

MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

STRATEGIC PLAN

For 2025/26 – 2029/30



**cooperative
governance**

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



MUNICIPAL INFRASTRUCTURE
SUPPORT AGENT

Today, Creating a Better Tomorrow



MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

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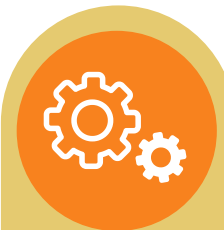


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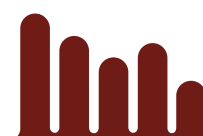
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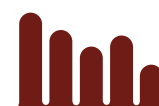
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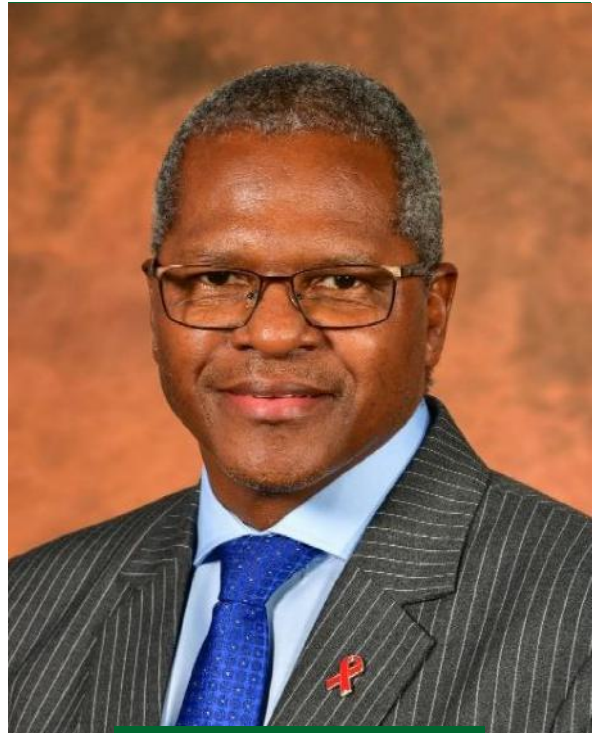
LIST OF ABBREVIATIONS/ACRONYMS

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



Executive Authority Statement

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 next five years provide a window of opportunity to rekindle the confidence of society in the ability of local government to facilitate a shared prosperity and delivery of socioeconomic rights as encapsulated in the Bill of Rights. 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.



MR VELENKOSINI HLABISA, MP

MINISTER OF COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS

While enormous strides have been made by local government towards extending services to all the people of this country, the task of not only connecting those still without access to the most basic services but also sustaining both the quantity and quality of services to those already with access, remain a daunting one. Our journey towards achieving universal access to and provision of reliable basic services is made even more difficult due to persisting capacity challenges within local government as the sphere closest to the people. These challenges include but are not limited to governance failures, financial management weaknesses, low revenue collection and critical skills shortages.

Over the coming five-year term of the seventh administration, the Government of National Unity (GNU) will focus on the following three strategic priorities as set out in the Medium Term Development Plan (MTDP) for 2025/26 - 2029/30:

- **Strategic Priority 1:** Inclusive growth and job creation;
- **Strategic Priority 2:** Reduce Poverty and tackle the high cost of living; and
- **Strategic Priority 3:** A capable, ethical and developmental state.

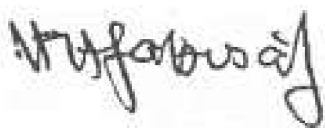


The MTDP contains a number of outcomes and corresponding targets, as well as specific interventions to be implemented towards the achievement of the outcome's targets over the next five years.

Government recognises that poor coordination of initiatives within and across different spheres of government, as well as by other role players outside government has previously resulted in incoherent planning and implementation. These deficiencies contributed to the diminishing the impact of government programmes on the material conditions of the citizens. To address this 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. The 'one plan', 'one budget' and 'one space' for each district or metropolitan space will also serve as a fulcrum for drawing contributions from all government institutions, the private sector and civil society organisations in the implementation of developmental programmes. Efforts of these stakeholders will be coordinated and monitored through the district hubs to be established for each district or metropolitan space.

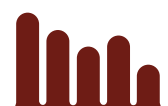
The Municipal Infrastructure Support Agent (MISA) is critical for the successful implementation of municipal infrastructure programmes within the District Development Model. Its role in this context will be to coordinate initiatives of all relevant stakeholders towards the improved delivery of municipal infrastructure programmes. The main objective of MISA is to ensure the alignment of planning for and implementation of infrastructure projects by all relevant players across the three spheres of government, enhancing efficiencies in infrastructure design and delivery, as well as improving the reliability of existing infrastructure. To fulfil this mandate, MISA's role and capacity will have to be strengthened. The need to strengthen MISA's role was endorsed by the Cabinet Lekgotla in July 2019. This strategic plan articulates MISA's key initiatives, outcomes and outcomes targets aimed at contributing to the achievement of the MTDP priorities relating to inclusive growth and job creation, as well as having a capable, ethical and developmental state. There will also be a more focussed attention on the strengthening of municipalities to sustainably deliver municipal infrastructure and basic services.

I am committed to giving maximum support to the implementation of this strategic plan by providing continuous guidance and exercising my executive oversight. It is also essential to enhance MISA's capacity to enable the effective execution of its expanded role.



Mr Velenkosini Hlabisa, MP

Minister of Cooperative Governance and Traditional Affairs



Deputy Minister Statement

Our system of Local Government has been in operation for more than 25 years to date, making it an opportune time that government is currently undertaking a comprehensive review of the White Paper on Local Government that was published in 1998 to lay the foundation for the current architecture of municipal government in South Africa. It created a basis for the suite of legislation regulating the functioning of the Sphere of local government within the intergovernmental relations framework enshrined in the Constitution of the Republic of South Africa. The primary objective of this review through an assessment of the performance of the local government sphere in its entirety within the cooperative governance framework which is scheduled for completion in the first half of 2026. The comprehensive review process will result in the publication of a new and updated White Paper that will chart the way towards improving the functionality of the system and its overall performance.



Dr Namane Dickson Masemola, MP

Deputy Minister of Cooperative Governance

Based on the outcome of previous performance reviews and lived experiences of the citizens, it is abundantly clear that there is immense room for performance improvement in respect to this sphere as well as the other two spheres of government. Notwithstanding an acknowledgement of the identifiable challenges of municipalities, it is equally, if not more important to also give credit where it is due. The results of the most recent census conducted by Statistics South Africa (STATSSA) in 2021, indicates significant strides have been made in expanding households access to basic services such as water, sanitation, electricity, and solid waste collection since the dawn of our democratic dispensation. This achievement can be directly attributed to the municipalities as they are constitutionally mandated to provide these basic services within their boundaries.

The main reason for dissatisfaction among the residents in this country is the constant disruption of services or unacceptably low quality of services being provided by some of our municipalities within our country. The biggest contributor to poor service standards is inefficient performance of existing infrastructure in most municipalities, with such infrastructure failures attributable to extremely low or no investment in their maintenance and refurbishment, sub-optimal management of such infrastructure and aging assets that have been long due for replacement. At worst, the situation is manifested in hazardous living conditions such as sewerage spillage and polluting of fresh water, which makes it crucial for government to channel more efforts and resources towards enabling municipalities to address these challenges.



