently, the frequency of service breakdowns due to poorly maintained infrastructure has increased in the recent past. Furthermore, the Municipal Infrastructure Support Agent (MISA) has been and continues to support municipalities to explore and exploit alternative funding sources towards effective and efficient implementation of their infrastructure programmes. It is critical for municipalities to optimise other funding mechanisms for infrastructure development without undermining their long-term financial viability.

MISA continues to contribute immensely to job creation though spearheading the Labour-Intensive Construction (LIC) methods in the implementation of infrastructure projects. MISA is also contributing to economic development by playing a leading role in the implementation of the Eastern Seaboard Development (ESD) as part of the President's vision of creating new smart cities across the country. The ESD spans two provinces of Kwazulu-Natal and Eastern Cape encompassing four districts in the area, with MISA being appointed as its implementing agency. One of the strategic initiatives linked to the ESD is the 'skills revolution' that aims to significantly enhance the skills base in the ESD region, with MISA also spearheading the poverty eradication programme that will be piloted in the region.



Through the provisions of “Section 20 of the Employment Equity Act, 1998, Cabinet has set the numerical goals of 50% representation of women at SMS level, and 30% representation of youth and 2% representation of persons with disability in the workforce. MISA, as a designated employer, has developed its own employment equity plan for the period 1 April 2024 until 31 March 2027 in which it sets the target for the institution to attain the goals set by Cabinet by 31 March 2027. MISA will also continue in the implementation of their Emerging Enterprises and Supplier Development Support Programme which aim to promote increased participation of emerging enterprises in MISA’s procurement activities.

We will continue to provide crucial support within the local government space to enable municipalities to provide quality services to communities. I remain fully committed to supporting MISA in the implementation of their annual performance plan 2025/26 by providing continuous guidance and exercising my executive oversight.

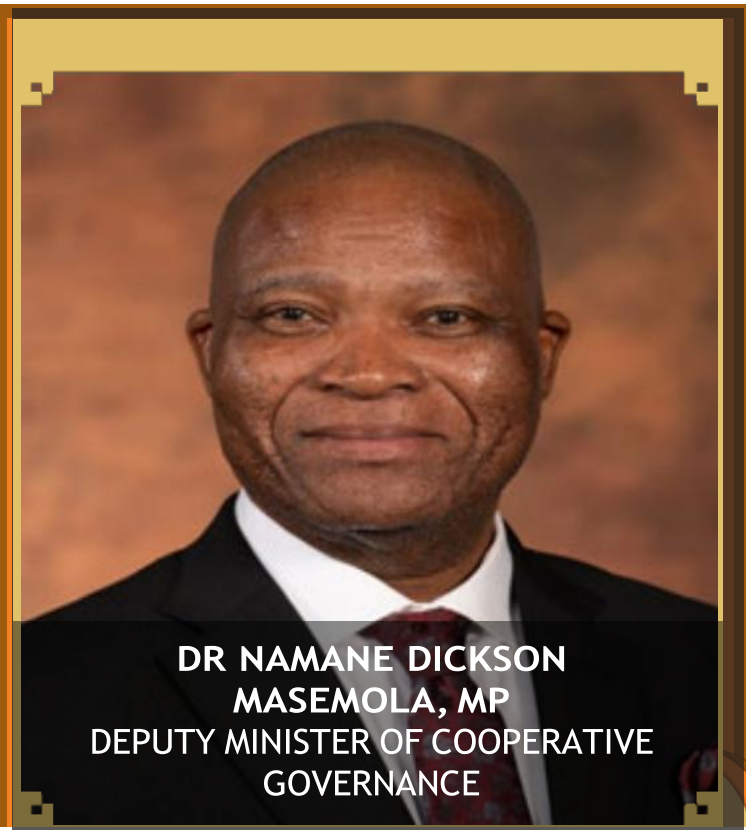


MR VELENKOSINI HLABISA, MP

MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Deputy Minister Statement

The 7th Administration established following the general elections held in 2024, has come up with three priorities to drive the developmental agenda of its five-year term in office. These priorities are set out in the Medium-Term Development Plan (MTDP) for 2024-2029 approved by Cabinet in February 2025. Improving Local Government to better in delivering basic services is part of the priority on 'building a capable, ethical and developmental state'. Municipal Infrastructure Support Agent (MISA) is at the centre of government's plan to get municipalities to function better for the provision of services to the citizens of this countries. Driving an inclusive growth and job creation is the core priority of the 7th Administration. MISA annual performance plan (APP) is focussed on contributing to improve economic performance by supporting municipalities to invest efficiently in new infrastructure for basic services provisioning while paying more attention to the performance of existing assets.



The two major service sectors the entity will be focussing on, are water and sanitation, and energy supply services. As we have witnessed recently, most municipalities are increasingly struggling to provide clean water to their residents on a continuous basis. Regrettably, the problem is prevailing even in larger municipalities with relatively better capacity and resources. Additionally, the latest blue drop, green drop and no drop, results as issued by the Department of Water and Sanitation (DWS) depicts an unpleasant picture. A major performance focus for MISA in this financial year is to support municipalities to implement actions to address deficiencies in their water and waste-water treatment plants that gave rise to poor ratings.

MISA will continue to play an important role in the rollout of the District Development Model (DDM), which will require transforming and capacitating municipalities, to provide a turn-around in the provision of basic services to the communities in the 52 spaces. Increased provision of infrastructure investment is a catalyst for development that ultimately creates employment opportunities, reducing poverty and inequality. It is therefore important to increase financing for municipal infrastructure through a range of instruments, including blended financing instruments, pooled finance and an increase in private sector participation in infrastructure projects. This will be in addition to MISA playing its role in ensuring that municipalities' planning and delivery of infrastructure is aligned and spatially coordinated, promoting and supporting the implementation of alternative forms of labour-intensive infrastructure projects, improving access to water and sanitation services, supporting the development and rollout of long-term resilient infrastructure investment plans for each district space and supporting municipalities to reduce their environmental impact through waste minimisation. MISA will also continue to provide targeted and differentiated support to municipalities lacking the necessary capacity to plan, deliver, operate and maintain infrastructure for service provision within the ambit of the District Development Model.

MISA's contribution to the strengthening of technical skills capacity in municipalities will be enhanced to ensure the deployment of a technical expert teams that will work with provinces, sector departments and other development partners based on the lessons drawn from the DDM pilots. The aim of these training programmes for municipal officials is to enhance their technical capacity for delivering municipal infrastructure and improving service delivery while the learning programmes seek to create a pool of qualified artisans and graduates from which municipalities can recruit, with the aim of bolstering their internal capacity.

I would like to express my sincere gratitude to the Honourable Minister Velenkosini Hlabisa for his astute leadership and guidance as well as the top management within MISA, led by the CEO, Ms Mapatane Kgomo as we embark, once more on this challenging task of positioning government for impactful service delivery at municipal level.



DR NAMANE DICKSON MASEMOLA, MP
DEPUTY MINISTER OF COOPERATIVE GOVERNANCE

Accounting Officer Statement

MISA's mandate is aligned with the NDP vision of enhancing the capacity of local government to enable this sphere to effectively execute its mandate. Accordingly, MISA plays a leading role in supporting municipalities to perform key functions pertaining to municipal infrastructure and basic services provision. As COGTA's agency for driving support to municipalities in respect to the provision of infrastructure for basic services, MISA, together with key sector departments, provincial government, social partners, will lead the support of government's efforts in accelerating the provision of basic municipal services to communities within our country.

Some of the key accomplishments for MISA in the previous financial year, was to increase its support to 30 municipalities on the implementation of infrastructure programmes/projects through Labour Intensive Construction (LIC) methods. This



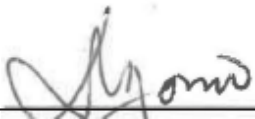
programme forms part of the Phase 1 of the Presidential Employment Stimulus (PES) package which is aimed at improving labour-intensity in the implementation of roads, water and sanitation projects in targeted municipalities. MISA's has provided technical skills development opportunities for improved service delivery to over 75 municipalities through municipal officials being trained on short courses covering various aspects of municipal infrastructure management; the continuous enrolment of learners in our apprenticeship, experiential learnership and young graduates programme; the provision of bursaries to students towards technical qualifications relevant to local government infrastructure management and enrolling municipal officials in MISA's Recognition of Prior Learning (RPL) programmes.

MISA provided technical support to 3 municipalities in the implementation of municipal water conservation or water demand management (WC/WDM) strategies aimed at reducing non-revenue water, with 25 municipalities being supported to improve their infrastructure asset management practices and the implementation of operations and maintenance related activities. A further 55 MIG receiving municipalities was supported with increasing household access to basic services (water, roads, solid waste and sanitation) and 22 municipalities provided with technical support to be compliant in terms of the Spatial Planning and Land Use Management Act (SPLUMA). MISA in collaboration with the Department of Water and Sanitation (DWS), South Africa Local Government Association (SALGA) and COGTA, are supporting 5 Water Services Authorities (WSA's) in implementing their corrective action plans for Wastewater Treatment Works (WWTWs) and another 5 WSA's in implementing their corrective action plans for Water Treatment Works (WTWs). Continuous support has provided to 22 selected municipalities in electricity provision to households and another 22 selected municipalities in electricity demand reduction through the energy demand side management programme (EEDSM).

MISA supported 22 municipalities in completing procurement processes for Municipal Infrastructure Grant projects in line with approved procurement schedules. MISA through the development of a resource mobilisation and investment strategy has been facilitating investment towards the development of the Eastern Seaboard region. MISA also supported 2 DDM district spaces with the deployment of technical experts through strategic partnerships; with a further 6 projects being prepared and packaged for bankability. MISA continues to explore various alternative and innovative mechanisms to assist prioritised municipalities to access additional funding for municipal infrastructure development.

MISA's focus for the next financial year will be to continue to enable and build impact in its support, leveraging on its capacity and the strengths of other institutions within and outside the public sector in its endeavours to strengthen the infrastructure delivery capability of municipalities, through the implementation of the District Development Model using the skills development and learnerships programmes whilst it carries out its assigned responsibility of being the implementing agency of the Eastern Seaboard Development Project. All the projects that MISA continues to implement, are positioned to give effect to the District Development Model targeted at 44 districts and 8 metropolitan spaces across our country to unlock delivery constraints to enable the acceleration of infrastructure development.

It is my 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 2025/26 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 and revised strategic plan. MISA will continuously adapt its strategic focus and operational model to achieve the output indicators and targets in the 2025/26 annual performance plan and respond appropriately to the needs of the citizens.



MS. MAPATANE KGOMO
CHIEF EXECUTIVE OFFICER
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 (MISA) under the guidance of the Honourable Minister of Cooperative Governance and Traditional Affairs (CoGTA), Mr Velenkosini Hlabisa, MP;
- Takes into account all relevant policies, legislation and other mandates for which MISA is responsible;
- Accurately reflects the outcomes and outputs which MISA will endeavour to achieve over the period 2025/26.

Signature: _____



Ms. Judith Nkosi

Acting Deputy Director General: Infrastructure Delivery Management Support Services (IDMSS)

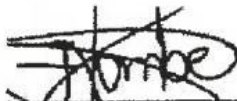
Signature: _____



Mr. Sam Ngobeni

Acting Deputy Director General: Technical Support Services (TSS)

Signature: _____



Ms. Fezeka Nombembe-Ofosu

Chief Financial Officer (CFO)

Signature: _____



Mr. Victor Mathada

Chief Director: Intergovernmental Relations, Executive Support, Strategy and Systems (IGR & ESSS)

Signature: _____



Ms. Mapatane Kgomo

Chief Executive Officer

Approved by:

Signature: _____



Mr. Velenkosini Hlabisa, MP

Minister of Cooperative Governance and Traditional Affairs



Part A: Our Mandate

1. Constitutional Mandate

As a government component within the Cooperative Governance and Traditional Affairs, MISA derives its mandate from section 154(1) of the Constitution of the Republic of South Africa, 1996. The provisions of this section of the Constitution places the responsibility on both national and provincial governments to support and strengthen, by legislative and other measures, the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. MISA was established to serve as an agent of CoGTA to drive the provision of technical support to municipalities with the view to strengthening their capacity for planning, delivery, as well as operation and maintenance of infrastructure for municipal services provision. MISA is required to play its support role without usurping the powers and functions of local government as listed under section 156 of the Constitution but to focus on strengthening municipalities to execute such powers and functions more effectively and efficiently.

At the same time, separately from the role of National Treasury in infrastructure financing through grants and the equitable share, the following national sector departments play a critical role in the provision of municipal infrastructure, either directly or through their provincial counterpart departments or entities:

- Human Settlements;
- Water and Sanitation;
- Transport;
- Electricity and Energy;
- Environment Affairs; and
- A number of entities which have significant capital programmes on infrastructure, all of which impact on municipal infrastructure, either directly or indirectly.

The task of monitoring initiatives of all these players to ensure integrated delivery of municipal infrastructure by coordinating their delivery programmes with those of municipalities, remains an immense challenge for MISA.

2. Legislative and Policy Mandates

2.1. 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 limited internal capacity, MISA prioritises the provision of technical support to low, medium and to a lesser extent high-capacity municipalities. There is a general recognition that high capacity/performing municipalities have the capability and suitable economic means to fulfil their infrastructure delivery and service provision mandate. However, the reality is that some metropolitan municipalities continue to experience difficulties in executing their Constitutional mandate. MISA will therefore provide support to Metros on an ad hoc basis, focusing on national, provincial and local government priority areas that are aligned to service delivery challenges.

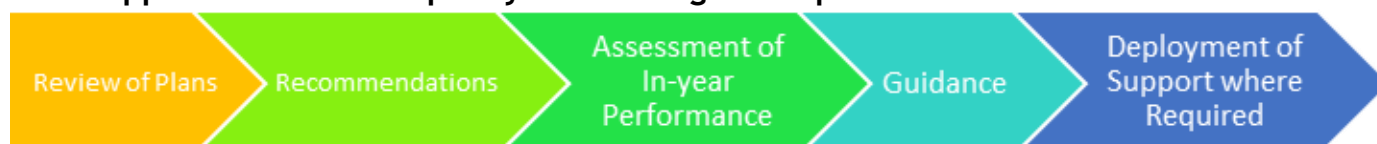
MISA Support To Low Capacity/Performing Municipalities:



MISA Support To Medium Capacity/Performing Municipalities:



MISA Support To Medium 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. MISA renders technical support on exceptional cases by deploying technical resources such as engineers, town planners, and O&M practitioners to targeted municipalities for a limited period to bolster capacity whilst the municipality is building its internal capacity. 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 are:

- 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 and restricted to the mandate of MISA.

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.

2.2. Policy Mandates

The NDP VISION 2030 remains our long-term country plan towards 2030 and is aligned to our international commitments on the continent and globally.



2.2.1 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. 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 but not limited to 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 and telecommunications 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 provide technical support through its programmes to assist municipalities to improve access to basic services and the reliability of services.

2.2.2 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.

Goal	Short Description	MISA’s Focus Areas
Clean Water and Sanitation - ensure availability and sustainable management of water and sanitation for all.	The focus of this goal is to achieve universal and equitable access to safe, affordable sanitation and drinking water with consideration of improvement in water quality by reducing pollution from various sources for effective water resources management.	MISA will contribute to the realization of this goal through its technical support to districts aimed at enhancing the capacity in water, sanitation and waste management infrastructure planning, development and management for improved reliability and access to water and sanitation.
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 transit towards cleaner energy for environmental protection.	MISA’s focus areas in relation to access to energy include support to municipalities around the roll-out of INEP programme and development of bulk infrastructure projects aimed at increasing access to electricity. MISA support will also focus on improving reliability of electricity network, energy efficiency measures and clean energy initiatives.

MISA's Contribution to Sustainable Development Goals

Goal	Short Description	MISA's Focus Areas
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 infrastructure terms of reference development aligned to localisation of services and coordinate efforts of other role players towards enhancing the capacity of municipalities to efficiently and sustainably implement their infrastructure programmes to ensure infrastructure provision for basic services and job creation.
Sustainable Cities and Communities - make cities and human settlements inclusive, safe, resilient and sustainable.	The focus of this goal is to make cities and human settlements inclusive, safe, resilient and sustainable through disaster risk reduction, integrated regional development planning and waste management.	The five-year strategic plan for MISA covers support to municipalities with the development and or implementation of spatial planning and land use management programs/ spatial plans to support effective infrastructure planning, implementation and monitoring. This focus will contribute to improve planning for infrastructure development to ensure sustainability of services and economic development.
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 includes an outcome that seeks to support municipalities' efforts to access funding earmarked for climate risk mitigation and adaption.

2.2.3 Agenda 2063

The implementation of MISA's strategic plan over the next five years will contribute to the achievement of certain goals in the first ten years' implementation plan of the Agenda 2063 adopted by the African Union Council in 2015. These 10-year goals are listed in the table below with the respective priority focus initiatives.

MISA's Contribution to Sustainable Development Goals

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 under-pinned 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

Goals	Priority Areas
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	• Youth Empowerment and Children

2.2.4 Statement of Intent (SOI) and Medium-Term Development Plan (MTDP)

In announcing the Members of his National Executive, The President reiterated the following GNU Fundamental Principles and Minimum Programmes of Priorities that will inform the drafting of the MTDP 2024 - 2029 These Fundamental Principles and Minimum Programmes of Priorities are captured in the table below.

Fundamental Principles	Minimum Programme of Priorities
<ul style="list-style-type: none"> • Respect for the Constitution and the Rule of Law. • Promote non-racialism and non-sexism. • Promote social justice, redress, and equity, and alleviate poverty. • Human dignity and progressive realisation of socio-economic rights. • Accountability, transparency, and community participation. • Integrity and good governance. • Evidence-based policy and decision-making. 	<ul style="list-style-type: none"> • Rapid, inclusive and sustainable economic growth and job creation (infrastructure, industrialisation, land reform, structural reforms, transformation, fiscal sustainability, macroeconomic management). • Reduce poverty and tackle the high cost of living (reduce spatial inequality, enhance food security and nutrition, social safety net, basic services). • Improve the delivery of basic services and bring stability to local government. • Investing in people through quality education and healthcare. • Rebuild the capability of the state and create a professional public service (metric based, restructuring SOEs). • Strengthen law enforcement agencies to address crime, corruption and GBVF. • Social cohesion and nation building. • Foreign policy based on human rights, constitutionalism, and national interest.