The Municipal Infrastructure Support Agent (MISA) stands to be at the forefront of our efforts to strengthen capabilities in local government through both the provision of technical support and building internal capacity in prioritise municipalities. Municipalities are also required guidance and support in their endeavour to develop infrastructure that enhances their resilience against climate change phenomenon such as flooding that is frequently experienced in the provinces of Kwazulu-Natal and Eastern Cape. It is crucial for MISA to locate its programmes within the District Development Model to draw capabilities to improve governance and stability in municipalities that is critical for the success of the local government sphere in the future.

I would like to express my sincere gratitude to the Honourable Minister Velenkosini Hlabisa for his diligent leadership and guidance, and the unwavering support from Deputy Minister Prince Zolile Burns-Ncamashe as well as management within MISA, during the process of drafting this strategic plan for MISA.



Dr Namane Dickson Masemola, MP
Deputy Minister of Cooperative Governance

Accounting Officer Statement

MISA's strategic focus for the next five years is aligned with the Medium-Term Development Plan (MTDP) for the Seventh Administration. The MTDP provides a mechanism for implementing priorities set out in the National Development Plan (NDP), 2030. MISA will continue to execute its mandate of providing technical support to municipalities towards the efficient delivery and management of municipal infrastructure for sustainable basic services provision and economic development. It will leverage on its technical capacity and strengths to contribute to the implementation of a 'One Plan' in each district or metropolitan space within the framework of the District Development Model.



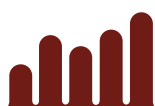
Ms Mapatane Kgomo

Chief Executive Officer Municipal Infrastructure Support Agent

The 2025-2030 MTDP identified strategic interventions to improve the performance of local government and ensure the sustainable delivery of basic services. MISA's contribution towards the achievement of the strategic priorities within the MTDP is focussed mainly on the two priorities as listed below:

- **Strategic Priority 1:** Inclusive growth and job creation; and
- **Strategic Priority 3:** A capable, ethical and developmental state.

MISA's focus during the previous five years was to provide technical support and building of capacity in municipalities towards effective infrastructure planning, delivery, as well as operation and maintenance. MISA also played a pivotal role towards the transformation of our urban spaces by providing support to municipalities on their spatial planning and land use management systems, with 135 municipalities supported over the last five years. Other key achievements include MISA's supporting 63 municipalities incorporating Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects; 82 municipalities provided with technical support to implement Water Conservation and Water Demand Management (WC/WDM) aimed at reducing non-revenue revenue water; and 122 municipalities supported with completing procurement processes for Municipal Infrastructure Grant projects in line with procurement schedules. MISA's previous support towards the building of technical capacity includes, training of 2 326 municipal officials, training 598 apprentices through the artisan development programme, enrolment of 255 learners in the experiential learnership programme, enrolment of 694 graduates for workplace learning and mentorship towards professional registration, provision of bursaries to support 463 students pursuing technical disciplines at institutions of higher learning and 411 municipal officials undergoing recognition of prior learning (RPL) assessments.



Key initiatives and programmes towards the achievement of MISA's strategic outcomes over the medium-term period will be integrated into the 'One Plan' to be developed for each of the 52 district and metropolitan spaces. Within the confines of its proclaimed mandate, MISA's strategic focus is to support municipalities towards improved infrastructure planning, project implementation, as well as infrastructure maintenance and refurbishment. The aim of this support is to enhance the capacity of municipalities for expanding access to services in line with the MTDP targets while ensuring that existing infrastructure functions optimally and maintaining the right quality of services.

MISA will continue to 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.

MISA is also the implementation agent for the Eastern Seaboard Development, a DDM in Action flagship programme, that demonstrates co-ordinated planning, budgeting and coordination across the three spheres of government to facilitate the transformation of spatial planning in the strategic parts of the Eastern Cape and KwaZulu-Natal provinces. Following the launch of the Eastern Seaboard Development (ESD) Region by the President of South Africa on the 12th of November 2021, significant progress has been made with regards to its design, establishment and co-ordination of key stakeholders to facilitate the planning of the Region. The planning phase has neared completion, with several planning initiatives coordinated across all three government spheres, which include the development of the Regional Spatial Development Framework, the Renewable Energy Feasibility Study, Integrated Transport Master Plan and the Eastern Seaboard Regional Master Infrastructure Plan, which provides strategic guidance over a the next 5 year period for the social and economic capital investment requirements to substantially improve infrastructure and economic development in the Region. Going forward the focus is on implementing the catalytic projects as prioritised in the Regional Master Plan.

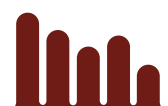
It is my greatest pleasure to acknowledge the astute leadership and guidance provided by the Minister, Deputy Ministers and the Director-General of Cooperative Governance during the preparation of this strategic plan. I also acknowledge the crucial role played by MISA management in the process of compiling this strategic plan. MISA will continuously adapt its strategic focus and operational model to ensure the achievement of outcomes captured in this 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 Strategic 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, **Mr Velenkosini Hlabisa, MP**.
- Takes into account all relevant policies, legislation and other mandates for which the Municipal Infrastructure Support Agent is responsible.
- Accurately reflects the Impact and Outcomes which MISA will endeavour to achieve over the period 2025/26-2029/30.



Ms. Judith Nkosi

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



Mr. Sam Ngobeni

Acting Deputy Director General: Technical Support Services (TSS)



Ms. Fezeka Nombembe-Ofosu

Chief Financial Officer (CFO)



Mr. Victor Mathada

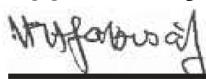
Chief Director: Intergovernmental Relations, Executive Support, Strategy and Systems (IGR & ESSS)



Ms. Mapatane Kgomo

Chief Executive Officer

Approved by:

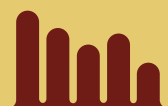


Mr. Velenkosini Hlabisa, MP

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:



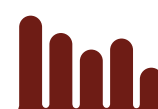
MISA support to high capacity/performing municipalities:



The Government Notice on the operations and administration of MISA (operational notice) provides that the objective of MISA is to render technical advice and support to municipalities so that they optimise municipal infrastructure provisioning. 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.

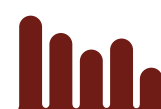
MISA was established in response to identified capacity gaps that manifested in the inability of certain municipalities to deliver and manage infrastructure for the provision of basic services. One of the identified key indicators of underperformance was persistent underspending of conditional grants 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 longterm 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.

MISA's Contribution to Sustainable Development Goals

Goal	Short Description	MISA's Focus Areas
Clean Water and Sanitation – ensure availability and sustainable management of water and sanitation for all.	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.

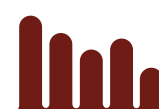


Goal	Short Description	MISA's Focus Areas
Industry, Innovation and Infrastructure – build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	The focus of this goal is to promote investment in innovation and resilient infrastructure as ways of facilitating 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.	with the spatial planning and land use management act (SPLUMA) and the development of long-term municipal infrastructure investment plans. This focus will contribute to improve planning for infrastructure development to ensure sustainability of services 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.

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



Goal	Priority Areas
A High Standard of Living, Quality of Life and Well Being for All Citizens.	- Incomes, Jobs and decent work - Poverty, Inequality and Hunger - Social security and protection, including Persons with Disabilities - Modern and Liveable Habitats and Basic Quality Services
Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation.	Education and STI skills driven revolution
Transformed Economies.	Sustainable and inclusive economic growth
Environmentally sustainable and climate resilient economies and communities.	- 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 2025-2030. These Fundamental Principles and Minimum Programmes of Priorities are captured in the table below.

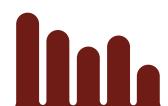
Fundamental Principles	Minimum Programme of Priorities
- Respect for the Constitution and the Rule of Law - Promote non-racialism and non-sexism - Promote social justice, redress, and equity, and alleviate poverty. - Human dignity and progressive realisation of socio-economic rights. - Accountability, transparency, and community participation. - Integrity and good governance. - Evidence-based policy and decision-making.	- 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.



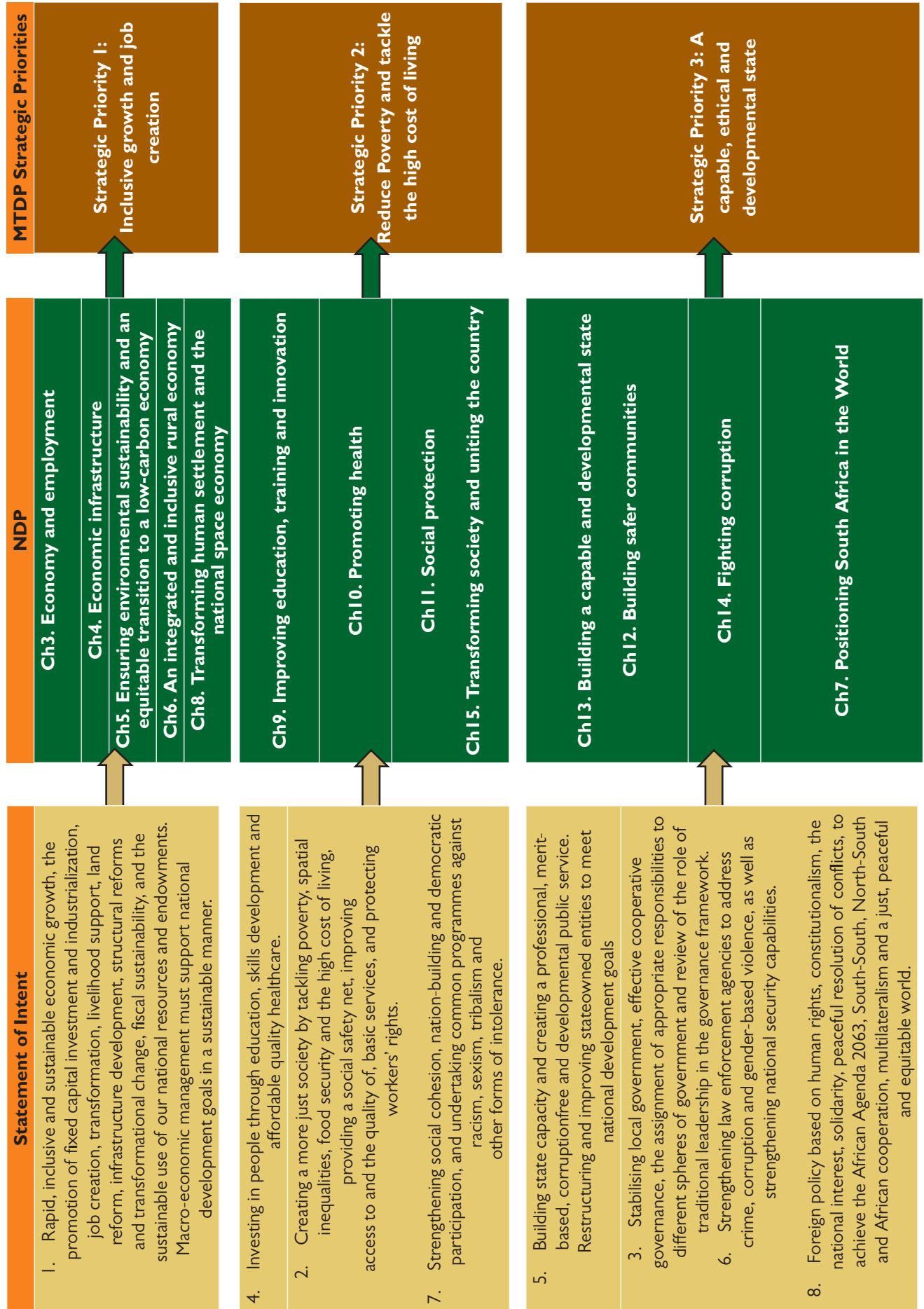
The Medium-Term Development Plan (MTDP) for the period 2025-2030 has been adopted as the high-level strategic document to guide the implementation and monitoring of NDP over the five-year term of the Seventh Administration. This MTDP focusses in three key priorities as the pillars to enable the achievement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

- **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.



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



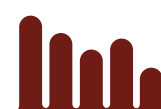
2.2.5 District Development Model

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.

MISA is also the implementation agent for the Eastern Seaboard Development, a DDM in Action flagship programme, that demonstrates co-ordinated planning, budgeting and coordination across the three spheres of government to facilitate the transformation of spatial planning in the strategic parts of the Eastern Cape and KwaZulu-Natal provinces. The Eastern Seaboard Development provides the opportunity to drive spatially referenced transformation through the integration of urban and rural development with an acute focus on rural revitalization. The vision is to leverage the untapped opportunities the coastline has to offer between KwaZulu-Natal and Eastern Cape and to substantially improve the livelihoods of the region, particularly its local communities through the investment in public infrastructure to stimulate key sectors for economic growth and sustainable development through smart city principles in terms of equitable access, efficiency and opportunities for improved and sustainable livelihoods.



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.

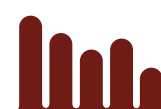
The NSDF is guided by the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA). The focus of interventions under this priority is to improve spatial patterns by addressing deficiencies and injustices emanating from apartheid spatial planning. This is in line with the NDP vision of creating 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. Vision

Leaders in Municipal Infrastructure Support.



2. MISSION

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



3. Values

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

Integrity
Collaboration
Knowledgeable
Professionalism
Service Excellence

4. 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.

4.1. 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.

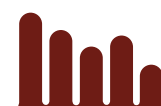
The failure to service the debt equally extends to water boards, as municipalities are defaulting on settling their accounts and honouring payment arrangements. This is compounded by the fact that municipalities are also owed huge amounts by consumers. According to a Treasury statement on local government 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%

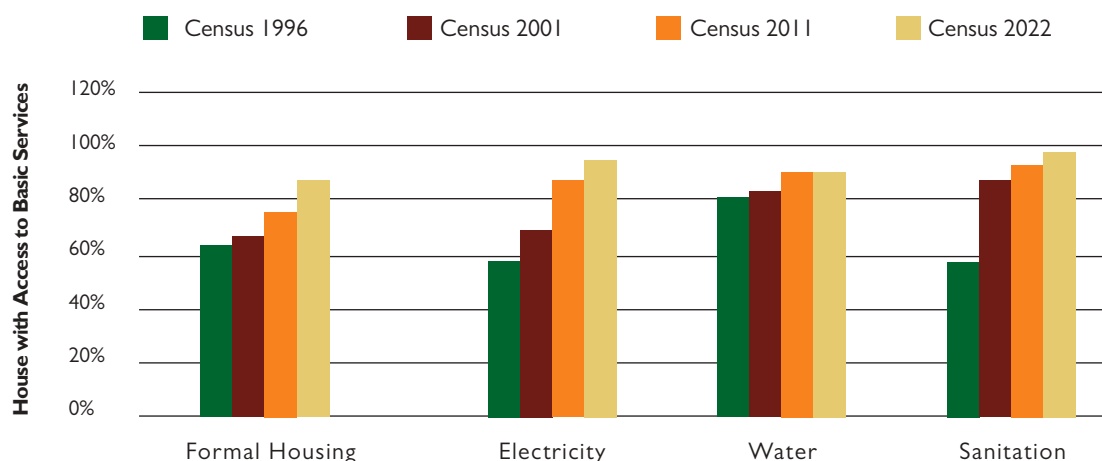
Although the Census data shows a reduction in water, sanitation, electricity, and waste management backlogs from 2018/19 to 2022, there are notable concerns with infrastructure functionality. For example, the performance of Water Services Authorities (WSAs) has declined over the years. Regulatory departments 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 socioeconomic 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.