The Medium-Term Development Plan (MTDP) for the period 2025-2030 has been adopted as the high-level strategic document to guide the implementation and monitoring of NDP over the five-year term of the Seventh Administration. This MTDP focusses in three 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 three key strategic priorities in the MTDP are:

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- Strategic Priority 1: Inclusive Growth and Job Creation
- Strategic Priority 2: Reduce Poverty and reduce Cost of Living
- Strategic Priority 3: A Capable, Ethical and Developmental State

Under each of these key strategic priorities there are a number of outcomes with corresponding strategic interventions towards the achievement of the indicator targets for each outcome. The work of MISA responds directly and indirectly to all three key strategic priorities.

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Alignment of the Statement of Intent (SOI), National Development Plan (NDP) and Medium-Term Strategic Priorities (MTSP)

Statement of Intent	NDP	MTDP Strategic Priorities
1. Rapid, inclusive and sustainable economic growth, the promotion of fixed capital investment and industrialization, job creation, transformation, livelihood support, land reform, infrastructure development, structural reforms and transformational change, fiscal sustainability, and the sustainable use of our national resources and endowments. Macro-economic management must support national development goals in a sustainable manner.	Ch3. Economy and employment	Strategic Priority 1: Inclusive growth and job creation
	Ch4. Economic infrastructure	
	Ch5. Ensuring environmental sustainability and an equitable transition to a low-carbon economy	
	Ch6. An integrated and inclusive rural economy	
	Ch8. Training human settlement and the national space economy	
4. Investing in people through education, skills development and affordable quality healthcare.	Ch9. Improving education, training and innovation	Strategic Priority 2: Reduce Poverty and tackle the high cost of living
	Ch10. Promoting health	
2. Creating a more just society by tackling poverty, spatial inequalities, food security and the high cost of living, providing a social safety net, improving access to and the quality of, basic services, and protecting workers' rights.	Ch11. Social protection	

Statement of Intent	NDP	MTDP Strategic Priorities
7. Strengthening social cohesion, nation-building and democratic participation, and undertaking common programmes against racism, sexism, tribalism and other forms of intolerance.	Ch15. Transforming society and uniting the country	
5. Building state capacity and creating a professional, merit-based, corruption-free and developmental public service. Restructuring and improving state-owned entities to meet national development goals.	Ch13. Building a capable and developmental state	Strategic Priority 3: A capable, ethical and developmental state
3. Stabilising local government, effective cooperative governance, the assignment of appropriate responsibilities to different spheres of government and review of the role of traditional leadership in the governance framework.		
6. Strengthening law enforcement agencies to address crime, corruption and gender-based violence, as well as strengthening national security capabilities.		
	Ch12. Building safer communities	
	Ch14. Fighting corruption	
8. Foreign policy based on human rights, constitutionalism, the national interest, solidarity, peaceful resolution of conflicts, to achieve the African Agenda 2063, South-South, North-South and African cooperation, multilateralism and a just, peaceful and equitable world	Ch7. Positioning South Africa in the World	

2.2.5 District Development Model

The District Development Model is an intergovernmental relations mechanism developed for the effective implementation of the seven priorities during 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 within each of 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, economic positioning and municipal infrastructure financing 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 DDM/IGR structures. This will necessitate the reorganisation and enhancement of resources currently within MISA.

2.2.6 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). The 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 economic 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.

3. Institutional Policies and Strategies over the Five-Year Planning Period

3.1 State of the Nation Address

In the State of the Nation Address (SONA) of June 2024, 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 was adopted 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.

3.2 DCOG Priorities over the MTDP Period

The Department of Cooperative Governance has formulated seven priorities that focus on strengthening cooperative governance and 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 MTDP for 2025 - 2030 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.

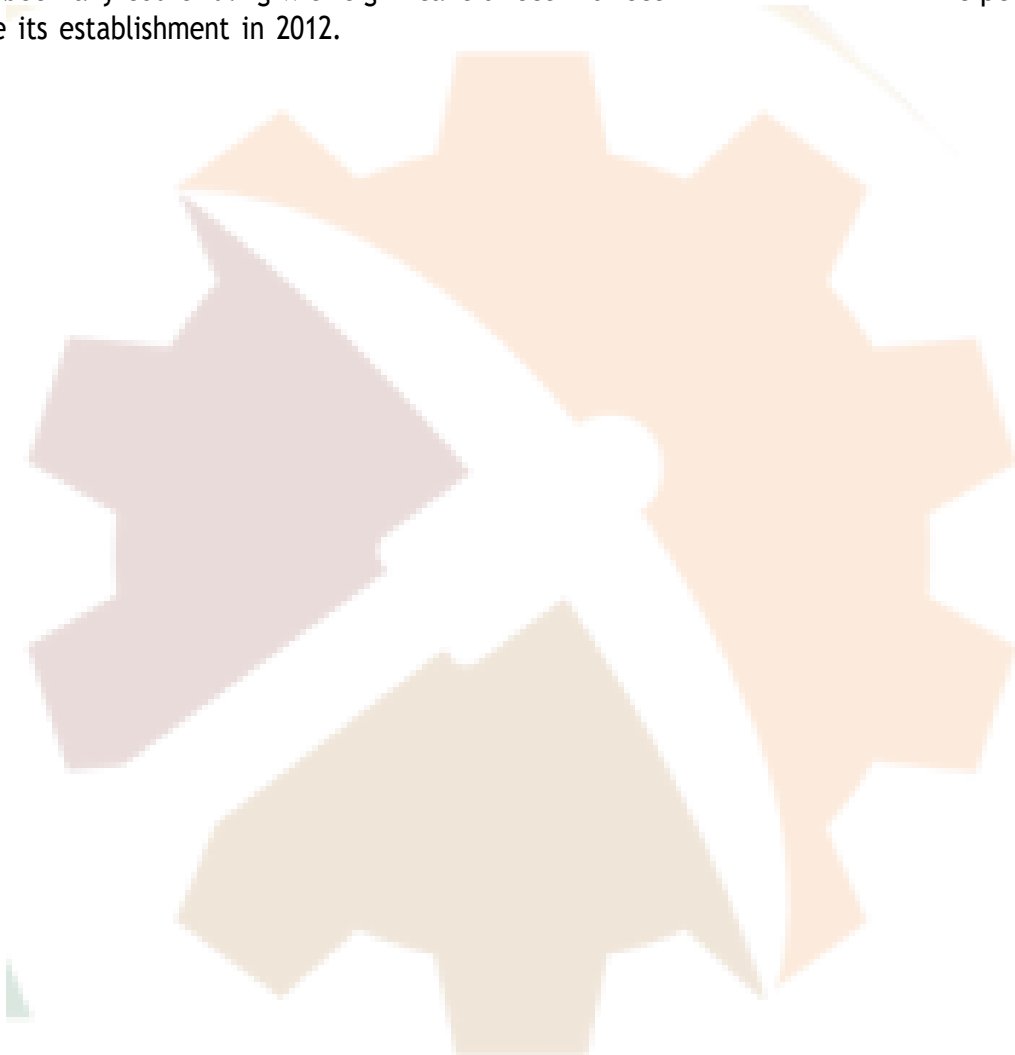
MISA's focus is mainly on the following priorities:

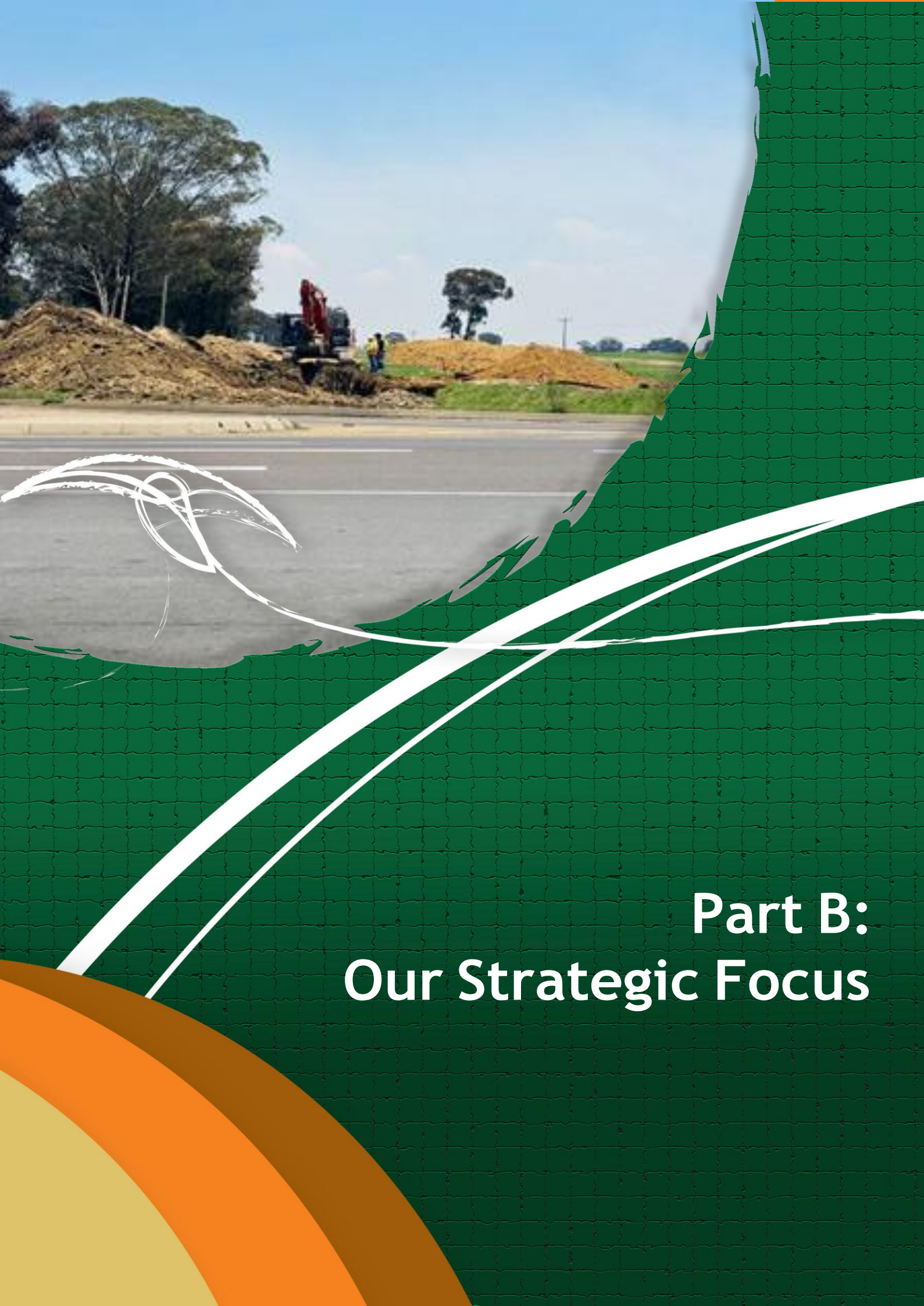
- Strengthening cooperative governance;
- Disaster risk reduction;
- Integrated planning for spatial transformation and inclusive economic growth; and
- Infrastructure, service delivery and job creation.

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 citizens' lives.

4. Relevant Court Rulings

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





Part B: Our Strategic Focus

1. Situational Analysis

The process of drafting the strategic plan for MISA for 2025-2030 took into consideration factors in both the external and internal environments likely to influence the pursuit of outcomes in the plan. The analysis of the external and internal environment is presented below.

1.1. External Environment Analysis

The five-year term for the Seventh 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 MTDP for 2025-2030 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.

In the municipal context, low revenue collection has a negative effect on the ability of a municipality to deliver services. Without adequate revenue generation, municipalities struggle to pay for bulk supplies by utilities such as Eskom and the Water Boards. As of June 2019, National Treasury recorded (during the section 71 reporting, 4th Quarter 2018/19) 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). In July 2024, the Minister of Electricity, reported that the municipal debt to Eskom had increased to R75 billion with the potential of escalating to R3.1 billion by 2050.

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. According to a Treasury statement on local government revenue and expenditure for the first quarter of the 2024/25 financial year, in the first quarter of 2023/24, consumer debt to municipalities amounted to R306.7bn. By the end of September 2024, the consumer debt had soared by about R80bn over a one-year period to reach R386.5bn. This reflects a massive increase from the R165bn that SALGA reported on in the 4th quarter of the 2018/19 financial year. This steep increase in consumer debt owed to municipalities necessitates a need to support municipalities with the implementation of revenue enhancement strategies as well as the application of more efficient technologies such as installation of prepaid smart meters, to improve 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 (Census 2022) data shows that the country has made the following commendable strides regarding access to basic services between the previous Census and the year 2022:

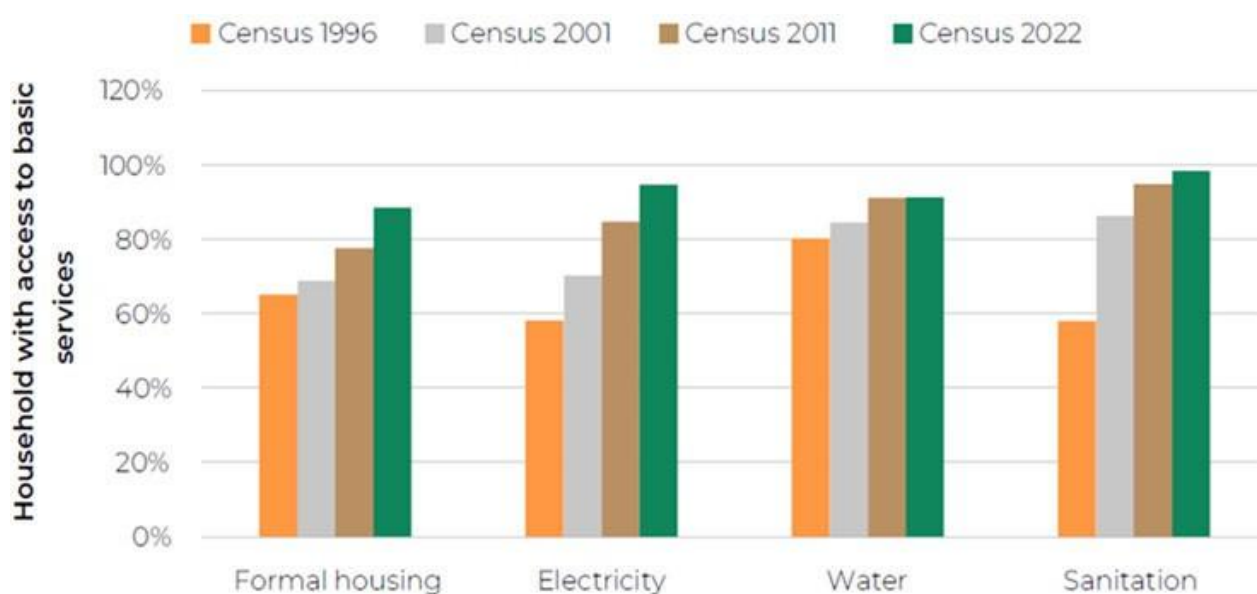
- Access to water has increased from 85.1% to 88.5%;
- Access to sanitation services increased from 68.9% to 80.7%;

- Refuse removal services increased by a five (5) percentage point to 67.1%; whereas
- Access to electricity rose by 9.6% to 94.3%


Although the Census data shows a reduction in water, sanitation, electricity, and waste management backlogs from 2018/19 to 2022, there are notable concerns with infrastructure functionality. For example, the performance of Water Services Authorities (WSAs) has declined over the years. Regulatory departments are actively enforcing actions and remedial work to ensure community safety and natural resource protection. Criminal charges preferred on at least 53 Water Services Authorities by the Department of Water and Sanitation (DWS) demonstrate the severity of the challenge.

The SAICE infrastructure report card indicates that most of the water, sanitation electricity, roads and waste management infrastructure is at risk of failure and is not coping with normal demand and is poorly maintained. It is likely that the public will be subjected to severe inconvenience and even danger without prompt action. Sanitation outside urban areas is unfit for purpose as well as provincial and municipal unpaved roads. The Eskom transmission network and national roads are the only categories of infrastructure that is fit for the future Infrastructure is in good condition and properly maintained. It satisfies current demands and is sufficiently robust to deal with minor incidents It is evident in this SAICE infrastructure report card that there is a lot of interventions required outside urban areas. This report affirms the imbalance of services and all infrastructure between homeland and urban areas with electricity supply an exception. The state of local government report of 2023 further indicates more than a proportional difference in access to services between rural and urban municipalities.

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



Census 2022 highlights a significant rise in the number of households in South Africa, increasing from 9.1 million in 1996 to 17.8 million in 2022. This rapid growth outpaces population growth, impacting service delivery and infrastructure. It is notable that 50% of the SA population resides in the 17 largest municipalities as seen in the figure below, straining their infrastructure, while the smallest 95 local municipalities house only 10% of the population. Among the top 17 municipalities, only three are stable, and the rest (13) are distressed or at risk. Integrated municipal planning and budgeting are required for equitable service provision, as smaller municipalities struggle to attract investments, affecting socio-economic development and exacerbating outmigration. The implementation of the Integrated Development Framework (IUDF) is crucial for economic growth and investment as well as infrastructure maintenance and repair to address these challenges. In relation to this it is notable that households grew by 39% from 2011 to 2022, while the average household size slightly decreased from 3.6 to 3.5 individuals which intensifies demands on energy, water, and sanitation



services. Formal housing increased to 88.5% in 2022 from 65.1% in 1996. Informal and traditional dwellings decreased significantly. The absence of spatial planning poses a risk in sustainability of basic services as well as disaster impacts as most of the unplanned developments are located in unsuitable land like flood plains. Limited support in municipalities to address these challenges creates a further challenge.

According to Mussa 2022 report, from the 18 key areas on effective water management, the top key challenges identified by municipalities are:

- Financial (Asset) Management
- Wastewater/Enviro. Safety & Regulatory Compliance
- Revenue Collection
- Operation & Maintenance of Assets
- Infrastructure Asset Management
- Water Conservation & Demand Management


The government has made strides in bridging the gap between infrastructure demands through infrastructure grants however capacity in municipality in implementation of infrastructure projects remains a challenge. 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.

Despite the increase in access to basic services, there are challenges with the quality provided by municipalities. For example, water quality remains a challenge with many municipalities failing to get a Blue Drop status. The decline in Blue Drop certifications from 44 in 2014 to 26 in 2023 indicates a need for better water management. Sanitation in South Africa has evolved alongside water service delivery due to the dependence of water-borne sanitation on water access. The Water Act mandates that water service provision includes sanitation. Despite advancements in sanitation systems aimed at sustainability, many urban areas still struggle with untreated human wastewater being discharged into rivers and communities, exacerbating water shortages and the risk of cholera outbreaks.

Access to sanitation facilities in South Africa varies significantly by province. With regards to wastewater treatment, there's a notable gap between design capacity and actual utilisation, with only 69% of the available capacity being used nationally. The 2022 Green Drop report highlights 334 municipal wastewater systems are in a critical condition, signalling an urgent need for infrastructure upgrades and interventions. This decline from the 2013 baseline underscores a concerning trend of deteriorating wastewater infrastructure.

On electricity, there's positive progress in lighting access, which has increased from 58.1% in 1996 to 94.3% in 2022. The Integrated National Electrification Programme (INEP) plays a crucial role in addressing electrification backlogs by providing capital subsidies to municipalities, contributing to the ongoing effort to improve electricity access nationwide. Regarding access to refuse removal services, there has been an improvement, with 66.3% of households receiving weekly refuse removal by municipalities, up from 52.1% in 1996. In waste disposal methods, there is a positive trend as household dumping has halved from 1996 to 2022. This improvement is also as result of the support provided by the Department of Forestry, Fisheries and Environment (DFFE).

According to the Department of Water and Sanitation, South Africa's non-revenue water (NRW) is rising to unsustainable levels, with nearly half the water piped through the country's infrastructure being lost through leaks, theft or nonpayment. According to the latest 'No Drop Watch' report, NRW increased from the 35% recorded in 2015 to 46.4% in June 2022, well above the international average of below 30%, while water losses stood at 40.7%.



Water and sanitation Minister, Senzo Mchunu, says that the bulk of water losses was a result of infrastructure failure, overflows from reservoirs, leakages from municipal distribution systems and poor operation and maintenance practices. 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.

The observation made in a study that was conducted by the Financial and Fiscal Commission in 2011, that municipalities were investing, on average 5% of total operating expenditure on infrastructure rehabilitation remains valid in 2024/25. 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 they cannot properly budget for specific asset-care tasks and interventions. This is despite the fact that the 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].

Municipal infrastructure projects are funded through conditional grants and municipalities' own funds. However, AGSA report (2023) notes delays, increased costs, and poor quality in project delivery, with 31% of projects completed late or still under construction after contractual deadlines, causing an average delay of 15 months. For the 2022/2023 financial year, municipalities were allocated almost R18 billion for infrastructure grants, with adjustments reducing this to just over R16 billion. The Minister intervened to prevent funds from one province from being transferred to another, but some municipalities experienced fund losses or gains across different grants, highlighting the need for improved cohesion in expenditure management.

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.

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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 conditional infrastructure grants, such as the Municipal Infrastructure Grant (MIG). For the 2022/2023 financial year, municipalities were allocated almost R18 billion for infrastructure grants, with adjustments reducing this to just over R16 billion. The National Treasury issued

171 letters to all under-performing municipalities on February 17, 2023, covering about 11 conditional grants that were reflecting under-performance against the 2022/23 conditional grant allocations. Challenges during project implementation, despite thorough planning, lead to delays and increased costs. Issues such as delays in the appointment of contractors, construction mafias demanding 30%, funding challenges, and supply chain problems hinder progress, as highlighted in the 2021/2022 AGSA report. Although this benefits municipalities with project implementation capacity, it affects service delivery at community level especially municipalities in need but lacking capacity and this calls for a need in intensifying MISA support.

As the table below shows, between 2014/15 and 2023/24 a total of R6.71billion in MIG transfers was stopped by National Treasury following municipalities' failure to spend allocated funds. This translates to an annual average of R671 million. There is, therefore, a need to support municipalities with project preparation and sound project management principles to improve expenditure and delivery of services.

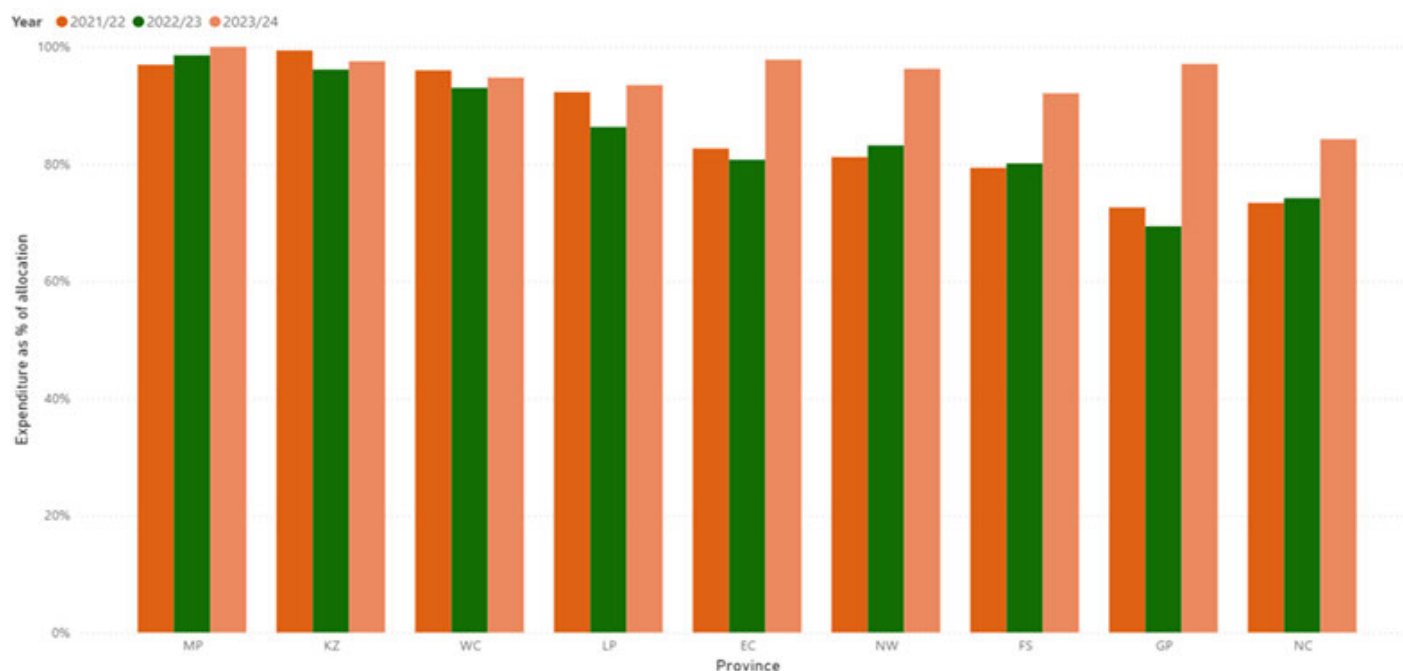
Financial Year	Number of Municipalities	% of Total	Amount Stopped ('R000)
2014/15	34	14%	956,760
2015/16	30	12%	828,669
2016/17	44	18%	939,834
2017/18	56	23%	669,219
2018/19	47	21%	549,226
2019/20	8	4%	119,000
2020/21	43	20%	563,000
2021/22	42	19%	689,000
2022/23	54	22%	932,294
2023/24	34	17 545 049	459,954
Total			6, 709, 956

The Grants enable rolling out of water, sanitation, refuse and other public infrastructure to improve service delivery. The major challenge is quantifying value for money in these grant and ensuring expenditure reflects actual impact on the ground through beneficiary rates. The 2022 MIG Framework included the Schedule 6B conversion, but no funds were converted from a Schedule 5B (municipal allocation) to an indirect allocation. The Department is already overseeing two projects on behalf of municipalities using MISA as the Implementing Agent to address delays and improve project implementation efficiency in Emfuleni LM and Uthukela DM. Challenges in the Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG) implementation are noted, with ongoing efforts to overcome these challenges and enhance service delivery in municipalities.

South Africa's exposure to natural disasters like floods, droughts, and fires has risen in recent years. In the previous administration:

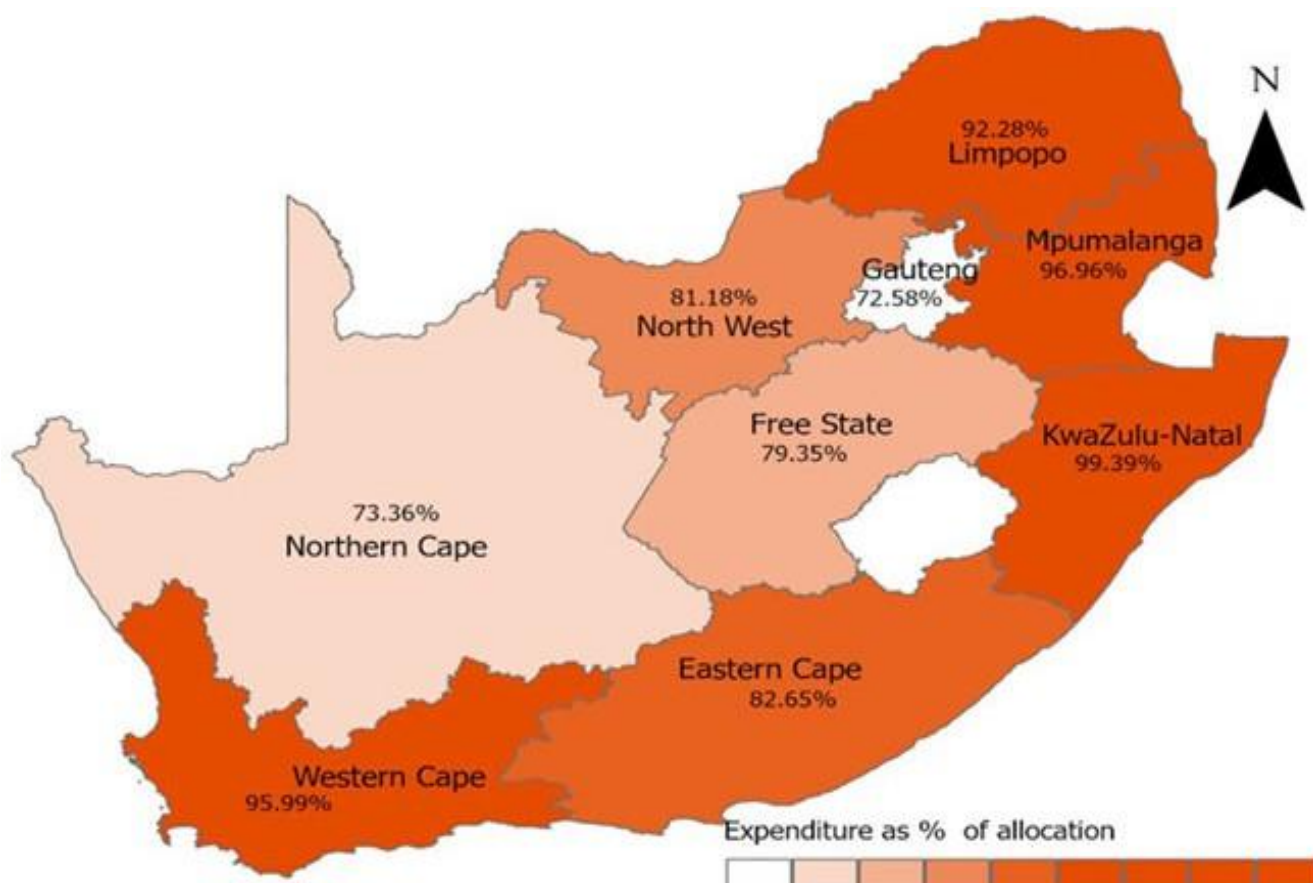
- a) 2021/2022: R378 million allocated for drought and Storm "Eloise" impacts; 71% utilised.
- b) 2022/2023: R517 million allocated for floods; 90% utilised. Recovery Grant of R3.3 billion had 37.3% utilisation.
- c) 2023/2024: R343 million allocated for floods; 29.18% utilised. Other allocations pending utilisation.


The three-year MIG trend expenditure is as in the table below:



The number of municipalities spending on average below 80% between the three-year cycles (2020/21-2022/23) and (2021/22-2023/24) has decreased from 55 to 40 municipalities notably NC and NW had the highest reduction from 6 and 5 municipalities respectively number of distresses municipalities under 80% has been reduced from 27 - 19 municipalities. The average expenditure over the three-year cycle (2020/21-2022/23) to (2021/22-2023/24) have increased from 89,57% to 91,2%.

The MIG allocation in 2023/24 FYR was over R18bn and adjusted to above R16bn during the mid-term budget adjustment. The provincial expenditure in the 2023/24 FYR is demonstrated in the figure below:





These figures show commitment but also challenges in fund utilisation. In order to improve disaster management grant funding and ensure effective relief and recovery the following is proposed. In 2023/24 financial year MISA implemented a special support programme targeting 66 dysfunctional municipalities and 22 priority municipalities as part of the 2022 State of Local Government Report and municipalities with service delivery challenges 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. The MSIPs are developed for all the 257 municipalities demonstrating the improvements made from 2021 to 2023 covering all the 3 pillars of Local Government and Financial Recovery Plans. The draft 2023 State of Local Government Report has identified 34 distressed municipalities to be supported, the report was presented to MINMEC, NCOP and yet to be tabled to Cabinet.

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 currently being limited, 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 deployment 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.

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 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 of PPPs with municipalities.

- The delivery of municipal infrastructure and services is highly dependent on governance stability in municipalities. The latest State of local government report (2023) by the Department of Cooperative Governance indicates that only 66 of the 257 municipalities are stable. The 2022-23 MFMA audit outcomes by the Auditor General also highlight that out of the 257 municipalities in the country, only 34 (13%) municipalities managed to produce quality financial statements and performance reports, and complied with all key legislation, thereby receiving clean audits. According to the Auditor-General, these outcomes show a continuation of the trend of poor audit outcomes in local government. The AG reports a continuation of the highest level of non-compliance with key governance laws in local government. Lack of stability in governance, poses a significant threat to service delivery and the expected impact of MISA programmes in municipalities. It is unthinkable that MISA technical support can thrive and make meaningful impact in an unstable environment. There is, therefore, a need to create a conducive environment for technical support and service delivery in local government.

1.2. Internal Environment Analysis

Prior to the development of MISA's Strategic Plan (SP) and Annual Performance Plan (APP), the management committee of MISA undertook a Strengths, Weaknesses, Opportunities and Threats (SWOT) exercise to identify key internal and external factors that had to be taken into consideration during the development of these two plans. These key internal and external factors are summarised with a detailed explanation provided for each of these factors in the table below.

Table 8.2.1 MISA's SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Filled technical positions leading to improved institutional capacity and performance. • Improved governance leading to an improved internal control environment. • Filled senior management positions creating stability in the organisation. • In-depth experience in the municipal infrastructure space - planning and delivery. • Project management and engineering capability. • Earned reputation in the sector. • Clean financial audits. • Political support from the Ministry of DCoG. • Being part of the DCoG gives MISA leverage. 	<ul style="list-style-type: none"> • Focus of support on MIG and not holistic municipal infrastructure • Organisational structure and design • Organisational branding with new municipalities not understanding our role and access to our services • Human resource capacity constraints to meet high demand for support by municipalities in the country. • Resource capacity constraints to handholding of municipalities in the country due to proximity. • Lack of automated processes and systems to enable operational impact and monitoring and evaluation processes. • Insufficient knowledge and data management system. • Operational activities not focusing on mandate and support provided misaligned with data informed municipal needs • Reactive approach and crisis mode

Strengths	Weaknesses
	<ul style="list-style-type: none"> • Losing professionals to better remuneration in the private sector • No succession planning and progression • Need to develop alternative incentives. • Training and development do not enhance technical skills. • Fragmented service delivery model • No authority over municipalities • Limited defined role and value added to the DDM
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 sanitisation through the reprioritisation of MIG allocations. • Continuous professional development of existing staff (MISA highly skilled institution). • Build capacity of municipalities as Water Service Authorities. • Increased need to capacitate districts. • Strengthening reliable infrastructure funding through various grants. • Expansion of 6B to Disaster Grant support or implementation 	<ul style="list-style-type: none"> • Poor collaboration with other departments and stakeholders (mandate elements vs ancillary role?) • Higher staff turnover in technical positions due to better remunerations in the private sector. • Post pandemic implications, such as budget cuts, etc. • Insufficient funding to finance climate resilient infrastructure • 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. • Increase in the number of municipalities that are in distress. • Extreme weather patterns due to climate change damaging municipal infrastructure

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, as well as exits as and when these contractors received better offers or their contracts end.

MISA also experienced slow implementation of projects leading to poor performance against performance targets in the annual performance plans and underspending of allocated budgets as a result thereof. 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, and continues to fill in technical posts as and when they become vacant. This process has resulted in the filling of 90% (76 out of 84) of technical positions on the approved structure. The filling of technical and other critical positions on the structure contributed to improved organisational performance in 2022/23 financial year. The vacancy rate in respect to technical positions as at the end of the 2023/24 financial year end stood at 10% due to the rigorous recruitment process in place and the implementation of the retention strategies in relations to the technical professionals within the organisation.