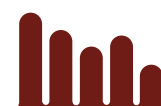
Despite the increase in access to basic services, there are challenges with the quality provided by municipalities. For example, water quality remains a challenge with many municipalities failing to get a Blue Drop status. The decline in Blue Drop certifications from 44 in 2014 to 26 in 2023 indicates 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.

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.

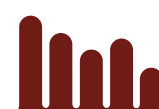
As the table below shows, between 2014/15 and 2023/24 a total of R6.71 billion in MIG transfers was stopped by National Treasury following municipalities' failure to spend allocated funds. This translates to an annual average of R671 million. There is, therefore, a need to support municipalities with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

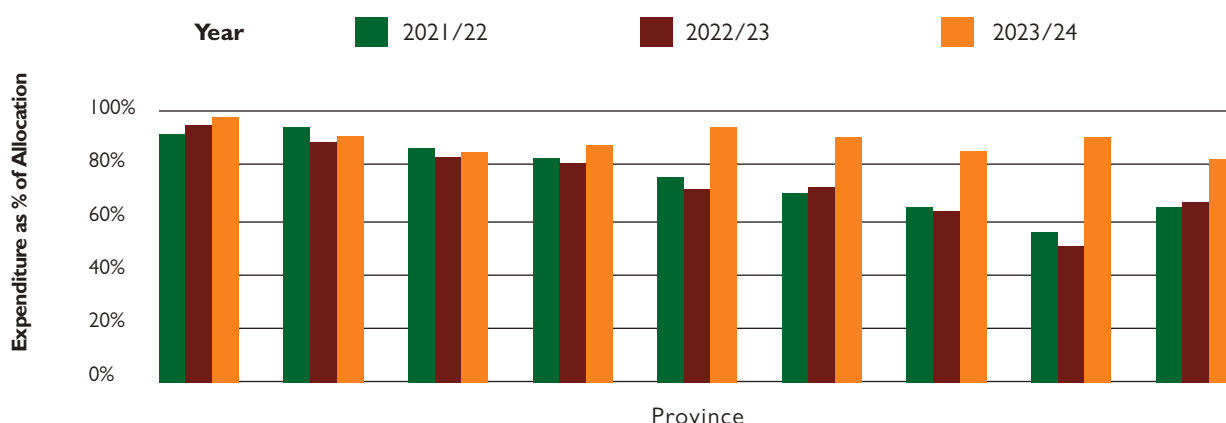
The Grants enable rolling out of water, sanitation, refuse and other public infrastructure to improve service delivery. The major challenge is quantifying value for money in these grant and ensuring expenditure reflects actual impact on the ground through beneficiary rates. The 2022 MIG Framework included 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:

- **2021/2022:** R378 million allocated for drought and Storm "Eloise" impacts; 71% utilised.
- **2022/2023:** R517 million allocated for floods; 90% utilised. Recovery Grant of R3.3 billion had 37.3% utilisation.
- **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 distressed 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.

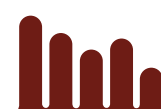
This situation undermines MISA's efforts to provide technical support and advice since MISA's technical professionals end up assuming full responsibility for the performance of functions relating to infrastructure planning, delivery, operations and maintenance in municipalities. With technical expertise 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.

4.2. 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
• 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.	• 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.



Strengths	Weaknesses
• Earned reputation in the sector. • Clean financial audits. • Political support from the Ministry of DCoG. • Being part of the DCoG gives MISA leverage.	• 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 • 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
• 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	• 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).

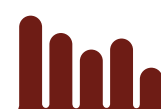
The MISA capacity building strategy advocates for technical skills training directed at municipal officials, whilst developing a skills pipeline through preparing a new cohort of municipal officials. This could be achieved through skills development programmes for unemployed youth. Where necessary, MISA 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 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.

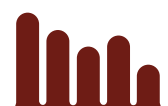


Table 4.3.1 MISA Theory of Change Underpinning its Long-term Strategy

	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 outcome	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
			
Intermediate 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

Outputs / Deliverables Inputs	Outputs:	Deliverables:	Outputs:	Deliverables:
	- Capacity building programmes - Infrastructure development and management programmes - IDMS/FIDPM - Capacity Building Support Programme - Partnership Management Programme - Technical advisors - Toolkits - Guidelines - Manuals - Maturity models - Standard Operating Procedures - Knowledge management unit - Operating Systems	- PPLCM including PP&SDSM - LG Infrastructure Procurement Support Models - Operating Model - Partnership Strategy - Marketing strategy	- Strategic Realignment Initiative - Initiative to establish MISA as a COE - Leadership and organisation capacity Building Initiative	- Integrated Realignment Implementation for Plan for: Operating Model; Funding Model; Strategic Review, Change Management and Communication - Robust operating systems - Transition Plan - Knowledge Management Framework, Hub and Platform - Capability development strategy

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



I. Institutional Performance Information

I.1 Measuring our Impact

Impact Statement
Municipalities will deliver reliable infrastructure to communities in line with their constitutional mandate, through our support.

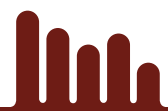
I.2 Measuring our Outcomes

Medium Term Development Plan Priority		Inclusive Growth and Job Creation	
Outcome	Outcome Indicator	Baseline	Five-year targets
Increased employment opportunities.	Increased number of young people provided with infrastructure related technical skills development opportunities within local government.	New	1 500 young people enrolled.
	Increased number of municipalities creating job opportunities through incorporating Labour Intensive Construction (LIC) methods in implementing infrastructure projects.	30 municipalities	150 municipalities creating job opportunities through incorporating Labour Intensive Construction (LIC) methods in implementing infrastructure projects.
Increased infrastructure investment and job creation.	Mobilisation of funding through alternative and innovative mechanisms for municipal infrastructure investment.	R2 billion of funding mobilised through alternative and innovative mechanisms for municipal infrastructure investment.	R2,5 billion of funding mobilised through alternative and innovative mechanisms for municipal infrastructure investment.
	Number of infrastructure projects prepared for bankability.	6 infrastructure projects prepared for bankability.	30 infrastructure projects prepared for bankability
Energy security and just energy transition.	Increased number of municipalities capacitated to improve access to energy to households.	22 municipalities supported to increase access to electricity to households.	110 municipalities supported to increase access to electricity to households.
	Increased number of municipalities capacitated to reduce electricity demand on municipal infrastructure.	22 municipalities supported to reduce electricity demand on municipal infrastructure.	110 municipalities supported to reduce electricity demand on municipal infrastructure.

Medium Term Development Plan Priority			Build a Capable, Ethical and Developmental State	
Outcome	Outcome Indicator	Baseline	Five-year targets	
Improved Service Delivery for local government.	Increased number of municipalities implementing Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water.	82	55 municipalities implemented Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water.	
	MIG receiving municipalities increasing access to basic services on water, roads, solid waste and sanitation.	55	55 municipalities with increased access to basic services on water, roads, solid waste and sanitation.	
	Improvement of spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning.	135	185 municipalities with improved spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning.	
	Increased number of Water Services Authority (WSAs) developing and implementing Corrective Action Plans.	New	55 Water Services Authority (WSAs) with developed and implemented Corrective Action Plans.	
	Increased number of municipalities with infrastructure that has disaster and climate change adaptation measures.	15	120 municipalities with infrastructure that has disaster and climate change adaptation measures.	
	Increased number of WSA with technical capacity assessment undertaken.	New	55 WSAs with technical capacity assessment undertaken.	
	Increased number of municipal officials provided with technical skills training opportunities for improved service delivery.	2 326	3 500 municipal officials provided with technical skills training opportunities for improved service delivery.	
	DDM Catalytic Projects implemented in priority Districts.	New Indicator	20 DDM catalytic projects implemented in priority Districts.	