The organisation received an unqualified audit opinion with no matters of emphasis (clean audit) for the past six consecutive financial years from 2018/19, which demonstrated that significant strides have been made in maintaining an improved internal control environment. Over the same period MISA did not incur any irregular expenditure.

The Local Government Summit held in September 2022 endorsed a view that local government support needs to be strengthened with particular focus on administration, governance, LED, financial management and basic service delivery. The main challenges faced by most municipalities is the coalition management especially in the so-called hung municipalities. The political turmoil and change of political heads have a huge bearing on administration, governance and further influencing service delivery. MISA's role and active participation is dependent on sound governance structure and administration.

MISA's Technical Capacity Building for Local Government

MISA has adopted a Capacity Building Framework for municipal infrastructure management support, which requires MISA and other stakeholders to focus on the capacity gaps of individuals as well as those that exist at institutional and environmental levels. MISA prioritises provision of capacity support to low- and medium-capacity municipalities. Perceived high-capacity municipalities are supported on a need basis.

MISA deploys technical experts, in engineering and town and regional planning, to support and strengthen the capacity of municipalities to plan, deliver, operate and maintain infrastructure. The efforts exerted by deployed MISA officials are supplemented through implementing technical capacity building programmes.

There is an observed limitation that MISA support on its own cannot lead to improved municipal performance. It needs to be complemented with structured support that focuses on improving municipal governance, administration, and financial management. The Integrated Local Government Capacity Building Strategy of the Department of Cooperative Governance (DCOG) serves as the most appropriate platform for rolling out comprehensive municipal capacity support through the introduction of municipal capacity development plans (MCDPs).

The MISA capacity building strategy advocates for technical skills training directed at municipal officials, whilst developing a skills pipeline through preparing a new cohort of municipal officials. This could be achieved through skills development programmes for unemployed youth. Where necessary, MISA will mobilise and deploy technical experts to provide temporary hands-on support to municipalities with the view to improving infrastructure planning, financing, delivery, operation and maintenance.

MISA's objective is to have capacitated municipalities that are able to independently and sustainably execute their executive obligations. In the medium to long term, MISA will gradually devolve technical capacity development to municipalities in order for municipalities to take ownership of capacity development programmes. This will require MISA to develop capacity building guidelines for municipalities and provide support on a need basis.

Evidence-based analysis of priorities relating to Women, Youth, Persons with Disabilities and Military Veterans

"Section 20 of the Employment Equity Act, 1998 requires designated employer to prepare and implement an employment equity plan in order to achieve progress towards employment equity in the workforce. The employment equity plan must include, amongst others, numerical goals for the achievement of equitable representation of underrepresented groups for all occupational categories and levels. These numerical goals must be set after conducting a workforce analysis. Cabinet has set the numerical goals of 50% representation of women at SMS level, and 30% representation of youth and 2% representation of persons with disability in the workforce. MISA, as a designated employer, has developed its own employment equity plan for the

period of 1 April 2021 until 31 March 2024 in which sets the target for the institution to attain the goals set by Cabinet by 31 March 2024. MISA is currently in the process of developing their new equity plan for the period of 1 April 2024 until 31 March 2027.”

MISA has embarked on a drive to respond to requirements of Broad-Based Black Economic Empowerment (BBB-EE) Act with an aim to promote increased participation of emerging enterprises in MISA’s procurement activities. This will be done through identification and assessment of minor contract opportunities, promotion of partnerships between MISA and the private sector, skills transfer, training and accessibility to the processes of procurement through the implementation of the Emerging Enterprises and Supplier Development Support Programme of MISA.

MISA has an approved Enterprises and Supplier Development (ESD) policy which it will continue to implement in the 2024/25 financial year, with the objectives of this policy to:

- promote increased participation by and opportunities for emerging enterprises in MISA’s Procurement processes;
- promote broad-based black economic empowerment in emerging enterprises;
- identify and assess minor contract opportunities within the MISA for the development and support of emerging enterprises;
- identify opportunities where minor contracts may be awarded to emerging enterprises;
- identify and align minor contracts with the development and support programmes for emerging enterprises in the MISA
- promote partnerships between the MISA and the private sector in respect of the development and support of emerging enterprises;
- promote skills transfer, training and accessibility to the processes of procurement through the implementation of the Emerging Enterprises Development and Support Programme of the MISA; and
- promote monitoring and evaluation of the identification and development of emerging enterprises.
- document a clear plan of BBBEE compliance targeting by MISA and
- monitor the implementation of development plans and periodically track progress of compliance targeting.

Disaster Management Plans

The National Disaster Management Framework requires entities/organs of state that have infrastructure they own or are falling under them to develop risk reduction plans. MISA do not own or have any infrastructure that falls under them as per their asset management policy. Infrastructure that they have built over the years are handed over to the municipalities. The National Disaster Management Centre (NDMC) has proposed that MISA plays a role in receiving and reviewing the planning, design and implementation of disaster projects including risk reduction plans of the targeted municipalities in the 2024/25 financial year. The partnership entails support in the disaster response process where MISA:

- Where necessary, supports the NDMC and PDMCs in conducting detailed assessments and verification of the damage to municipal infrastructure.
- In collaboration with the relevant sector departments, assists the identified municipalities on appropriate infrastructure delivery models for the implementation of disaster projects.
- Advises on the pre-engineering processes to be followed in the reconstruction of damaged infrastructure (Environmental Impact Assessments and Water Use License Applications).
- Supports the municipalities with improvements to municipal processes for planning, project prioritisation and selection through municipal processes with consideration of disaster impacts. This includes detailed planning, scoping, designing, scheduling, costing and procurement implementation.
- Provides technical advice and expertise to identified municipalities on the proposed design adequacy and/or use of appropriate alternative technologies or innovations.

In line with this partnership MISA is committed to support for disaster prone municipalities to improve infrastructure resilience to climate change.

4.3 Our Theory of Change

The Theory of Change has ultimate outcomes, intermediate outcomes and immediate outcomes which describe the desired state of being for respective timelines. Outputs describe initiatives, services or products that will be delivered to achieve the outcomes.

Table 4.3.1 MISA Theory of Change Underpinning its Long-term Strategy

	Time Frame	External Focus		Internal Focus	
Impact	Based on the support received, municipalities will deliver reliable infrastructure to communities in line with their constitutional mandate.				
Ultimate Outcomes	More than 10 Years	MISA is the preferred agent for all infrastructure related support to local government		MISA is an established centre of excellence	
		↑		↑	
Intermediate outcomes	5 - 10 years	Supported municipalities having capacity to deliver sustainable infrastructure. • Resilient infrastructure that is adaptable to climate change • Infrastructure initiatives stimulate economic development. • Infrastructure investments drive socio-economic benefits • Optimum delivery of municipal infrastructure grants		Emergent knowledge management centre of municipal infrastructure development and management Effective operating model that maximises impact on municipalities	
	↑	↑		↑	↑
Immediate outcomes	1- 4 years	• Dysfunctional municipalities improve infrastructure development and management • Municipalities prepare fundable infrastructure projects. • IDMS institutionalisation • Enhanced partnerships		• Operating model aligned to long-term strategy. o Demand driven support • Centre of Excellence (COE) o Knowledge management hub • Organisation wide capabilities and Improved Leadership at all management levels	
Intermediate outcomes		Outputs: • Capacity building programmes • Infrastructure development and management programmes	Deliverables: • PPLCM including PP&SDSM • LG Infrastructure Procurement Support Models	Outputs: • Strategic Realignment Initiative • Initiative to establish MISA as a COE • Leadership and organisation capacity Building Initiative	Deliverables: • Integrated Realignment Implementation for Plan for: Operating Model; Funding Model; Strategic Review, Change Management and

	Time Frame	External Focus		Internal Focus	
Intermediate outcomes		<ul style="list-style-type: none"> • IDMS/FIDPM Capacity Building Support Programme • Partnership Management Programme 	<ul style="list-style-type: none"> • Operating Model • Partnership Strategy • Marketing strategy 		Communication <ul style="list-style-type: none"> • Robust operating systems • Transition Plan • Knowledge Management Framework, Hub and Platform • Capability development strategy
Immediate outcomes		<ul style="list-style-type: none"> • Technical advisors • Toolkits • Guidelines • Manuals • Maturity models • Standard Operating Procedures • Knowledge management unit • Operating Systems 			

Table 1 - Theory of Change Underpinning Long-term Strategy

The narrative below describes the links between outputs and outcomes.

IF we deliver the outputs that strengthen our internal capability defined in our capability development strategy, the leadership development programme, operating systems, a knowledge management framework, municipal infrastructure database and a research strategy.

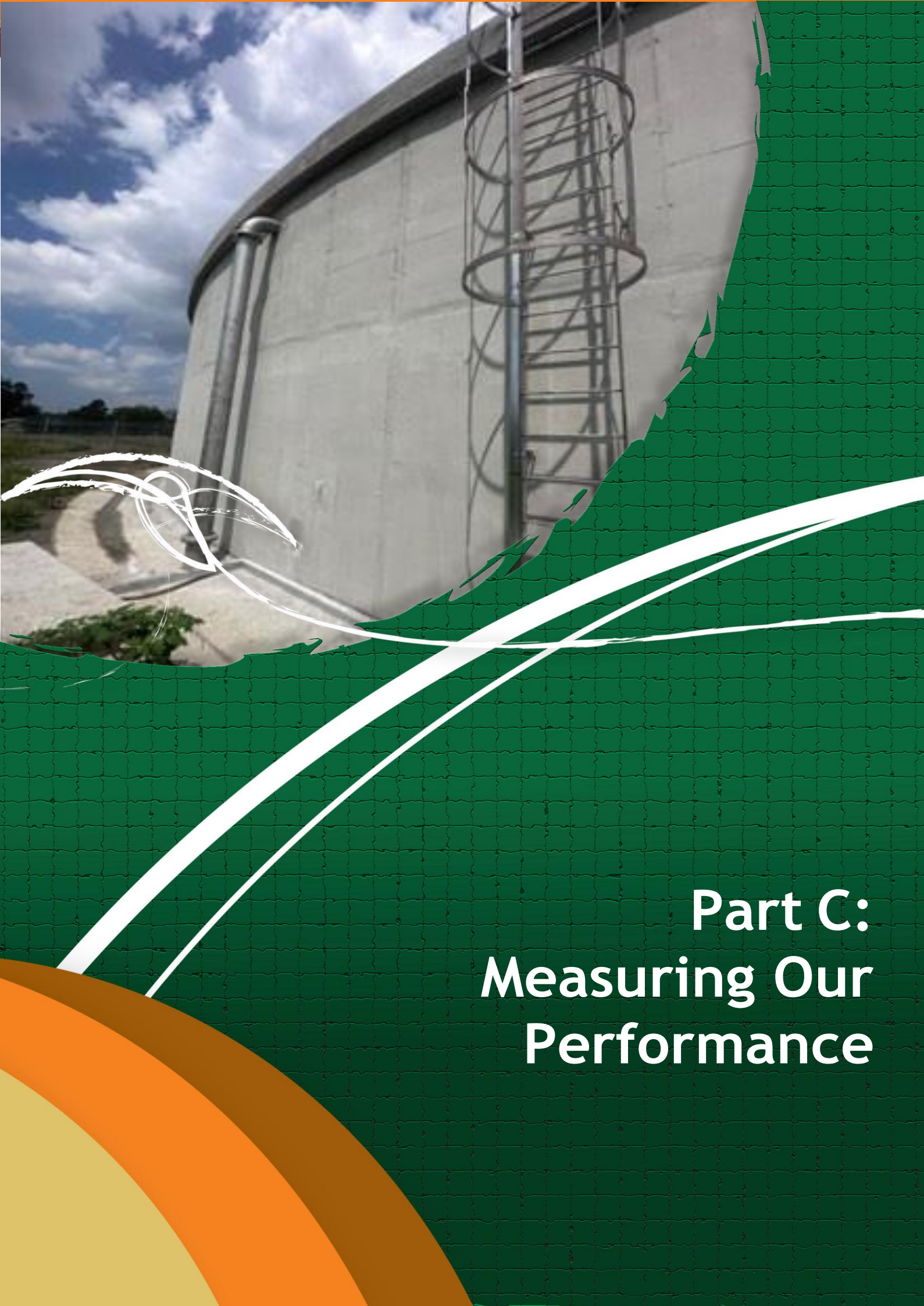
THEN the immediate outcome is that dysfunctional and municipalities in need of our support will improve infrastructure delivery and will prepare fundable infrastructure projects. Internally, we will develop and strengthen our operating model, become a knowledge management hub, improve our leadership capability and apply demand driven support so that we enhance our support to municipalities.

THEN the intermediate outcomes are that the municipalities supported by MISA will deliver infrastructure that is sustainable, propels economic growth and development and is resilient to climate change. The municipalities will also improve the expenditure of infrastructure grants.

The infrastructure development and management will meet the expectations of communities and businesses which will enhance service delivery and local economic development respectively. For this to be achieved MISA will establish itself as a knowledge management centre of excellence for municipal infrastructure development and management. MISA will also be driven by an effective and efficient operating model that maximises its performance and impact on municipalities.

THEN the ultimate outcome is that MISA will be the preferred agent in municipal infrastructure support and an established centre of excellence. This means that MISA will excel in delivering innovative, programmatic and results-based solutions.

THEN the impact is that municipalities will deliver sustainable infrastructure to communities in line with their constitutional mandate.



Part C: Measuring Our Performance

4. Institutional Programme Performance Information

5.1 Programme: Administration

5.1.1 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:

5.1.1.1 Sub-programme: Intergovernmental Relations, Executive Support, Strategy and Systems

Intergovernmental Relations, 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.

Intergovernmental Relations and Executive Support provides intergovernmental relations and 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 Support 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 Compliance 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.

5.1.1.2 Sub-programme: Corporate Management Support Services

Corporate Management Support 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 Organisational Development Support Services provides the human resource administration and development services. It is also responsible for labour relations and employee wellness services within the organisation.

Legal Support 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 Support 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 photojournalism support, as well as developing and maintaining the departmental website.

5.1.1.3 Sub-programme: Financial Management Support Services

Financial Management Support 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 and Financial Accounting Services 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.

5.1.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
A capable and professional public service	Unqualified audit opinion on annual financial statements	Achieve unqualified audit opinion on annual financial statements	Achieved unqualified audit opinion on annual financial statements 2020/21	Achieved unqualified audit opinion on annual financial statements 2021/22	Achieved unqualified audit opinion on annual financial statements 2022/23	Unqualified audit opinion on annual financial statements 2023/24	Unqualified audit opinion on annual financial statements 2024/25	Unqualified audit opinion on annual financial statements 2025/26v	Unqualified audit opinion on annual financial statements 2026/27
	Approved ethics management plan implemented	Percentage implementation of the deliverables in the ethics management plan	New	New	New	100% implementation of the deliverables in the ethics management plan by 31 March 2025	100% implementation of the deliverables in the ethics management plan by 31 March 2026	100% implementation of the deliverables in the ethics management plan by 31 March 2027	100% implementation of the deliverables in the ethics management plan by 31 March 2028
	Implementation of the approved Corporate Services Improvement Plan (CSIP)	Percentage implementation of the deliverables in the approved corporate services improvement plan	New	New	86% implementation of the approved CSIP by 31 March 2024	85% of 100% implementation of the deliverables in approved CSIP by 31 March 2025	90% of 100% implementation of the deliverables in the approved CSIP by 31 March 2026	95% of 100% implementation of the deliverables in the approved CSIP by 31 March 2027	100% implementation of the deliverables in the approved CSIP by 31 March 2028
	Implementation of the approved Information and Communication Technology (ICT) Annual Operational Plan.	Percentage implementation of the deliverables in the approved ICT Annual Operational Plan.	New	New	New	New	100 % implementation of the deliverables in the approved ICT Annual Operational Plan by 31 March 2026.	100% implementation of the deliverables in the approved ICT Annual Operational Plan by 31 March 2027.	100% implementation of the deliverables in the approved ICT Annual Operational Plan by 31 March 2028.

5.1.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1 Achieve unqualified audit opinion on annual financial statements	Unqualified audit opinion on annual financial statements 2024/25	-	Unqualified audit opinion on annual financial statements 2024/25.	-	-
1.2 Percentage implementation of the deliverables in the ethics management plan	100% implementation of the deliverables in the ethics management plan by 31 March 2026	-	-	-	100% implementation of ethics management plan
1.3 Percentage implementation of the deliverables in the approved corporate services improvement plan	90% of 100% implementation of the deliverables in the approved CSIP by 31 March 2026	-	90% of first and second quarter deliverables in the approved CSIP implemented.	-	90% of the third and fourth quarter deliverables in the approved CSIP implemented.
1.4 Percentage implementation of the deliverables in the approved ICT Annual Operational Plan.	Percentage implementation of the deliverables in the approved ICT Annual Operational Plan.	-	-	-	100% implementation of the deliverables in the approved ICT Annual Operational Plan by 31 March 2026.

5.1.4 Explanation of Planned Performance over the Medium-Term Period

A capable and professional public service

The main objective of the output indicator and target under the Administration is to foster a culture of compliance with applicable legislation and ethical conduct within the organisation. In addition, this is also to provide management with the status of ethical culture against fighting anti-corruption 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 the corporate social implementation plan over the MTEF period.

In order to effectively and optimally discharge its mandate, MISA must have capable human resources. It will thus be important that MISA establish, through a skills audit, the capabilities of its human resources, particularly the technical human resources which are the engine that propels MISA's overall institutional performance and in turn enhance service delivery. It will be equally important to identify and implement training and development initiatives to close the gap that may be discovered from the skills audit.

5.1.5 Programme Resource Considerations

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Audited Out-come	Audited Out-come	Audited Outcome	Revised Esti-mate	Revised Base-line	Revised Baseline	Revised Baseline
Rand Thousand							
Programme: Administration							
Total	209,515	106,807	92,761	105,991	109,115	113,312	118,434
Economic Classification							
Compensation of employees	47,197	47,850	42,650	49,286	51,494	53,862	56,297
Goods and Services	40,043	49,838	43,089	46,890	47,367	48,723	50,926
Depreciation	5,103	9,119	7,021	9,815	10,255	10,726	11,211
Funds Returned	117,172						
Total	209,515	106,807	92,761	105,991	109,115	113,312	118,434

The compensation of employees under Administration Programme are consistent 2024/25 and 2025/26 financial years and are 47% of the total budget. The total expenditure for Administration is split proportionally between the compensation of employees and goods and services at the 47:44 ratio in 2025/26 and remaining balance of 9,4% relates to depreciation.


The goods and service budget of R46,890 million in the 2024/25 financial year will be spent mainly on the procurement of contractors to providing ICT equipment, office rental, co-source arrangements to augment capacity constraints, 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. The provision of funding to the Internal Audit function will contribute towards the effectiveness and improvements in governance, risk management and internal control process.

5.2 Programme: Technical Support Services

5.2.1 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:

5.2.1.1 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. The sub programme functions as Infrastructure Nerve Centre on Municipal Service Delivery (Repository on municipalities). This determination is based on the outcome of the assessment of infrastructure assets condition and existing technical capacity, review of infrastructure maintenance budgets and expenditure trends and assessment of backlogs on access to basic service, Assessment of planning in municipalities within the Hierarchy of Planning 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.

5.2.1.2 Sub-programme: Infrastructure Planning, Delivery and Maintenance

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 IPDM is responsible for coordinating other role-players such as sector departments, state-owned companies and provincial government towards the integrated delivery of municipal infrastructure.

5.2.1.3 Sub-programme: Capacity Building Programme

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.

5.2.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Increased employment opportunities	Young people provided with infrastructure related technical skills development opportunities for improved municipal service delivery.	Number of young people provided with infrastructure related technical skills development opportunities for improved municipal service delivery.	New	New	New	New	300	300	300
	Municipalities incorporating Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.	Number of municipalities provided with technical support to incorporate Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.	19	25	25 municipalities achieve their respective EPWP Infrastructure Job opportunities allocation through mainstreaming of LIC methods	30 municipalities provided with technical support to incorporate Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.	30	30	30

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Energy security and a just energy transition	Municipalities provided with technical support to improve household access to electricity.	Number of Municipalities provided with technical support in electricity provision to households.	New	New	2% decrease in households without access to electricity supply services in selected dysfunctional municipalities	22 Municipalities provided with technical support in electricity provision to households.	22	22	22
	Municipalities provided with technical support in electricity demand management.	Number of Municipalities provided with technical support in electricity demand management.	New	New	10% decrease in electricity demand in selected municipalities.	22 Municipalities provided with technical support in electricity demand	22	22	22

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved service delivery at local government	Water Service Authorities supported with Operation and Maintenance functionality through the establishment of O&M units or sections, systems and procedures and the implementation of Asset Management Plans	Number of WSAs supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Asset Management Plans	New	New	10 municipalities with increased allocation of MIG funding for municipal infrastructure repairs & refurbishment utilising 10% of their MIG budget	25 municipalities provided with technical support to prioritise MIG budgets towards repairs, maintenance, and refurbishment of infrastructure assets	15	15	20
	Municipalities implementing Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water	Number of municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM), aimed at addressing non-revenue water.	10	20	22 municipalities reducing non-revenue water by 5% on average	3 municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM) aimed at reducing non-revenue water	5	10	15

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	MIG receiving Municipalities increasing access to basic services on water, roads, solid waste and sanitation.	Number of MIG receiving municipalities provided with technical support aimed at increasing household access to basic services (water, roads, solid waste and sanitation).	44	44	60% of 2023/24 MIG allocations spent on municipal infrastructure by 31 March 2024	55 MIG receiving municipalities provided with technical support aimed at increasing household access to basic services (water, roads, solid waste and sanitation).	55	55	55
	Improvement of spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning	Number of municipalities supported with the development of spatial planning and land use management programs/ spatial plans to support effective infrastructure planning, implementation and monitoring	30	30	15 identified dysfunctional municipalities implement SPLUMA compliant spatial plans	22 municipalities provided with technical support in order to be SPLUMA compliant	30	30	35

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Water Services Authority (WSAs) developing and implementing Corrective Action Plans	Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Wastewater Treatment Works (WWTWs)	New	New	22 dysfunctional Critical Risk WWTWs improved to poor Risk WWTWs.	5 Water Services Authority (WSAs) provided with technical support for implementation of the corrective action plans for Wastewater Treatment Works (WWTWs)	6	9	12
		Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Water Supply Systems (WSSs)	New	New	22 dysfunctional Critical Risk WTWs improved to poor Risk WTWs.	5 Water Services Authority (WSAs) provided with technical support for implementation of the corrective action plans for Water Treatment Works (WTWs)	6	9	12

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Municipalities with infrastructure that has disaster and climate change adaptation measures	Number of municipalities supported with disaster and climate change adaptation measures	New	New	10 identified municipalities implement flood risk resilient infrastructure	15 municipalities supported with disaster and climate change adaptation measures	15	20	25
	Number of municipalities supported with disaster and climate change adaptation measures	Number of Water Services Authority with technical capacity assessments conducted.	New	New	New	New	5	10	15
A capable and professional public service	Technical municipal officials professionally registered with statutory bodies.	Number of technical municipal officials professionally registered with statutory bodies.	New	New	New	New	20	20	20

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Municipal officials provided with technical skills training opportunities for improved service delivery.	Number of municipal officials provided with infrastructure related technical skills training opportunities for improved service delivery.	250	500	600	600	700	700	700

5.2.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of young people provided with infrastructure related technical skills development opportunities for improved municipal service delivery.	300	-	-	-	300
2.2 Number of municipalities provided with technical support to incorporate Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.	30	-	-	-	30
2.3 Number of Municipalities provided with technical support in electricity provision to households.	22	-	-	-	22
2.4 Number of Municipalities provided with technical support in electricity demand management.	22	-	-	-	22
2.5 Number of WSAs supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Asset Management Plans	15	15	15	15	15
2.6 Number of municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM), aimed at addressing non-revenue water.	5	-	-	-	5
2.7 Number of MIG receiving municipalities provided with technical support aimed at increasing household access to basic services (water, roads, solid waste and sanitation).	55	55	55	55	55
2.8 Number of municipalities supported with the development of spatial planning and land use management programs/spatial plans to support effective infrastructure planning, implementation and monitoring	30	-	-	-	30
2.9 Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Wastewater Treatment Works (WWTWs)	6	-	-	-	6
2.10 Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Water Supply Systems (WSSs)	6	-	-	-	6
2.11 Number of municipalities supported with disaster and climate change adaptation measures	15	-	-	-	15
2.12 Number of Water Services Authority with technical capacity assessments conducted.	5	5	5	5	5
2.13 Number of technical municipal officials professionally registered with statutory bodies.	20	-	-	-	20
2.14 Number of municipal officials provided with infrastructure related technical skills training opportunities for improved service delivery.	700	150	350	500	700

5.2.4 Explanation of Planned Performance over the Medium-Term Period

Increased employment opportunities

Over the next three years, MISA will recruit and enrol unemployed youth in technical skills development programmes (namely the Young Graduate Programme, the Experiential Learnership Programme and the Apprenticeship Programme) that are aimed at addressing critical skills deficit in local government. Annually, a total of 500 unemployed young people will be afforded the opportunity to participate in these programmes. The envisaged total will include unemployed youth in the MISA Technical Bursary Scheme. MISA will, on an annual basis, replace beneficiaries who will, for whatever reason, exit any of the programmes.

MISA will provide identified municipalities with process management support that seeks to institutionalize Labour Intensive Construction (LIC) methods in the execution of infrastructure projects that are funded through conditional grants. MISA technical support will be in the form of training for municipal officials. Identified projects for LIC will be in different sectors, including water, sanitation, roads, waste management, electricity, and telecommunications. MISA support to municipalities will encourage adherence to EPWP policy guidelines aimed at assisting municipalities to achieve their annual infrastructure sector targets on creation of job opportunities.

Energy security and a just energy transition

This outcome seeks to ensure continued implementation of the Energy Action Plan and achievement of long-term energy security in municipalities. MISA will support implementation of Integrated National Electrification Program (INEP) to selected municipalities with the aim of ensuring long term energy security. MISA will also support implementation of energy efficiency and demand side management interventions in municipalities to manage energy consumption in municipal infrastructure. The support will also extend to municipalities aiming to reduce grid dependency on their infrastructure through implementation of roof top solar panels or small-scale embedded generation.

Improved service delivery at local government

There is a need for government to restore public confidence in municipal services, such as provision of water. Access to and reliability of water services remain a challenge despite the gains achieved over the previous years. MISA will support municipalities to conduct infrastructure assessments with the view to developing and implementing sustainable solutions to water challenges in municipalities. Access to and reliability of sanitation services also remain a challenge despite the gains achieved over the previous years. As a result, some municipalities will be supported with assessments towards developing and implementing sustainable solutions to sanitation challenges. During the same period, some municipalities will be supported to develop and implement water and sanitation infrastructure master plans as well as reliability plans.

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 MTDP 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.

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.

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.

Water services authorities (WSAs) with directives from the Department of Water and Sanitation (DWS) or struggling to manage their water and wastewater systems will be prioritised for support aimed at the implementation of corrective action plans. Funds will be channelled from the Municipal Infrastructure Grant (MIG) towards supporting municipalities with maintenance of water and wastewater infrastructure assets.

MISA will continue to support MIG receiving municipalities to increase access to basic services such as water and sanitation, roads, and solid waste by implementing and upgrading infrastructure projects. Municipalities will also be advised to incorporate disaster and climate change adaptation measures in the development of new infrastructure.

Service delivery in local government is to a greater extent affected by lack of requisite technical skills to plan, deliver, operate and maintain infrastructure. MISA will over the MTSF continue to capacitate municipal officials, particularly from WSAs, through a range of skills training programmes. The training programmes will be complemented with the introduction of operation and maintenance systems and standard operating procedures as well as compilation and implementation of infrastructure asset management plans.

A capable and professional public service

MISA will contribute towards building a capable and professional public service by prioritising, in the MTSF, enrolment of municipal officials in candidacy programmes towards professional registration with statutory bodies. This initiative will instil ethical conduct and empower municipal officials to meaningfully engage consultants and contractors in the execution of infrastructure projects. Parallel to professionalising municipal officials, MISA will continue to contribute towards building a new cohort of technical experts for local government through the young graduate, experiential learnership and artisan development programmes.

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.

5.2.5 Programme Resource Considerations

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Base-line	Revised Baseline	Revised Baseline
Rand Thousand							
Programme: Technical Support Services							
Total	238,982	221,849	186,378	227,532	237,725	248,589	259,825
Economic Classification							
Compensation of employees	117,816	162,542	140,080	167,418	174,918	182,964	191,234
Goods and Services	121,166	59,307	46,298	60,114	62,807	65,625	68,591
Depreciation	-	-	-	-	-	-	-
Total	238,982	221,849	186,378	227,532	237,725	248,589	259,825

Technical Support Services (TSS) allocation accounts for about 64% of the MISA budget in the 2025/26. It is the biggest programme in terms of human capital and projects to be implemented, and it is also responsible for more than 50% of the key performance indicators within the organisation annual performance plan. 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). The IAA team capacity will be augmented with Research Chairs to undertake a deep dive into the root causes of municipal infrastructure and local government failures, recommend well researched and practical solutions to address these serious failures.

The funds allocated to the Programme will be utilised to support municipalities with, amongst other outputs, implementation of municipal support plans and interventions emanating from the State of Local Government report considered by Cabinet in June 2021. The IAA sub programme will be strengthened with experienced professional engineers to ensure that MISA becomes a repository of data on Municipal Infrastructure Assets and Technical Capacity. This will ensure that support to municipalities becomes evident based. The inclusion of continuous technical capability assessment on municipalities and assessment on electricity infrastructure condition would require additional capacity in the unit. In the interim, the sub-programme will rely on the services of the energy sector specialist as well as MISA electrical engineers based in the provinces.

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 support to municipalities as well as support to eradicate basic service backlogs through implementation of projects. As a result, in the 2025/26 financial year, estimated cost of employees' accounts for 74% (R174,918 million) of the TSS budget (R237,725 million). 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.

Professional services, for which MISA does not have capacity, will be outsourced to service providers. With the limited resources, the TSS branch is expected to support low to medium capacity municipalities with infrastructure planning, delivery, operations and maintenance. Technical support to municipalities will be

directed at implementation of Water Demand Management (WC/WDM) strategies, management of the infrastructure grants like MUG, WSIP, RBIG, INEP, technical skills training, as well as implementation of spatial plans and standard operating procedures for improved infrastructure management.

The Technical Skills sub-programme is allocated 26% (R63m) of the Programme's goods and services budget. The funds will be expensed towards capacity building initiatives for municipal officials and unemployed youth. On the one hand, municipal officials in technical departments will have training opportunities through Recognition of Prior Learning (RPL), Technical Skills Training Courses, Professionalisation, and Occupational Skills Training. On the other hand, unemployed youth will benefit from programmes such as the Apprenticeship, Experiential Learnership, and Bursary Scheme. Available funds will need to be augmented, through partnerships with other entities, such as the Sector Education and Training Authorities (SETAs) in order to optimally deliver the initiatives.

The Municipal capacity building programmes will be redirected to align with the MISA mandate. The aim is to build a scarce skills pipeline to support and eventually ensure a sustainable technically capacitated municipality. 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.

5.3 Programme: Infrastructure Delivery Management Support Services

5.3.1 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:

5.3.1.1 Sub-programme: Programme and 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.

5.3.1.2 Sub-programme: Framework Contract and Infrastructure Procurement

The sub-programme focuses on supporting municipalities with the improvement of the value chain and alignment of Infrastructure Delivery Systems and Processes (IDSP) paying special attention to Portfolio Management Processes, Programme Management Processes, Operations & Maintenance Processes, Project Management Processes, CIDB SFUs, LGFIDPM, Planning and Budgeting, Asset Management augmented by the support on the enhancement of day-to-day infrastructure supply chain management practices.

5.3.1.3 Sub-programme: Infrastructure Financing

The sub-programme facilitates the exploration of alternative and innovative mechanisms for financing municipal infrastructure and support the use of alternative sources of funding for infrastructure development through blended financing.

5.3.2 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Increased infrastructure investment and job creation.	R500 Million mobilised by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.	Facilitate funding mobilisation for municipal infrastructure investment through alternative and innovative mechanisms.	New	New	New	New	R500 Million mobilised by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.	R500 Million mobilised by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.	R500 Million mobilised by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.
	Infrastructure projects prepared for bankability.	Number of infrastructure projects prepared for bankability.			4	6 infrastructure projects prepared for bankability.	6 infrastructure projects prepared for bankability.	6 infrastructure projects prepared for bankability.	6 infrastructure projects prepared for bankability.
Improved service delivery at local government.	4 Districts supported with mobilisation of infrastructure investments for DDM catalytic projects.	Number of districts facilitated with mobilisation of infrastructure investments for DDM catalytic projects.	New	New	New	New	4 Districts supported with facilitation of infrastructure investments for catalytic projects	4 Districts supported with facilitation of infrastructure investments for catalytic projects	4 Districts supported with facilitation of infrastructure investments catalytic for projects

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.	Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.	New	New	New	New	4 Municipalities supported with implementation of projects through strategic partnership	6 Municipalities supported with implementation of projects through strategic partnership	6 Municipalities supported with implementation of projects through strategic partnership
A capable and professional public service	Support the municipalities to comply with government infrastructure procurement SCM policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.	Number of municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.	14 municipalities supported	22 Municipalities supported	23 municipalities supported	22 municipalities supported	18 municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.	18 municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.	18 Municipalities Progressive capacitated with the institutionalisation of the relevant Local Government framework for Infrastructure procurement systems/ processes/ procedures as prescribed by legislation

5.3.3 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.1 Facilitate funding mobilisation for municipal infrastructure investment through alternative and innovative mechanisms.	R500 Million mobilised by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.	Progress report on the engagements with funders and municipalities	Progress report on the facilitation for funding mobilisation.	Progress report on the facilitation for funding mobilisation	Annual report on mobilisation of R500 Million by municipalities through alternative and innovative mechanisms for municipal infrastructure investment.
3.2 Number of infrastructure projects prepared for bankability.	6 infrastructure projects prepared for bankability.	Progress report on the projects identified for support	Progress report on the preparation of the projects for bankability	Progress report on the preparation of the project's bankability	Annual Report on project prepared for bankability
3.3 Number of districts facilitated with mobilisation of infrastructure investments for DDM catalytic projects.	4 Districts supported with infrastructure investments mobilised for DDM catalytic projects	-	Quarterly Progress Report on engagements with districts and identification of catalytic projects to be supported	Quarterly Progress report on engagements with potential investors	Annual Report on investments mobilised for DDM catalytic projects
3.4 Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.	4 Municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.	-	Quarterly Progress Report on Municipalities supported with implementation of projects through strategic partnership	Quarterly Progress report on Municipalities supported with implementation of projects through strategic partnership	Annual Report on Municipalities supported with implementation of projects through strategic partnership

3.5 Number of municipalities supported to comply with government infrastructure procurement policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.	18 municipalities supported to comply with government infrastructure procurement policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.	4	10	14	18
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5.3.4 Explanation of Planned Performance over the Medium-Term Period

Increased infrastructure investment and job creation.

Infrastructure investments facilitate economic activities and enable a country to grow to its full potential, creating new jobs and protecting livelihoods. Municipalities play a very critical role as they are required to provide infrastructure for basic services. Evidence has shown that they are facing fast-growing needs for investment in infrastructure to deliver municipal services, meet the needs of growing populations and economies, as well as to renew existing assets. Whilst the need for infrastructure investment is huge, municipalities are facing challenges in mobilising resources that will fund infrastructure that is required. These challenges include amongst others the inability of municipalities to borrow due low revenue bases, transfers from national government are declining due to shrinking of fiscus and revenues from services which municipalities are providing to consumers are significantly declining as citizens curtail their consumption. Municipalities therefore need to mobilise the broadest possible range of resources (including gearing of conditional grants) to fund infrastructure delivery. MISA will, through partnerships with various stakeholders (such as government departments, Development Financial Institutions (DFIs), Multilateral Development Banks (MDBs), donors and Commercial Banks), support municipalities with exploration of alternative funding mechanisms to increase infrastructure investments.