Medium Term Development Plan Priority		Build a Capable, Ethical and Developmental State	
Outcome	Outcome Indicator	Baseline	Five-year targets
A capable and professional public service	Strategic partnerships with other entities established to enhance municipal infrastructure development efficiency.	New Indicator	30 Municipalities supported with implementation of projects through strategic partnership.
	Increased number of Water Service Authorities (WSAs) supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Infrastructure Asset Management Plans	10 WSAs supported to utilise 10% of their MIG allocations to repair, refurbish, and renewal of infrastructure assets	95 WSA's supported with O&M functionality through O&M systems, procedures and the implementation of Infrastructure Asset Management plans (IAMP).
	Increased number of technical municipal officials enrolled in a candidacy programme towards professional registration.	New	100 technical municipal officials professionally registered with statutory bodies.
	Increased number of municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.	49 municipalities that are yet to fully institutionalise the infrastructure procurement and delivery processes.	36 municipalities supported to comply with government infrastructure procurement policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.
	Maintain unqualified audit opinion over the medium-term period.	Unqualified audit opinion with no material findings since 2018/19 financial year.	Receive unqualified audit opinion for each year until 2029/30 financial year.

Medium Term Development Plan Priority		Build a Capable, Ethical and Developmental State	
Outcome	Outcome Indicator	Baseline	Five-year targets
	Compliance with the organisation ethical management strategy foster a culture of ethical conduct within the organisation.	100% compliance with the ethical management strategy.	100% compliance with the ethical management strategy annually.
	Compliance with the organisation corporate services improvement plan.	85% compliance with the corporate services improvement plan.	100% compliance with the corporate services improvement plan.
	Information and Communications Technology initiatives implemented.	New	100 % of the identified and approved Information and Communications Technology initiatives implemented.



1.3 Explanation of Planned Performance over the Five-Year Planning Period

1.3.1 Contribution of outcomes to achievement of MTDP objectives

Increased employment opportunities

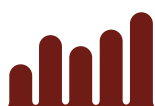
The Public Finance Management Act, 1 of 1999 (as amended) and other relevant legislation requires of heads of government institutions and assigned oversight bodies to ensure prudent management of financial and other resources to optimise the impact of government programmes on citizens' lives. To comply with this requirement, MISA strives to prevent wasteful, fruitless and irregular expenditure over the next five years. The implementation of an effective system of internal control as would immensely contribute to the minimisation of this kind of expenditures. It is crucial for management in MISA to implement an effective system of internal control and measures to avert irregularities in the performance its functions and the roll-out of both the strategic plan and annual performance plans (APPs). This kind of system typically comprises policies, processes, standard operating procedures and other internal control measures to be followed by everyone involved in the execution of the entity's functions.

MISA will contribute towards increasing employment opportunities by, amongst other things, increasing the number of young people who are provided with infrastructure related technical skills which will increase their prospects of getting job opportunities within in local government. This will be achieved by enrolling, in the next five years, at least 2 000 unemployed youth into MISA skills development training programmes.

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 to 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.



Energy security and just energy transition.

This outcome seeks to ensure continued contribution towards the 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 110 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.

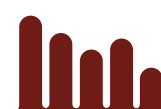
Delays in the procurement at the municipal space largely results in the poor delivery and maintenance of infrastructure. The rollout of IDMS and provision of support to municipalities to institutionalise IDMS will improve and expedite the procurement of goods and services ensuring a responsive local government in delivery of basic services to communities.

Improved Service Delivery for 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 service 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. MISA During the same period, some municipalities will be supported to develop and implement water and sanitation infrastructure master plans as well as reliability plans.

This outcome relates to the long-term plans that guide how a municipality should develop service delivery infrastructure to stimulate economic growth and handle future economic activities. This can be achieved through increased long term municipal infrastructure investment. MISA will support municipalities in preparing bankable projects for financing of projects that will improve the economic conditions through job creation, sustainable and reliable services.

MISA will support municipalities to address apartheid spatial settlement patterns by improving spatial planning and land use management practices. This will be achieved by fostering compliance with relevant pieces of legislation and policy frameworks, such as the SPLUMA and the IUDF. Municipalities will be supported to develop SPLUMA compliant spatial plans and to develop and implement spatial development frameworks that support future infrastructure development initiatives. Spatial plans that promote racial integration, inclusive social and economic opportunities, optimal usage of scarce resources and address poverty will be developed and implemented together with municipalities.



Climate change has become a serious threat to service delivery and puts pressure on governments to adopt climate change mitigation strategies when developing infrastructure. There is funding at a local and global level that has been earmarked and made available to state entities to implement projects that promote green economy and mitigate against climate change. MISA will support prioritized municipalities to access such funds for infrastructure projects to enhance their ability to mitigate disaster risks and improve their resilience against disasters.

South Africa is a water scarce country and municipalities have the responsibility to reduce the current volume of water losses, take care and protect water resources by adopting and implementing sound water conservation and demand management strategies. Water conservation and water demand management are aimed at, amongst others, promoting economic efficiencies, social development, social equity, environmental protection and sustainability of water supply and water services. In the MTSF period, MISA will contribute towards the conservation of water by supporting municipalities, across all districts, to develop and implement water conservation and water demand management plans with the view to stabilising non-revenue water and curb further increases in the levels of non-revenue water in selected municipalities. Targeted support will be directed where the impact of support can be maximized.

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

The Public Finance Management Act, 1 of 1999 (as amended) and other relevant legislation requires of heads of government institutions and assigned oversight bodies to ensure prudent management of financial and other resources to optimise the impact of government programmes on citizens' lives. To comply with this requirement, MISA strives to prevent wasteful, fruitless and irregular expenditure over the next five years. The implementation of an effective system of internal



control as would immensely contribute to the minimisation of this kind of expenditures. It is crucial for management in MISA to implement an effective system of internal control and measures to avert irregularities in the performance of its functions and the roll-out of both the strategic plan and annual performance plans (APPs). This kind of system typically comprises policies, processes, standard operating procedures and other internal control measures to be followed by everyone involved in the execution of the entity's functions.

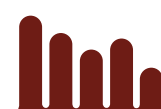
The institutionalization of financial disclosure will promote transparency and accountability in MISA and enhance public confidence in the entity. Implementation of the financial disclosure framework will enable executive authority to identify and manage conflict of interest to ensure better decision making in MISA, towards creating a capable and ethical government.

Lack of coherence in planning and implementation has made monitoring and oversight of government's programme difficult. The consequence has been non-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment. In addressing these challenges Government launched **“a new integrated district-based approach”** to address service delivery challenges and job creation, promote and support local businesses, and also involves communities in development. This outcome seeks to contribute to the coordinated approach in planning and delivery services to the communities through the implementation of District Development Model. MISA's focus area in the implementation of District Development will be coordinated infrastructure planning, delivery, operation and maintenance. This coordination will be realised at the district or metropolitan space by participating in the district hubs to drive the DDM. MISA will coordinate all agencies involved in infrastructure delivery at National, Provincial and Local spheres of government.

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.