To ensure that adequate infrastructure is provided in municipalities, proper planning and project preparation is required. MISA will in partnership with strategic partners support municipalities with preparation of the projects to ensure that they meet the requirements of potential investors.

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 various financing mechanisms such as 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.

Municipalities are facing challenges in packaging the projects that will facilitate the long-term infrastructure investment. The support to the municipalities in preparing and packaging 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 stimulates local economic development.

Improved service delivery at local government.

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. MISA has developed a Project and Program Life Cycle Management (PPLCM) framework to enhance efficiencies in project and program management both in MISA and in municipalities. The framework utilizes a set of standard operating procedures and methodologies in line with the project management Body of Knowledge (PMBOK). In the 2024/25 financial year the focus was on institutionalizing the PPLCM Framework for all MISA funded projects to strengthen internal controls for monitoring and risk identification. In addition to effective monitoring and reporting, the 2025/26 financial year will focus on using project information and results to analyse MISA's impact on the ground and use the lessons learned to inform impactful infrastructure support interventions at municipal level.

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.

Government has placed infrastructure development at the heart of our country's economic recovery plan because it is widely known that infrastructure has a powerful multiplier effect on restoring economic growth, creating new jobs and protecting livelihoods. Municipalities play a very critical role as they are required to provide infrastructure for basic services. Municipal infrastructure investment has a significant influence on broad-based local economic development and plays a key role in achieving greater productivity and competitiveness, to reduce spatial inequality, and to support job creation.

Infrastructure investment requires significant funding, however revenue collected by municipalities from rates and taxes, as well as borrowings from Banks and Development Finance Institutions (DFIs) alone is inadequate. Also, the country's budget faces on-going constraints. With reduced transfers from the fiscus, municipalities have no choice but to look at alternative and innovative funding for financing their infrastructure needs.

The infrastructure needed in municipalities will require both public and private finance sources. It also requires the development of a pipeline of well-prepared infrastructure projects. MISA will, through partnerships with various stakeholders (such as government departments and financiers), support municipalities with exploration of alternative funding mechanisms to improve the quality and quantum of infrastructure. To ensure that adequate infrastructure is provided in municipalities, proper planning and project preparation is required. MISA will also support municipalities with preparation of the projects to ensure that they meet the requirements of potential investors. MISA will play a coordinating role and assist municipalities with the

development of their submissions and proposals to various financiers with strong emphasis on the project identification and packaging.

The Eastern Seaboard Development earmarked between the Eastern Cape and KwaZulu-Natal provinces, aimed to facilitate a transformed spatial economy that aspires for equity and equality, sustainability, localization, safety and security and inclusivity through regional integration and the adoption of smart sustainable development principles, has made considerable progress during the 2024/2025 financial year, in partnership with all spheres of government and traditional leadership. The focus in the 2025/26 financial year will be on targeted resource mobilisation for bulk infrastructure development (water, roads, energy) and private sector investments to revitalize key economic sectors in the region, which include agriculture, tourism, oceans economy, renewable energy (solar, gas, wind, oil potential), whilst maintaining the region's natural and culturally rich endowments. Communication of the Eastern Seaboard Development will be heightened to all key stakeholders in the region, including local communities and businesses, to raise awareness on the potential of the Eastern Seaboard Development to increase service delivery and job creation opportunities.

A capable and professional public service

MISA will support municipalities facing challenges with the procurement and development of infrastructure which is the backbone of local economic development and job creation. Utilizing the government adopted approaches on the procurement and delivery of infrastructure, MISA will roll out the Infrastructure Delivery and Management Systems (IDMS), Local Government Framework for Infrastructure Delivery and Management (FIDPM), and other infrastructure procurement strategies MISA will support municipalities to enhance procurement practices. The adopted approaches aim at alleviating challenges that delay the procurement and delivery of infrastructure.

5.3.5 Programme Resource Considerations

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Audited Out-come	Audited Out-come	Audited Outcome	Revised Esti-mate	Revised Base-line	Revised Baseline	Planning Budget Estimate
Rand Thousand							
Programme: Infrastructure Delivery Management Support							
Total	238,982	221,849	186,378	227,532	237,725	248,589	259,825
Economic Classification							
Compensation of employees	117,816	162,542	140,080	167,418	174,918	182,964	191,234
Goods and Services	121,166	59,307	46,298	60,114	62,807	65,625	68,591
Depreciation	-	-	-	-	-	-	-
Total	238,982	221,849	186,378	227,532	237,725	248,589	259,825

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, supporting municipalities with the rolling out of Local Government Framework for Infrastructure Delivery and Procurement Management (FIDPM); the coordination and planning of the Eastern Seaboard Development, including the development of a new Smart Coastal African City; infrastructure procurement support; accessing alternative funding for infrastructure and climate change mitigation.

6 Updated Key Risks and Mitigations

Outcome	Key Risk	Risk Mitigation
Increased employment opportunities	Misaligned/ Fragmented Planning	<ul style="list-style-type: none"> • Participation of MISA in IDP process • Involvement of municipalities in conducting assessments before interventions • Signing of MoA and technical support plans with identified municipalities • Increase MISA budget for the skills development programmes • Collaborate with social partners • Engagement on BFIs and any other alternative financing models. • Undertaking of need assessment programmes
Increased infrastructure investment and job creation.	Limited funding for infrastructure investment (MIG)	<ul style="list-style-type: none"> • Create awareness on the existing funding mechanism that municipalities can implement to augment their revenue infrastructure delivery. • Support municipalities to implement the preferred funding options.
Energy security and just energy transition.	Inability to reduce electrification backlogs and to implement energy efficiency practices	<ul style="list-style-type: none"> • Identify and engage municipalities on support required and confirmation of INEP budget • Support municipalities with development of technical support plans for electricity interventions • Implementation of identified/approved interventions by MISA engineers
Improved Service Delivery for local government.	Inability to properly diagnose infrastructure challenges in municipalities	<ul style="list-style-type: none"> • Resource MISA to conduct infrastructure diagnosis. • Review of job profiles to attract suitable technical experts • Establishment of panels technical experts to augment MISA capacity • Implementation of onboarding programmes for MISA technical teams

Outcome	Key Risk	Risk Mitigation
	Allocation of new mandate (MIG 6B)	<ul style="list-style-type: none"> • Engagement with Municipalities in understanding the benefits of MIG 6B • Elevation to the Executive Authority when there is resistance in the implementation of MIG 6B • Finalisation and Implementation of MIG 6B Framework • Capacitation of Municipalities • Enhancement and Implementation of MISA Stakeholder Framework
	Lack of collaboration in municipal service delivery programmes	<ul style="list-style-type: none"> • Signing of binding agreements between MISA and strategic partners • Use DDM approach for infrastructure delivery intervention programmes in municipalities.
	Climate change impact on municipal infrastructure	<ul style="list-style-type: none"> • Undertake assessment and recommend intervention to restore functionality of damaged infrastructure. • Recommend and Implement MISA climate change action plans.
A capable and professional public service	Insufficient structured programmes to professionalise local government.	<ul style="list-style-type: none"> • Mobilisation of funding for professionalisation programmes. • Advocacy and awareness towards professionalisation of programmes • Collaboration agreements with municipalities on professionalisation.
	Inability to make analysis of data available due to limited digitalization of MISA Processes	<ul style="list-style-type: none"> • Identify critical processes (ICT) • Avail funds to automate processes • Automate critical processes identified (ICT).

7 Public Entities

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

8 Infrastructure Projects implemented by MISA on request by municipalities to reduce basic services backlogs and in some instances build institutional capacity.

No	Name	Pro-gramme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs (R)	Current year Expenditure (R)	Longitude (East/ West/+X)	Latitude (North/ South/-Y)
1.	Appointment of a Management Contractor for the siting, drilling, equipping of 2 boreholes and installation of the associated elevated storage and water pre-treatment facilities in Ventersburg/ Mmamahabane in Matjhabeng Local Municipality Free State.	IPDM	Management Contractor for the siting, drilling, equipping of 2 boreholes and installation of the associated elevated storage and water pre-treatment facilities in Ventersburg/ Mmamahabane in Matjhabeng Local Municipality Free State.	Municipality supported to improve capacity to deliver infrastructure to increased access to water services	01 Apr 2024	31 Mar 2026	2 827 000v	2 298 693,60	-28,082785 -28,095936 -28,086704	27,133611 27,151642 27,158258
2.	Appointment of a Management Contractor for the siting, drilling, equipping of 2 boreholes in Ngwathe	IPDM	Management Contractor for the siting, drilling, equipping of 2 boreholes in Ngwathe	Municipality supported to improve capacity to deliver infrastructure to increased access to water services	01 Apr 2025	31 Mar 2026	2,5m	00	27.7373° E	27.3890° S

No	Name	Pro- gramme	Project Description	Outputs	Project start date	Project completion date	Total estimated costs (R)	Current year Expenditure (R)	Longitude (East/ West/+X)	Latitude (North/ South/-Y)
3.	Appointment of a contractor for sitting, drilling, yield testing, water quality testing, equipping and commissioning of 6 Solar powered production boreholes in Nongoma LM under Zululand District in Kwazulu Natal Province.	IPDM	Sitting, drilling, yield testing, water quality testing, equipping and commissioning of 6 Solar powered production boreholes in Nongoma LM under Zululand District in Kwazulu Natal Province.	Municipality supported to improve capacity to deliver infrastructure to increased access to water services	01 Apr 2024	10 Feb 2026	4 058 741,00	3 613 983,00	31.7629341 °E	-28.000415 °S
4.	Appointment of a contractor for the siting, drilling, yield testing, water quality testing, equipping and commissioning of five solar powered production boreholes in Abaqulusi LM under Zululand District Municipality in the Kwazulu Natal Province.	IPDM	Siting, drilling, yield testing, water quality testing, equipping and commissioning of five solar powered production boreholes in Abaqulusi LM under Zululand District Municipality in the Kwazulu Natal Province.	Municipality supported to improve capacity to deliver infrastructure to increased access to water services	01 Apr 2024	10 Dec 2025	4 260 922,50.	3 329 255,75	31.384801 °E 31.368899 °E 30.698410 °E 30.746010 °E 30.649240 °E	-27.719438 °S -27.719639 °S -27.985950 °S -27.825856 °S -27.884170 °S

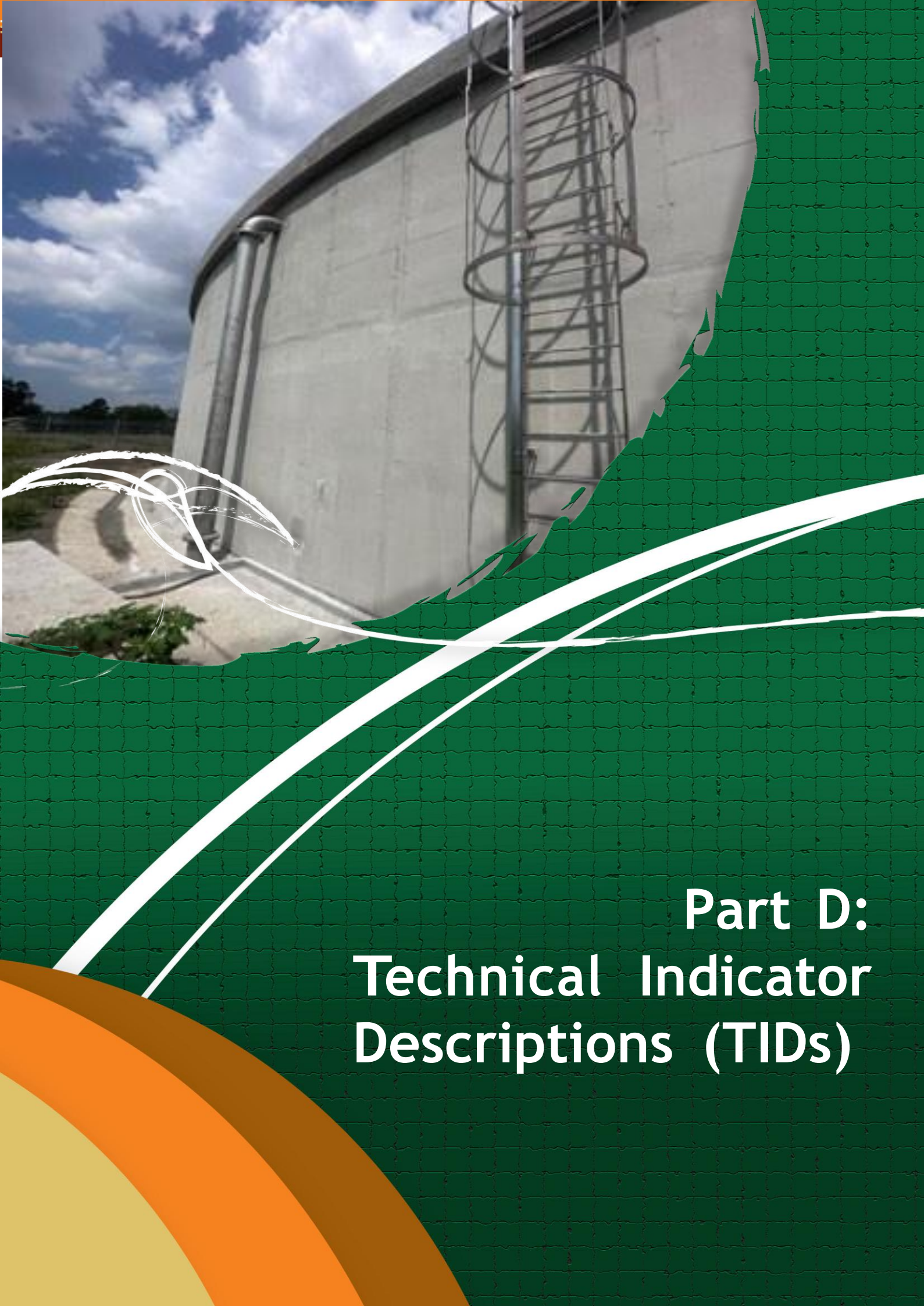
9. Public Private Partnerships

PPPs are part of a fundamental, global shift in the role of the local government - from being the direct provider of public services, to becoming the planner, facilitator, contract manager and/or regulator who ensures that local services are available, reliable, meet key quality standards, and are affordable for users and the local economy. Within this broad paradigm, the structure of a PPP used for a specific project is flexible, with a wide variety of options available that allocate different rights and responsibilities to the parties to the PPP. The appropriate project structure can only be determined with reference to the unique context of the municipality and a particular project.

An appropriate allocation of risks between the parties is a key determinant of project success. From the perspective of the municipality, transferring risk to the private partner is a significant benefit of a PPP, for instance the risk that construction is completed on time and according to specifications. At the same time, the private partner will need to be compensated for risk borne. Thus, the more risk that is transferred to the private partner, the higher the cost of capital. As a PPP is never “free” from the perspective of the municipality, the cost of capital is a major factor in evaluating whether a PPP is the most desirable delivery method for a particular project. Transferring too much risk to the private partner can unduly increase the cost of the project and even result in project failure.

If well-designed and managed, PPPs can deliver high-quality, cost-efficient infrastructure, while leveraging private capital to increase the amount of infrastructure that can be delivered by the municipality within the same budgetary envelope. PPPs can help municipalities deliver better and more reliable quality of service at a better cost to the municipality when compared to what can be achieved by public sector delivery alone. By mobilizing private expertise, human, and financial resources, PPPs can accelerate the construction of infrastructure, improve the efficiency of public services, and foster innovative solutions that offer a better response to user needs than would often poorly functioning public service provision.





Part D: Technical Indicator Descriptions (TIDs)

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	Percentage implementation of the deliverables in the ethics management plan
Definition Definition	Monitoring the implementation of the ethics management plan as approved by the Accounting Officer to ensure that all deliverables in the plan are achieved timeously. These deliverables are aimed to promoting an ethical culture and conduct within the entity that is key preventing fraud and corruption. The planned deliverable in the ethics management plan for 2025/26 financial year include the following: <ul style="list-style-type: none"> • Education and training on ethics management quarterly. • To conduct ethics and fraud risk assessments annually. • To ensure that designated categories of employees disclose their financial interests in line with prescribed timelines.
Source of data	<ul style="list-style-type: none"> • Ethics legislation and regulatory framework • MISA Planning documents and Audit Reports • E-disclosure system
Method of Calculation / Assessment	Number of implemented deliverables/ targets in the approved ethics management plan implemented as a proportion of the total quarterly or annual deliverables.