MISA will support municipalities facing challenges with the procurement and delivery 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 that will support municipalities to enhance procurement practices. The adopted approaches aim at alleviating challenges that delay the procurement and delivery of infrastructure.

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

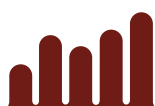


projects. Parallel to professionalising municipal officials, MISA will continue to contribute towards building a new cohort of technical experts for local government through the young graduate, experiential learnership and artisan development programmes.

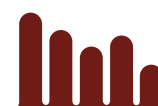
1.3.2 Enablers to the achievement of five-year targets

The table below presents a description of enablers to the achievement of the five-year targets:

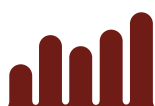
Outcome	Outcome Indicator	Five-year target	Enabler
Increased employment opportunities.	Increased number of young people provided with infrastructure related technical skills development opportunities within local government.	1 500 young people enrolled.	- MISA increasing budget allocation towards skills development programmes for unemployed youth. - Collaboration with host municipalities, sector education and training authorities (SETA's), and institutions of higher learning. - Ownership of capacity development initiatives by municipalities.
	Increased number of municipalities creating job opportunities through incorporating Labour Intensive Construction (LIC) methods in implementing infrastructure projects.	150 municipalities creating job opportunities through incorporating Labour Intensive Construction (LIC) methods in implementing infrastructure projects.	- MISA making available budget for programme management support (i.e. recognised and accredited training) - Municipalities willingness to assign some of the capital projects to LIC.
Increased infrastructure investment and job creation.	Mobilisation of funding through alternative and innovative mechanisms for municipal infrastructure investment.	R2,5 billion of funding mobilised through alternative and innovative mechanisms for municipal infrastructure investment.	- Availability of bankable projects. - Availability of private sector funding. - Credit status of municipalities. - Political and administrative stability of municipalities.



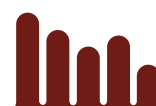
Outcome	Outcome Indicator	Five-year target	Enabler
	Number of infrastructure projects prepared for bankability.	30 infrastructure projects prepared for bankability.	• Collaboration with strategic partners that support project preparation. • Enhancement of MISA capacity for project preparation and packaging.
Energy security and just energy transition.	Increased number of municipalities capacitated to improve access to energy to households.	110 municipalities supported to increase access to electricity to households.	• MISA allocating funds for technical support. • Collaborations with sector departments and municipalities.
	Increased number of municipalities capacitated to reduce electricity demand on municipal infrastructure.	110 municipalities supported to reduce electricity demand on municipal infrastructure.	• MISA allocating funds for technical support. • Collaborations with sector departments and municipalities.
Improved Service Delivery for local government.	Increased number of municipalities implementing Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water.	55 municipalities implemented Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water.	• Budget allocation for development or implementation of WC/WDM plans in Municipalities. • Implementation of new 6B fund.
	MIG receiving municipalities increasing access to basic services on water, roads, solid waste and sanitation.	55 municipalities with increased access to basic services on water, roads, solid waste and sanitation.	• Allocation of MIG programme funds regularly. • Implementation of new MIG 6B grant.
	Improvement of spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning.	185 municipalities with improved spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning.	• Budget allocation for developing or updating or implementation of SPLUMA compliant plans by Municipalities.
	Increased number of Water Services Authority (WSAs) developing and implementing Corrective Action Plans.	55 Water Services Authority (WSAs) with developed and implemented Corrective Action Plans.	• Collaboration with sector departments such as COGTA, DWS, SALGA and the identified Water Services Authorities. • Funding availability for projects implementation.



Outcome	Outcome Indicator	Five-year target	Enabler
	Increased number of municipalities with infrastructure that has disaster and climate change adaptation measures.	120 municipalities with infrastructure that has disaster and climate change adaptation measures.	• Availability of projects for funding • Technical support to prepare business plans to access funds.
	Increased number of WSA with technical capacity assessment undertaken.	55 WSAs with technical capacity assessment undertaken.	• Budget allocation for technical capacity assessment undertaken.
	Increased number of municipal officials provided with technical skills training opportunities for improved service delivery.	3 500 municipal officials provided with technical skills training opportunities for improved service delivery.	• MISA allocating funds for technical skills training.
	DDM Catalytic Projects implemented in priority Districts.	20 DDM catalytic projects implemented in priority Districts.	• Budget allocation towards the implementation of the catalytic projects.
	Strategic partnerships with other entities established to enhance municipal infrastructure development efficiency.	30 Municipalities supported with implementation of projects through strategic partnership.	• Collaboration with the municipalities, private sector funding institutions.
	Increased number of Water Service Authorities (WSAs) supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Infrastructure Asset Management Plans.	95 WSA's supported with O&M functionality through O&M systems, procedures and the implementation of Infrastructure Asset Management plans (IAMP).	• Budget allocation for development of O&M systems in municipalities and also for development and review of IAMP. • Implementation of MIG 6B grant.
A capable and professional public service.	Increased number of technical municipal officials enrolled in a candidacy programme towards professional registration.	100 technical municipal officials professionally registered with statutory bodies.	• MISA allocating funds towards professionalisation of municipal officials. • Collaboration with municipalities, sector education and training authorities (SETA's), voluntary associations, and statutory bodies.



Outcome	Outcome Indicator	Five-year target	Enabler
	Increased number of municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.	36 municipalities supported to comply with government infrastructure procurement policies, procedures, regulations, strategies and instructions to improve compliance, governance & enhance operational efficiency.	• Municipal ownership and support to the programme. • Continuous collaborations with CIDB and NT. • Budget for venues and catering for the work-sessions.
	Maintain unqualified audit opinion over the medium-term period.	Receive unqualified audit opinion for each year until 2029/30 financial year.	• Continuously keeping abreast of latest regulations, financial governance and ethical practises. • Effective administrative systems.
	Compliance with the organisation ethical management strategy foster a culture of ethical conduct within the organisation.	100% compliance with the ethical management strategy annually.	• Continuously keeping abreast of latest regulations and ethical practises.
	Compliance with the organisation corporate services improvement plan.	100% compliance with the corporate services improvement plan.	• Financial and human resources.
	Information and Communications Technology initiatives implemented.	100 % of the identified and approved Information and Communications Technology initiatives implemented.	• Continuously keeping abreast of latest ICT practises. • Financial and human resources.



1.3.3 Outcomes contribution to the achievement of intended impact

The table below presents how the MISA outcomes are expected to contribute towards the achievement of intended impact:

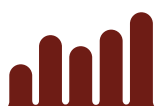
Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
Municipalities will deliver reliable infrastructure to communities in line with their constitutional mandate, through our support.	Increased employment opportunities.	MISA is required to work with public and private entities to create municipal infrastructure and service delivery related job opportunities for unemployed youth. This can be achieved by prioritising work experience opportunities for young people and increasing the number of beneficiaries in the MISA youth skills development programmes that are aimed at building municipal capacity to manage infrastructure and deliver services. Assist municipality to increase utilisation of infrastructure grant fund towards creating employment opportunities by ensuring that Municipalities are incorporating Labour Intensive Construction (LIC) methods in implementing grant funded infrastructure projects.	Placement of qualified young people in municipalities will help in strengthening the capacity of municipalities to provide reliable infrastructure and services, whilst offering them workplace experience and job opportunities within local government. Achievement of the outcome will contribute towards reduction of youth unemployment and economic growth. Strengthening municipal capacity in utilising infrastructure grants for creation of employment opportunities.
	Increased infrastructure investment and job creation.	The stabilisation of Non-Revenue Water, Unaccounted for Water with the objective of assisting identified municipalities to conserve, Manage, and improve revenue on water supply. The long-term objective of this outcome is to assist identified Municipalities to improve reliability of water supply systems and water security.	Creating an enabling environment for socio-economic investment opportunities through the provision of reliable and sustainable water services and improved revenue collection by the local Municipality.



Impact statement	Performance outcome	Outcome description	Outcome's contribution to Impact
		Various alternative and innovative mechanisms will be used to mobilise additional funding for municipal infrastructure investment. The main objective is to augment the existing municipal funding received from National Government (through transfers) to increase investment in municipal infrastructure that is required to provide basic services.	Increase in infrastructure investment will accelerate the delivery of infrastructure and improve service delivery.
	Energy security and 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.	Increasing access to electricity in municipalities towards the Universal Access Plan. To reduce electricity demand in municipal infrastructure and contribution to long term energy security.
	Improved Service Delivery for 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. Bring stability to municipal infrastructure governance in and restore the delivery of services.	Ensuring that there is enhanced maintenance of public infrastructure through dedicated programmes and establish systems to support this. Strengthen the capacity of municipalities to provide infrastructure and deliver services.



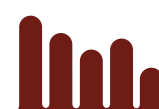
Impact statement	Performance outcome	Outcome Description	Outcome's Contribution to Impact
		Strengthen MISA's ability to support municipalities which fail to meet minimum norms and standards. Support municipalities with fast-tracking the development and maintenance of water treatment and distribution infrastructure and waste water treatment systems. Contribute towards strengthening the regulation of municipal water functions and separate water services authorities from water service providers to enable improved oversight and greater efficiency. Strengthen disaster management capabilities at local government to respond effectively to any unforeseen events.	
	A capable and professional public service.	Contribute towards professionalisation of the public service by increasing the number of technical municipal officials who are professionally registered with statutory bodies and have membership of relevant voluntary associations. This will improve service delivery through heightened ethical conduct in the execution of municipal infrastructure management responsibilities. Collaboration with the National School of Government will add value in preparing young graduates in the MISA candidacy programme for the local government environment. MISA will contribute towards the local government skills gaps audit with the view to promoting professional registration of municipal officials with statutory bodies and voluntary associations.	A professional work force is expected to abide by professional work ethics which will result in improved access to sustainable and reliable services by communities. The implementation of financial disclosure framework will promote transparency and accountability in MISA and enhance public confidence. The implementation of an effective internal control systems enhances the capacity of the organisation to prudently utilise its resources in the execution of the strategy. This in turn increases the possibility of maximising the impact of its programmes on the country and the economy.



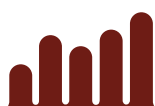
Impact Statement	Performance Outcome	Outcome Description	Outcome's Contribution to Impact
		MISA officials will be required to disclose any financial interests in order to identify and manage possible conflict of interests MISA management will be required to manage financial and other resources allocated for the performance of its functions and implementation of its strategic plan in a prudent way by implementing effective internal control systems, consistently complying with applicable legislation and regulation and following good practices in the execution of its mandate.	

2. Key Risks

Outcome	Key Risk	Risk Mitigation
Increased employment opportunities.	Misaligned/ Fragmented Planning.	• 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).	• Create awareness on the existing funding mechanism that municipalities can implement to augment their revenue infrastructure delivery.



Outcome	Key Risk	Risk Mitigation
		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.	- 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.	- 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.
	Allocation of new mandate (MIG 6B).	- 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.	- Signing of binding agreements between MISA and strategic partners. - Use DDM approach for infrastructure delivery intervention programmes in municipalities.



Outcome	Key Risk	Risk Mitigation
	Climate change impact on municipal infrastructure.	• 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.	• 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.	• Identify critical processes (ICT). • Avail funds to automate processes. • Automate critical processes identified (ICT).

3. Public Entities

There are no public entities reporting to the municipal infrastructure support agent.



Part D: Technical Indicator Description



Indicator Title	Increased number of young people provided with infrastructure related technical skills development opportunities within local government.
Definition	MISA will work with other entities to create job and study opportunities for unemployed youth by affording them workplace and tertiary study experiences through skills development programmes that are relevant to municipal infrastructure management. This will be achieved by prioritising study and work experience opportunities for young people and increasing the number of beneficiaries in the MISA youth skills development programmes that are aimed at building municipal capacity to manage infrastructure and deliver services.
Source of data	MISA performance reports on youth skills development programmes
Assumptions	Increased funding and improved stakeholder collaboration towards youth skills development programmes in local government.
Disaggregation of Beneficiaries (where applicable)	All the opportunities afforded to youth below the age of 35 with at least 50% of them being female.
Spatial Transformation (where applicable)	At least 50% of the opportunities afforded to youth from the poorest priority rural districts.
Desired performance	100% achievement of target.
Indicator Responsibility	DDG: TSS

Indicator Title	Increased number of municipalities creating job opportunities through incorporating Labour Intensive Construction (LIC) methods in implementing 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
Assumptions	- 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 • Municipal buy-in to incorporate LIC methods in the implantation of grant funded infrastructure projects.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Poor performing municipalities, with high unemployment rates.
Desired performance	100% Achievement.
Indicator Responsibility	DDG: Technical Support Services

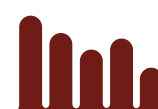
Indicator Title	Mobilisation of funding through alternative and innovative mechanisms for municipal infrastructure investment.
Definition	Various alternative and innovative mechanisms will be used to mobilise additional funding for municipal infrastructure investment. These alternative and Innovative 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
Assumptions	• 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



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 4 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.
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
Desired performance	100% Achievement.
Indicator Responsibility	CD: Infrastructure Financing

Indicator Title	Increased number of municipalities capacitated to improve access to energy to households.
Definition	MISA will support selected municipalities in increasing access to electricity to households. MISA's support will entail one or more of the following activities: • Support the planning and implementation of increase in network capacity to provide access to households • Provide support in review of the technical designs of bulk infrastructure and electrification projects. • Provide support in development of business plans for funding for bulk infrastructure projects



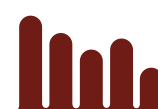
	• Rendering project and programme management in implementation of bulk infrastructure and or electrification projects • Provide support in the development of Energy Master Plans
Source of data	Municipal energy master plans, DMRE Electrification Master Plans, DORA report, INEP reports, Stats SA, Municipal IDP's.
Assumptions	• Municipalities are funded by DMRE through the INEP grant. • Municipality has enough budget. • Municipalities will have relevant electricity network and backlog information required in the development of business plans. • Municipalities or MISA will have budget for the development of Energy Master Plans • Municipalities will accept MISA support.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	None
Desired performance	100% achievement.
Indicator Responsibility	DDG: TSS

Indicator Title	Increased number of municipalities capacitated to reduce electricity demand on municipal infrastructure.
Definition	MISA will provide technical support to 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. MISA support will entail one or more of the following activities: • 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.
Assumptions	• Municipalities are having funding 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)	None
Desired performance	100% achievement.
Indicator Responsibility	DDG: TSS

Indicator Title	Increased number of municipalities implementing Water Conservation and Water Demand Management (WC/WDM) to address non-revenue water
Definition	MISA will support identified municipalities (Water Service Authorities) with the updating, development and/or implementation of Water Conservation/Water Demand Management Plans (WC/WDM). • Updating will entail reviewing of WC/WDMs 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. • MISA, in provision of technical support will provide identified municipalities with standard operating procedures aligned to strategies of WC/WDM.
Source of data	Technical Support Plans, No Drop Watch Report 2023 and Municipal Data.
Assumptions	• Baseline information need to be determined. (No Drop Watch Report 2023)