Means of verification	Annual report on the implementation of ethics management plan signed off 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	Annual
Desired performance	Aim to ensure 100 percent achievement of deliverables within the applicable timelines as captured in the approved ethics management plan to foster ethical culture within the organisation.
Indicator Responsibility	Deputy Director: Risk Management

Indicator Title	Percentage implementation of the deliverables in the approved corporate services improvement plan
Definition	To provide management with the progress on the implementation of deliverables in the corporate services improvement plan covering such functional areas as human resource management, legal services, communications, risk management and security & facilities management.
Source of data	Approved Corporate Services Improvement Plan and quarterly progress reports
Method of Calculation / Assessment	Number of implemented deliverables/ targets in the approved CSIP implemented as a proportion of the total quarterly or annual deliverables
Means of verification	Quarter 2 and 4 progress reports on the implementation of the deliverables within the corporate services improvement plan.
Assumptions	<ul style="list-style-type: none"> • There will be sufficient budget to finance the implementation of all the planned targets • All the posts required to implement the planned targets will be filled for the implementation period
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Bi-Annual
Desired performance	Implementation of 90% of quarterly deliverables in the approved CSIP.
Indicator Responsibility	Chief Director: Corporate Management Support Services

Indicator Title	Percentage implementation of the deliverables in the approved ICT Annual Operational Plan.
Definition	The objective is to identify Information and Communications Technology initiatives that can be implemented to entrench the use of technology in the organisation to improve productivity and efficiency.
Source of data	Approved ICT Annual Operational Plan and quarterly progress reports
Method of Calculation / Assessment	Number of implemented deliverables / targets in the approved ICT Annual Operational Plan implemented as a proportion of the total annual deliverables.
Means of verification	Annual report on the implementation of the deliverables within the ICT Annual Operational Plan.
Assumptions	<ul style="list-style-type: none"> • There will be sufficient budget to finance the implementation of all the planned targets • All the posts required to implement the planned targets will be filled for the implementation period
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Implementation of 100% of annual deliverables in the approved ICT Annual Operational Plan.
Indicator Responsibility	D: GICTM

Indicator Title	Number of young people provided with infrastructure related technical skills development opportunities for improved municipal service delivery.
Definition	<p>The initiative seeks to create a new technical skills pipeline for municipal infrastructure management through attracting youth to join local government. MISA will offer qualifying unemployed youth opportunities for workplace experience and studies in technical fields that are relevant to municipal infrastructure management. The opportunities will be provided through enrolling young people into the following MISA skills development programmes:</p> <ul style="list-style-type: none"> • Candidacy; • Experiential learnership; • Artisan development or Apprenticeship; and • Bursary scheme. <p>The candidates and learners will be placed in municipalities for work exposure and, where necessary, undergo theoretical training offered by accredited training and trade testing service providers. Candidates will be provided with structured mentorship en route to registering as professionals, with statutory bodies.</p>

Source of data	Lists of youth enrolled in technical skills development programmes.
Method of Calculation / Assessment	Simple count of number of unemployed youth enrolled.
Means of verification	Agreements concluded between MISA and individuals enrolled in the skills development programmes
Assumptions	Readiness and co-operation of municipalities to participate in the MISA capacity development programmes.
Disaggregation of Beneficiaries (where applicable)	The youth skills development programmes will consist of unemployed youth below the age of 35. At least 50% of enrolled youth will be female. At least 2% of the spaces in the youth programmes will be reserved for people with disabilities.
Spatial Transformation (where applicable)	Priority will be given to young people coming from the poorest rural districts across the country.
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement
Indicator Responsibility	Chief Director: Capacity Building Programme

Indicator Title	Number of municipalities provided with technical support to incorporate Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.
Definition	MISA will provide identified municipalities with process management support that seeks to institutionalize Labour Intensive Construction methods in the execution of infrastructure projects that are funded through conditional grants. MISA technical support will be in the form of training for municipal officials. Identified projects for LIC will be in different sectors, including water, sanitation, roads, waste management, electricity, and telecommunications. MISA support to municipalities will encourage adherence to EPWP policy guidelines aimed at assisting municipalities to achieve their annual infrastructure sector targets on creation of job opportunities.
Source of data	Database of programme participants and improvement in LIC reporting
Method of Calculation / Assessment	Simple count of number of municipalities with technical support to incorporate Labour Intensive Construction (LIC) methods.
Means of verification	Implementation reports

Assumptions	<ul style="list-style-type: none"> • Continued allocation of funds over the MTDP. • MIG Framework will be revised to consider proposals on enhancing controls in the project preparation i.e., business case development to be approved by MISA personnel. • Municipalities have the capacity to capture information onto the ERS (Data Capturers). • Municipalities create conducive environments for implementation of infrastructure projects <p>Municipal buy-in to incorporate LIC methods in the implantation of grant funded infrastructure projects.</p>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Dysfunctional municipalities, with high unemployment rates.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement
Indicator Responsibility	Chief Director: IPDM

Indicator Title	Number of Municipalities provided with technical support in electricity provision to households.
Definition	<p>MISA will provide technical support the selected municipalities to develop or implement programmes that are aimed at connecting more households to the electricity network as well as programmes that create capacity in the electricity network to enable households to be connected. The support provided will aim at reducing backlogs in households that do not have access to electricity.</p> <p>MISA's support will entail one or more of the following activities:</p> <ul style="list-style-type: none"> • Support the implementation of the electrification programme to connect households. • Support the implementation of bulk infrastructure projects to create capacity on the electricity network. • Support through reviewing technical designs for bulk infrastructure and/or electrification projects. • Support through development of business plans for funding of bulk infrastructure or electrification projects. • Rendering project and programme management support in the delivery of infrastructure projects. • Provide support in the development of Energy Master Plans.
Source of data	Municipal energy master plans, DMRE Electrification Master Plans, DORA report, INEP reports, Stats SA, Municipal IDP's, MISA infrastructure assessments reports.
Method of Calculation / Assessment	Simple count of number of municipalities supported with technical support in electricity provision to households.

Means of verification	Progress reports on technical support provided to municipalities on electricity provision programmes approved.
Assumptions	<ul style="list-style-type: none"> • Municipalities are funded by DMRE through the INEP grant. • Municipalities fund projects from own coffers. • Municipalities will have relevant electricity network and backlog information required in the development of business plans. • Funds will be available for the development of Energy Master Plans Municipalities will accept MISA support.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of ensuring that municipalities improve access to electricity services and improve service delivery.
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	100% Achievement
Indicator Responsibility	CD: IPDM

Indicator Title	Number of Municipalities provided with technical support in electricity demand management.
Definition	<p>MISA will provide technical support the selected municipalities with the aim of reducing electricity demand in municipal infrastructure through programmes that encourage retrofitting of energy efficient lights or programs to install energy efficient components in public lighting and/or municipal buildings.</p> <p>MISA support will entail one or more of the following activities:</p> <ul style="list-style-type: none"> • Support the implementation of energy efficiency demand side management (EEDSM) programme. • Support new infrastructure projects aimed at installing energy efficient components. • Support in determining baselines and assessment of infrastructure for implementation of projects aimed at addressing electricity demand. • Support in reviewing of the technical designs for projects aimed at reducing demand. • Rendering technical support on infrastructure projects aimed at electricity demand reduction. • Support municipalities in developing business plans to apply for funding for reducing electricity demand in municipal infrastructure. • Rendering project management support to projects aimed at addressing electricity demand. • Providing support to development and or implementation of alternative energy strategies in municipal infrastructure
Source of data	EEDSM Report from DMRE, DORA report, Municipal energy master plans, municipal network diagrams, INEP reports, MISA infrastructure assessments reports.

Method of Calculation / Assessment	Simple count of number of municipalities supported with technical support in electricity demand management.
Means of verification	Progress reports on the technical support provided to municipalities in electricity demand programmes approved by CD: IPDM
Assumptions	<ul style="list-style-type: none"> • Municipalities having funded through the EEDSM grant. • Cooperation by supported municipalities and the Department of Mineral and Energy (DMRE) • Approval of the business plans for infrastructure projects aimed at electricity demand reduction. • Municipalities will have relevant information required for the development of business plans strategies. Municipalities will accept the support provided by MISA.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to the long-term objective of ensuring improving access to electricity and improve reliability of electricity supply.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement
Indicator Responsibility	CD: IPDM

Indicator Title	Number of WSAs supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Asset Management Plans
	<p>MISA support to municipalities towards optimising utilisation of allocated infrastructure grants funds for infrastructure asset management related to water services, solid waste management and roads will include:</p> <ul style="list-style-type: none"> • Conducting assessments of the infrastructure assets condition and/or service delivery system condition and making recommendations for repairs and refurbishment projects and/or inclusion in the asset registers or asset management plans. • Assisting in the development of the asset management plans. • Advising municipalities through workshops, meetings or any other communication to increase the Municipal infrastructure grants allocations for repairs, maintenance and refurbishment. • Assisting technical departments to get commitment from Councils or Chief Financial Officers/Municipal Managers to allocate MIG budgets to repairs and refurbishment projects. • Advising on the initiation and registration of the MIG-funded repairs, maintenance and refurbishment projects from the plan or asset register or directives/ non-compliances and ensuring it is included in the 3-year budget. • Developing or reviewing technical reports for MIG-funded projects to ensure adequate allocation to repairs and refurbishment projects in the 3-year cycle. • Advising on the projects' budget allocations and mid-year reallocations of budgets to repairs and refurbishment projects. • Assisting in developing, reviewing and recommending for approval technical and business plans for MIG funded repairs, maintenance and refurbishment projects. • Advising on asset management planning, operational technical policies and procedures development.
Source of data	National Treasury, COGTA National and Provincial MIG Office, other Sector Departments, Annual Reports and Municipalities
Method of Calculation / Assessment	Simple count of number of WSAs supported with operations and maintenance functionality.
Means of verification	Reports on technical support provided
Assumptions	<ul style="list-style-type: none"> • Some municipalities don't have readily available repairs and maintenance plans. • Municipalities will be willing to allocate budgets towards repair and maintenance of assets
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: IPDM

Indicator Title	Number of municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM), aimed at addressing non-revenue water.
Definition	<p>MISA will support identified municipalities (Water Service Authorities) with the updating, development and/or implementation of Water Conservation/Water Demand Management Plans (WC/WDMP).</p> <ul style="list-style-type: none"> • Updating will entail reviewing of WC/WDMPs to suit the status quo • Development will mean providing support on initiation, planning and development of a new WC/WDM Plan. • Implementation will mean providing technical support on implementation of approved WC/WDM plan through Municipality's own budget. <p>MISA, in provision of technical support will provide identified municipalities with standard operating procedures aligned to strategies of WC/WDM.</p>
Source of data	Technical Support Plans, No Drop Watch Report 2023 and Municipal Data
Method of Calculation / Assessment	Simple count of number of municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM).
Means of verification	Progress reports on the implementation of Water Conservation and Water Demand Management interventions.
Assumptions	<ul style="list-style-type: none"> • Baseline information need to be determined. (No Drop Watch Report 2023) • Funding allocation for WCDM plans projects identified for implementation • Baseline information available at the municipality including No drop watch reports. • Funding allocation for WCDM projects that are identified for implementation Municipalities creating conducive environments by addressing challenges pertaining to administration, governance, and financial management.
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: IPDM

Indicator Title	Number of MIG receiving municipalities provided with technical support aimed at increasing household access to basic services (water, roads, solid waste and sanitation).
Definition	<p>MISA will provide technical assistance at project planning, preparation, administering project implementation and refurbishment to improve performance throughout the MIG Project life cycle in the identified MIG receiving municipalities. MISA's technical assistance will entail, amongst other things visiting project sites in selected municipalities for verification of work done prior to reimbursement and disbursement of MIG funds to generate quarterly progress reports to this effect. Technical assistance will include one or more of the following:</p> <ul style="list-style-type: none"> • Development or review of technical reports and other related documentation for project registration. • Development or review of planning documents such as MIG implementation Plan, ToRs for service providers, designs, drawings and contract documentation. • Undertaking site inspections for pre-appraisal and/or verification of work done; • Providing technical advice at MIG coordinating forums or meetings with COGTA, Provincial MIG and other relevant stakeholders for MIG programme. • Provide support on Roads Asset Management System (RAMS) programme to improve roads infrastructure in municipalities. The work will be done through managing maintenance work on the filling of potholes and/or storm drain cleaning resealing, asphalt overlay and heavy grading. • The output will create access to basic services include water, roads and storm water, sanitation, and solid waste. • In case the identified Municipality is a part of MIG 6B or Cost Reimbursement, MISA will provide the aforementioned support in accordance to the provisions of the DoRA Framework for MIG 6B and Cost Reimbursement.
Source of data	MIG Performance Progress Report as issued by National COGTA & National Treasury (DoRA reports). The SoLG report and MSIP on identified dysfunctional municipalities.
Method of Calculation / Assessment	Simple count of municipalities supported.
Means of verification	Quarterly and Annual report by MISA on the technical support provided on planning and the implementation of MIG programme in selected municipalities and how they impact on increased access to basic services thus reduces backlogs on basic services.
Assumptions	<ul style="list-style-type: none"> • Municipal officials will cooperate fully with MISA support; and • Responsibility of technical reports and business case approval will be given to MISA on the MIG Framework. • DCOG programs will equally assist municipalities to solve their challenges namely administration, governance, political and financial. Continued allocation of funds for road maintenance and determination of baseline reporting.

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: IPDM

Indicator Title	Number of municipalities supported with the development and implementation of spatial planning and land use management programs/spatial plans to support effective infrastructure planning, implementation and monitoring
Definition	<p>With an intention to improve and promote spatial just settlements as well as effective infrastructure planning in municipalities, MISA will support identified municipalities with the development and or implementation of spatial planning and land use management programs/spatial plans. Development and or Implementation of spatial planning and land use management programs/spatial plans will cover one or more of the following:</p> <ul style="list-style-type: none"> • Participation in the review/implementation/development of Spatial Development Frameworks (SDF's), Land Use Schemes (LUS); Local Economic Development (LED) Strategy; Tourism Strategy; Housing Sector Plans; Integrated Development Plan (IDP); District Development Model (DDM) • Participation in the establishment/implementation and training of Municipal Planning Tribunals (MPT's); Appeals Tribunal/Appeals Authority; Joint Municipal Planning Tribunal (JMPT); District Municipal Planning Tribunal (DMPT) • Participation as Members in MPT's; and • Land Development Applications processing/assessment <p>In instances where development and or implementation requires funding, the municipality will budget for, or MISA will assist where funding is possible subject to availability of budget. However, MISA will where possible pursue relevant government agents to prioritise funding for spatial planning and land use management programs/spatial plans.</p>
Source of data	SPLUMA Dashboard; SPLUMA compliant plans and systems; spatial plans; Municipal sector plans; and Spatial Development Frameworks
Method of Calculation / Assessment	Simple Count of number of municipalities supported
Means of verification	Annual report, consisting of individual municipality's reports on the development and or implementation of spatial planning and land use management programs/ spatial plans.

Assumptions	<ul style="list-style-type: none"> • Municipalities will budget for Spatial Planning and Land Use Management Programs/Spatial Plans <p>MISA will allocate budget for Spatial Planning and Land Use Management Programs/Spatial Plans</p>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	This indicator will contribute to long term objective of ensuring that development and optimal land use are in line with SPLUMA principles of Spatial justice, Spatial sustainability, Efficiency and Spatial Resilience as well as support effective infrastructure planning, implementation and monitoring.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	100% Achievement
Indicator Responsibility	CD: IPDM

Indicator Title	Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Wastewater Treatment Works (WWTWs)
Definition	<p>MISA working in collaboration with SALGA, DCOG and DWS in monitoring, reviewing or drafting the Green Drop Corrective Action Plans (CAPs) in the selected municipalities whereby MISA will provide support in areas on Cumulative risk rating. The technical support provided by MISA will entail one of more of the following:</p> <ul style="list-style-type: none"> • Assisting municipalities in evaluating WWTW condition and functionality, effluent compliance, sludge compliance, business case development, • Undertaking technical capacity assessments in the identified municipalities • The review or development of the municipal GD CAPs • Technical skills as well as recommendations to address these issues for the WWTW to comply and will be outlined in the corrective action plans which will be monitored quarterly for implementation. This will be including recommendations on either upgrading, refurbishment and maintenance activities. • Recommend intervention requiring funding for projects initiation, design reviews, approvals, and implementation, through various project funding models, such as loans, PPP's, Conditional Grants and Municipal own funding. Support will be provided through technicalities on MIG programmes and technical skills programmes. • Providing feedback to the selected municipality after the condition and functionality assessment and obtain acceptance of the proposed recommendations made by MISA. • Recommendation of the report for funding mobilization by the relevant funding agencies. The 2023 Green Drop Progress Assessment Report which is published by Department of Water and Sanitation (DWS) will be used as a source document. <p>The report focusses on wastewater treatment functions and identifies the risks. The Cumulative Risk assessment focuses on the wastewater treatment function specifically. Critical Risk Rated WWTWs are those that scored a Cumulative Risk Rating (CRR) of between 90% and 100%.</p>
Source of data	The 2023 Green Drop Progress Assessment Report which is published by Department of Water and Sanitation (DWS). Progress reports against actions plans.
Method of Calculation / Assessment	Simple count of number of Water Services Authority supported.
Means of verification	Annual Report on Progress made on Wastewater Treatment Works (WWTWs) corrective action plans. Corrective Action Plans Drafted, Monitored or being implemented.
Assumptions	Funding will be made available for recommended refurbishment, upgrading or repairs and maintenance through various grants viz. MIG, WISG, RBIG, own municipal funding, private and/or donor funding. Municipal cooperation on implementation of Corrective Action 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: IAA

Indicator Title	Number of Water Services Authority (WSAs) provided with technical support to develop and implement corrective action plans for Water Supply Systems (WSSs)
Definition	<p>MISA working in collaboration with SALGA, COGTA and Department of Water and Sanitation (DWS) will facilitate the submission of the Blue Drop (BD) corrective action plans (CAPs) based on the outcome of the 2023 Blue Drop Report in the selected municipalities.</p> <p>The BDRR is a critical element of the Blue Drop Accreditation Score calculation and aligns with technical support provided by MISA. BDRR focuses on four critical risk areas namely treatment capacity, water quality, technical skills and Water Safety Planning.</p> <p>The technical support provided by MISA will entail one or more of the following:</p> <ul style="list-style-type: none"> • Assisting municipalities in evaluating WTW condition and functionality, sludge compliance, business case development, • Undertaking technical capacity assessments in the identified municipalities • The review or development of the municipal BD CAPs • Technical skills as well as recommendations to address these issues for the WTW to comply and will be outlined in the corrective action plans which will be monitored quarterly for implementation. This will be including recommendations on either upgrading, refurbishment and maintenance activities. Recommend intervention requiring funding for projects initiation, design reviews, approvals, and implementation, through various project funding models, such as loans, PPP's, Conditional Grants and Municipal own funding. Support will be provided through technicalities on MIG programmes and technical skills programmes.
Source of data	Progress reports against actions plans.
Method of Calculation / Assessment	Simple count of number of Water Services Authority provided with technical support and CAPs implemented.
Means of verification	Annual Report on Progress made on Water Supply Systems' corrective action plans implemented.
Assumptions	Funding will be made available for recommended refurbishment, upgrading or repairs and maintenance through various grants viz. MIG, WISG, RBIG, own funding, private and/or donor funding.