Assumptions	- 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
Desired performance	100% Achievement.
Indicator Responsibility	CD: IPDM

Indicator Title	MIG receiving municipalities increasing access to basic services on water, roads, solid waste and sanitation
Definition	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: - 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 with 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 municipalities.
Assumptions	• 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
Desired performance	100% achievement of target.
Indicator Responsibility	CD: IPDM

Indicator Title	Improvement of spatial planning and land use management for efficient infrastructure planning and infrastructure provisioning.
Definition	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: • 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



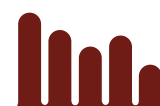
	In instances where development and or implementation requires funding, the municipality will budget for, or MISA will assist where funding is possible subject to availability of budget. However, MISA will where possible pursue relevant government agents to prioritise funding for spatial planning and land use management programs/spatial plans.
Source of data	SPLUMA Dashboard; SPLUMA compliant plans and systems; spatial plans; Municipal sector plans; and Spatial Development Frameworks.
Assumptions	- Municipalities will budget for Spatial Planning and Land Use Management Programs/Spatial Plans - MISA will allocate budget for Spatial Planning and Land Use Management Programs/Spatial Plans
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.
Desired performance	100% Achievement.
Indicator Responsibility	CD: IPDM

Indicator Title	Increased number of Water Services Authority (WSAs) developing and implementing Corrective Action Plans.
Definition	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: - 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. 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%.
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.
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
Desired performance	100% achievement.
Indicator Responsibility	CD: IAA

Indicator Title	Increased number of municipalities with infrastructure that has disaster and climate change adaptation measures.
Definition	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. 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:



	• 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).
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
Desired performance	100% achievement.
Indicator Responsibility	CD: IAA

Indicator Title	Increased number of WSA with technical capacity assessment undertaken.
Definition	The MISA technical support entails amongst others: • 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 Division of Revenue Act (DoRA).
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
Desired performance	100% achievement
Indicator Responsibility	CD: IAA

Indicator Title	Increased number of municipal officials provided with 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.
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



Desired performance	100% Achievement.
Indicator Responsibility	DDG: TSS

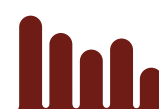
Indicator Title	DDM Catalytic Projects implemented in priority Districts.
Definition	To support identified district municipalities with the mobilisation of resources for the financing of catalytic infrastructure projects from both public and private sector sources, specifically targeting the four district municipalities Eastern Seaboard Region (Alfred Nzo, OR Tambo, Harry Gwala, Ugu).
Source of data	DDM One Plans, Sector departmental MTDP priorities and budgets, Sector.
Assumptions	• There is buy-in by the municipalities. • Identified projects are ESD catalytic projects of supported municipalities. • Funding for infrastructure projects is mobilised • 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.
Desired performance	100% achievement.
Indicator Responsibility	CD: PMO

Indicator Title	Strategic partnerships with other entities established to enhance municipal infrastructure development efficiency.
Definition	The objective of this indicator is to increase municipal support through partnerships with other government entities, the private sector and nongovernment / not for profit organisations and / or institutions of higher education on technical aspects of delivery chain. The support will include: • 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.



Assumptions	• There is buy-in by the municipalities; • There are projects on Social and Labour Plans; and • 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
Desired performance	100% achievement.
Indicator Responsibility	CD: Project Management

Indicator Title	Increased number of Water Service Authorities (WSAs) supported with Operations & Maintenance functionality through O&M systems and procedures and the implementation of Infrastructure Asset Management Plans.
Definition	MISA support to municipalities towards optimising utilisation of allocated infrastructure grant funds for infrastructure asset management related to water services, solid waste management and roads will include: • 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 infrastructure grants allocations for repairs, maintenance and refurbishment. • Assisting technical departments to get commitment from Councils or Chief Financial Officers/Municipal Managers to allocate infrastructure grants 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.



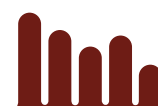
	- Assisting technical departments to get commitment from Councils or Chief Financial Officers/Municipal Managers to allocate infrastructure grants budgets to repairs and refurbishment projects. - Advising on the initiation and registration of the MIG-funded repairs, maintenance and refurbishment projects 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.
Assumptions	- 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
Desired performance	100% Achievement
Indicator Responsibility	DDG: Technical Support Services

Indicator Title	Increased number of technical municipal officials professionally registered with statutory bodies.
Definition	MISA will contribute towards professionalisation of the public service by assisting technical municipal officials to professionally register with statutory bodies and become members of relevant voluntary associations. This will improve service delivery through heightened ethical conduct in the execution of municipal infrastructure management responsibilities. Collaboration with the National School of Government will be considered to add value in preparing candidates for the local government environment.



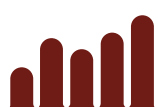
	MISA will contribute towards the local government skills gaps audit with the view to promoting professional registration of municipal officials with statutory bodies and voluntary associations.
Source of data	MISA performance reports on professionalisation of municipal officials.
Assumptions	Increased funding and improved stakeholder collaboration towards professionalisation of municipal officials.
Disaggregation of Beneficiaries (where applicable)	None
Spatial Transformation (where applicable)	At least 50% of the opportunities afforded to youth from the poorest priority rural districts.
Desired performance	100% achievement of target.
Indicator Responsibility	DDG: TSS

Indicator Title	Increased number of municipalities with improved infrastructure procurement compliance, governance enhance operational efficiency and self-reliance.
Definition	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: - Confirmation and verification of the outcomes of the assessments through physical engagements - Development of support material - Conduct the working sessions on - Local Government Infrastructure Delivery Management System (LG IDMS) and the LG IDMS Toolkit. - Local Government Framework for Infrastructure Delivery & Procurement Management (LG FIDPM), MFMA Circular 106 - Infrastructure Procurement Gates and Project Management Stages - Delegations and SCM BID committees' roles & responsibilities - Contract management, administration and monitoring - Standard Uniformity on infrastructure procurement bidding document. - 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 The subprogramme will provide support to 45 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.
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.
Assumptions	• 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
Desired performance	100%
Indicator Responsibility	Chief Director Framework Contracts and Infrastructure Procurement

Indicator Title	Maintain unqualified audit opinion over the medium-term period.
Definition	To ensure that all financial management processes and general internal control measures are adhered to resulting in accurate, valid and timely financial information produced, as well as compliant performance management.
Source of data	Financial and performance management systems used within the public sector
Assumptions	Effective internal control system, adequate human resource capacity and effective oversight



Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	To obtain clean audits
Indicator Responsibility	Chief Financial Officer

Indicator Title	Compliance with the organisation ethical management strategy foster a culture of ethical conduct within the organisation.
Definition	To provide management with the status of implementing the financial disclosure framework to promote ethical culture against fighting corruption
Source of data	Ethics management plan
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	To maintain 100% implementation of the ethics management plan.
Indicator Responsibility	Deputy Director: Risk Management

Indicator Title	Compliance with the organisation corporate services improvement plan.
Definition	To provide management with the progress on the implementation of corporate services improvement plan covering such functional areas as human resource management, legal services, communications, and security & facilities management.
Source of data	Approved Corporate Services Improvement Plan and quarterly progress reports.
Assumptions	• 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

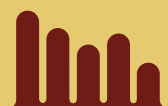


Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	Implementation of 100% of quarterly and annual deliverables in the approved CSIP
Indicator Responsibility	CD: CMS

Indicator Title	Information and Communications Technology initiatives implemented.
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
Assumptions	• 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
Desired performance	Implementation of 100% of annual deliverables in the approved ICT Annual Operational Plan.
Indicator Responsibility	D: GICTM



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

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