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: IAA

Indicator Title	Number of municipalities supported with disaster and climate change adaptation measures
Definition	<p>MISA will provide support through assessing disaster struck and disaster prone (flood, fire, drought etc.) municipalities and providing recommendations on disaster adaptation measures for funding approval to build back better (resilient infrastructure). MISA will provide technical assistance in integrated planning with developing and/ or reviewing the Spatial Development Frameworks (SDFs) and Land Use Plans to incorporate the review of the high flood lines and prohibiting future construction of infrastructure in flood prone areas, and wetlands. This minimises the risks of flood damage to infrastructure. Inclusion of climate change resilient and adaptation measures in project planning, preparation and management to improve climate resiliency throughout the Project life cycle in identified municipalities</p> <p>MISA's technical assistance during projects implementation will entail, amongst other things visiting project sites in selected municipalities for verification of work done prior to ensure meeting quality standards and to generate quarterly progress reports. Technical assistance will include one or more of the following:</p> <ul style="list-style-type: none"> • Development or review of technical reports and other related documentation for project approvals and registration. • Development or review of planning documents such as implementation Plan, Terms of References (ToRs) for service providers, designs, drawings and contract documentation. • Undertaking site inspections for pre-appraisal and/or verification of work done. • Providing technical advice at coordinating forums or meetings with other relevant stakeholders including the National Disaster Management Centre (NDMC), Sector Departments and, Provincial Departments and other stakeholders in the built environment sector • Improvement of spatial planning in the affected disaster-prone municipalities such that they become adaptable to climate change.
Source of data	Infrastructure Grants Programmes Report as issued by National Transferring Officers, Reports by the National Disaster Management Centre (NDMC), Sector Departments and Provincial Departments. The State of Local Government (SoLG) report, MSIP on identified municipalities and the Division of Revenue Act (DoRA).

Method of Calculation / Assessment	Simple count of number of municipalities supported.
Means of verification	Progress reports by MISA on disaster prone municipalities on assessments conducted. Business cases and project plans reviewed for consideration of disaster adaptation, spatial planning and implementation of resilient infrastructure in selected municipalities and how they mitigate climate change impacts.
Assumptions	Municipal officials will cooperate fully with MISA support; PDMC and NDMC programs will equally assist municipalities to address funding administration, governance, political and financial in ensuring implementation of climate resilience project.
Disaggregation of Beneficiaries (where applicable)	Priority given to disaster-prone municipalities as per list provided by NDMC
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	100% achievement of target
Indicator Responsibility	CD: IAA

Indicator Title	Number of Water Services Authority with technical capacity assessments conducted.
Definition	<p>The MISA technical support entails amongst others:</p> <ul style="list-style-type: none"> • Selection of the Water Services Authorities from a list of 144 WSAs who attained a critical risk rating (CRR) for either Blue or Green Drop Report and AGSA Annual State of Local Government Report. • The undertaking of the technical capacity assessment to determine the ability of the Water Services Authority and confirm resources availability to perform their assigned functions as outlined in Chapter 3 of the Water Services Act 108 of 1997 or as amended. • Make recommendations for intervention implementation by the relevant sector departments and the supported municipality.
Source of data	Blue Drop and Green Drop Report as published by Department of Water and Sanitation, The State of Local Government (SoLG) report, MSIP on identified municipalities, AGSA State of Local Government Report and the Divisions of Revenue Act (DoRA).
Method of Calculation / Assessment	Simple count of number of water services authorities supported.
Means of verification	Progress reports by MISA on the selected WSAs at CRR technical capacity assessments conducted.
Assumptions	Municipal officials will cooperate fully with MISA support, permit MISA to undertake technical assessment and share their documents with MISA.

Disaggregation of Beneficiaries (where applicable)	Priority given to Water Service Authorities with CRR as per list outlined in the Green and Blue Drop Report to be published by Department of Water and Sanitation.
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% achievement of target
Indicator Responsibility	CD: IAA

Indicator Title	Number of technical municipal officials professionally registered with statutory bodies.
Definition	<p>To recruit and enrol municipal officials working in technical or infrastructure departments into a candidacy programme towards registration as professionals. MISA will enter into agreements with the relevant municipalities to co-fund the journey towards professional registration. MISA will be the Programme owner and responsible for the following:</p> <ul style="list-style-type: none"> • Development and implementation of the conceptual framework; • Identification of participating municipalities and prospective candidates; • Appointment and remuneration of a service provider to provide mentorship services; • Payment of programme administration fees; • Payment of training fees; • Managing stakeholders participating in the Programme; • Providing oversight and reporting on programme implementation; • Sourcing funding for mentorship; • Identify possible workplaces for exposure; and • Prepare progress reports on implementation of the Programme.
Source of data	Database for Candidacy Programme
Method of Calculation / Assessment	Simple count of number of technical municipal officials registered as candidate professionals.
Means of verification	Candidacy registration records
Assumptions	Municipalities committing to the Programme through co-funding and supporting the candidates.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	None
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	100%
Indicator Responsibility	Chief Director: Capacity Building Programme

Indicator Title	Number of municipal officials provided with infrastructure related technical skills training opportunities for improved service delivery.
Definition	The objective is to professionalise local government by offering municipal officials training opportunities through skills development programmes. Depending on their situations, municipal officials will get opportunities to upskill, reskill, and/or register as professionals with statutory bodies. MISA will offer technical training courses and occupation skills offerings for municipal officials to refresh their technical knowledge, acquire new qualifications and share experiences through structured learning environments. Experienced municipal officials without qualifications will be afforded the opportunity to acquire formal qualifications through the recognition of prior learning (RPL) programme.
Source of data	Lists of municipal officials enrolled in technical skills development programmes. Registers of municipal officials attending MISA organised technical courses.
Method of Calculation / Assessment	Simple count of number of municipal officials who attended MISA technical training courses.
Means of verification	Attendance registers. Lists of enrolled candidates.
Assumptions	Readiness and co-operation of municipalities to participate in the MISA capacity development programmes.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	Priority will be given to municipal officials from the poorest rural districts across the country.
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired performance	100% Achievement
Indicator Responsibility	Chief Director: Capacity Building Programme

Indicator Title	Facilitate funding mobilisation for municipal infrastructure investment through alternative and innovative mechanisms.
Definition	Various alternative and innovative mechanisms will be used to mobilise additional funding for municipal infrastructure investment. These alternative and Innovative mechanisms include the use of front loading/pledging of conditional grants, land base mechanisms (e.g., development charges, tax incremental finance, pooled financing, project financing,) Budget Facility for Infrastructure (BFI), PPPs, Blended Financing and resources mobilised from strategic partnerships. The mechanism to be used will be based on the preference of a municipalities depending on their circumstances as it relates to their capacity and capability to implement the preferred mechanism, budgets overview and priorities on projects to be implemented. The municipalities will include the districts within the Eastern Seaboard Region.
Source of data	Municipal Data, Budget data from National Treasury, IDPs
Method of Calculation / Assessment	Calculate the funding mobilised using simply count method.
Means of verification	Q1 - 3: Progress reports on activities done towards mobilisation of funding Q4 - Annual report outlining the financially commitments made by the financiers/investors/partners to support the prioritised municipalities and proof of funding applications.
Assumptions	<ul style="list-style-type: none"> • Willingness of municipalities to commit conditional grants and implement innovative mechanisms. Availability of prepared projects to be considered for funding mobilisation.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Simple count
Reporting Cycle	Quarterly
Desired performance	Funding mobilized through alternative and innovative mechanisms for municipal infrastructure investment.
Indicator Responsibility	CD: Infrastructure Financing

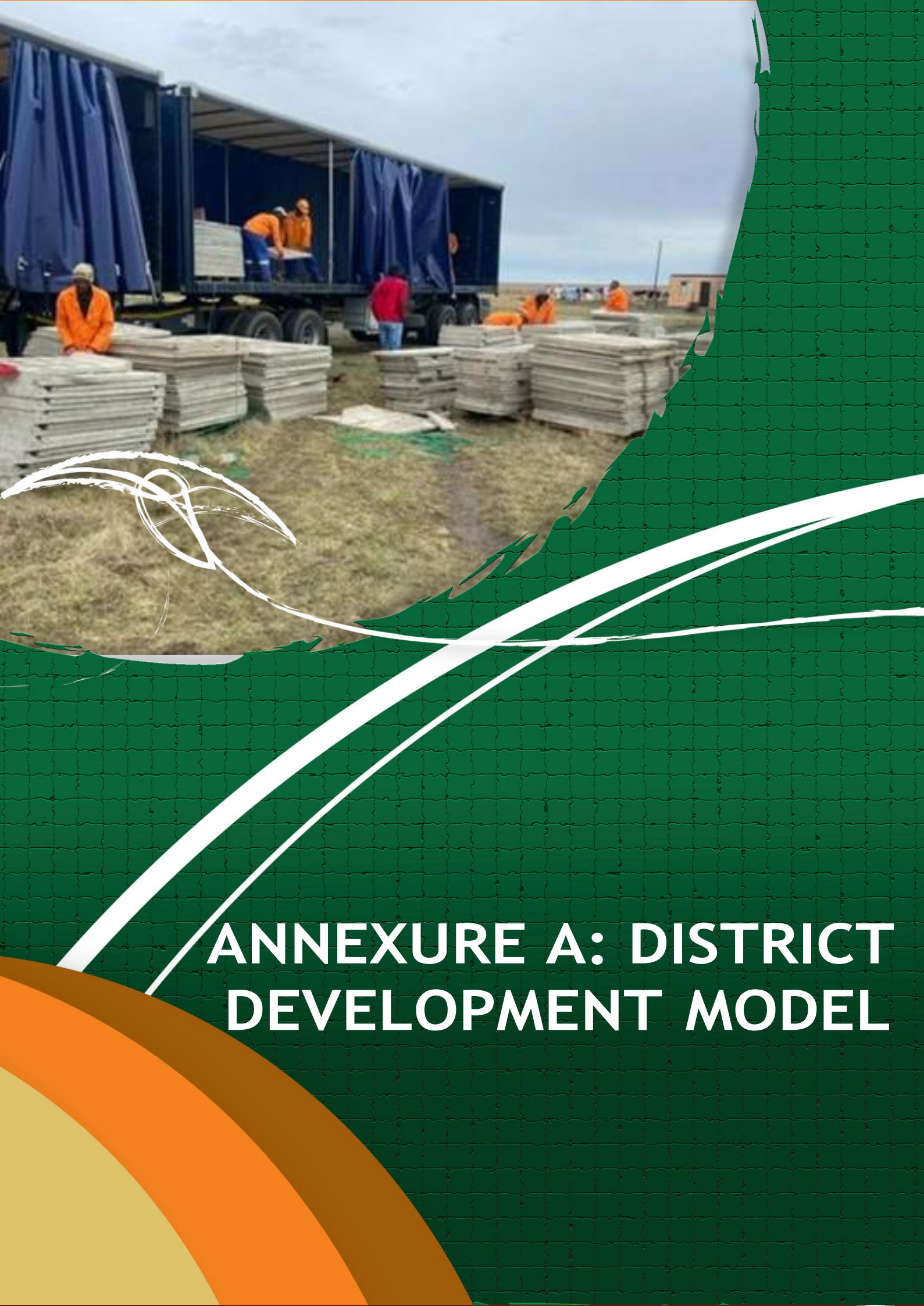
Indicator Title	Number of infrastructure projects prepared for bankability.
Definition	MISA will support the preparation and packaging of 6 municipal infrastructure projects for bankability in collaboration with strategic partners. Bankability refers to the preparedness of projects to attract investment. Stages required to demonstrate bankability include proof of project feasibility, project development, financial viability, demand planning, investment planning, regulatory approvals, investment and legal compliance. Projects submitted by municipalities for support may be at different stages of bankability (e.g. some projects may have feasibility studies done already whilst other may not). Therefore, the support to be provided by MISA will be for one or more stages as outlined per the bankability stages. Given that the project preparation work is very costly, some projects will be done through MISA budget and others through collaboration with strategic partnerships.
Source of data	Project data will be sourced from the municipalities. Other data sources to be used are Stats SA, non-governmental organisations, research institutions.
Method of Calculation / Assessment	Number of bankable projects prepared for investment mobilisation.
Means of verification	Q1 - 3: Progress reports of the 6 prepared projects. Q4: Annual report of the 6 prepared projects.
Assumptions	Availability of projects to be prepared from municipalities. Willingness of municipalities to agree on the support.
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: Infrastructure Financing

Indicator Title	Number of districts facilitated with mobilisation of infrastructure investments for DDM catalytic projects.
Definition	To support the four Eastern Seaboard Region district municipalities within the Eastern Seaboard region (Alfred Nzo, Harry Gwala, OR Tambo, Ugu) with mobilisation of investments amounting to R1 billion from both public and private sector for the implementation of catalytic infrastructure projects. Portfolio of evidence will include commitments (letters of intent, sector priority budgets, budgets announcements) made by both public and private sector to prioritise projects for implementation in the Eastern Seaboard region.
Source of data	DDM One Plans, Sector departmental MTDP priorities and budgets, Sector
Method of Calculation / Assessment	Simple Count- Number of Districts Supported
Means of verification	<ul style="list-style-type: none"> • Quarterly: Progress reports on activities undertaken for mobilisation of resources for DDM catalytic projects • Annual Report on progress achieved towards the mobilisation of resources for DDM catalytic projects in four districts
Assumptions	<ul style="list-style-type: none"> • There is buy-in by the municipalities. • Identified projects are ESD catalytic projects of supported municipalities. • Funding for infrastructure projects is mobilised through commitments from either public or private sector sources • No significant delays due to unforeseen events (staff turn-over, political buy-in)
Disaggregation of Beneficiaries (where applicable)	By district
Spatial Transformation (where applicable)	This indicator will contribute to the transformation of marginalised and underdeveloped spaces, ensuring that infrastructure investments address historical imbalances and create opportunities for all communities. By doing so, the indicator aligns with the broader goals of the DDM and supports sustainable, spatially just development across South Africa.
Calculation Type	Non-Cumulative.
Reporting Cycle	Quarterly
Desired performance	100% achievement.
Indicator Responsibility	CD: PMO

Indicator Title	Number of municipalities supported to comply with government infrastructure procurement policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.
Definition	<p>The objective is to capacitate municipalities with the Institutionalisation of the infrastructure procurement value chain through Portfolio, Programme, Project O&M, Asset, Planning & Budgeting, Supply Chain processes. Municipalities are identified and prioritised through analysis of various reports including but limited to: AGSA findings on infrastructure, expenditure on capital projects, State of Local Government Report, Section 71 reports and emerging challenges that may require the support on infrastructure procurement and requests received from MISA provinces and Technical Services Department. Municipalities are engaged to inform them of the intention to support/capacitate them, physical visits are made to the municipalities to confirm the findings of the preliminary reports. After confirmation of the challenges, the following activities are conducted:</p> <ul style="list-style-type: none"> a. Confirmation and verification of the outcomes of the assessments through physical engagements b. Development of support material c. Conduct the working sessions on: <ul style="list-style-type: none"> I. Local Government Infrastructure Delivery Management System (LG IDMS) and the LG IDMS Toolkit. II. Local Government Framework for Infrastructure Delivery & Procurement Management (LG FIDPM), MFMA Circular 106 III. Infrastructure Procurement Gates and Project Management Stages IV. Delegations and SCM BID committees' roles & responsibilities V. Contract management, administration and monitoring VI. Standard Uniformity on infrastructure procurement bidding document. VII. Infrastructure procedures and policies d. Continuous monitoring and evaluation of support interventions e. Development of the assessment tool f. Re-visit the municipalities to assess the impact <p>The subprogramme will provide support to 36 municipalities over a period of five (5) years. The support will be done in a phased approach. In 2025/26 eighteen (18) municipalities will be supported on phase 1 and phase 2 will be done in 2026/27. The second group of eighteen municipalities will be supported during 2027/28 and 2028/29, with the remaining nine (9) municipalities to be supported during 2029/30 financial year.</p>
Source of Data	State of Local Government Reports, Section 71 Reports, Municipal IDPs, AGSA Reports, any reports on the performance of municipalities emanating from TSS and any other units within MISA.
Method of Calculation / Assessment	Simple count of municipalities supported
Means of verification	Quarterly reports outlining the nature of support rendered to municipalities.

Assumptions	<ul style="list-style-type: none"> • There is municipal ownership and buy-in • Municipalities have human resource capacity for skills transfer (staff at all levels within the municipalities will be readily available for work-sessions, meetings, training sessions). • Other challenges that municipalities are facing not related to infrastructure procurement are attended by the relevant responsible role-players • Municipal council buy and adoption of the new MFMA infrastructure procurement policies. • There is support from the MISA provinces
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired performance	100%
Indicator Responsibility	Chief Director Framework Contracts and Infrastructure Procurement

Indicator Title	Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities.
Definition	<p>The objective of this indicator is to increase municipal support through partnerships with other government entities, the private sector and non-government / not for profit organisations and / or institutions of higher education on technical aspects of delivery chain. The support will include:</p> <ul style="list-style-type: none"> • Mobilisation of strategic partners to fund or implement projects in municipalities. • Facilitate the implementation of projects in Social and Labour Plans of mines within municipalities.
Source of data	National government, Stats SA and municipalities
Method of Calculation / Assessment	Simple Count
Means of verification	Quarterly progress reports on municipalities supported with the implementation of projects through strategic partnerships with private sector and non-governmental / not for profit organisations and or institutions of higher education.
Assumptions	<ul style="list-style-type: none"> • There is buy-in by the municipalities; there are projects on Social and Labour Plans, there is a need for infrastructure support in municipalities, willingness of strategic partners to collaborate to support and improve municipalities on infrastructures value chain for service delivery.
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: PMO



ANNEXURE A: DISTRICT DEVELOPMENT MODEL

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 planning, budgeting 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. Mobilising 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 zero-carbon emissions in municipalities and facilitate a 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.





Notes

[illegible]



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