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Tho Universal Service and Access Fund

UNIVERSAL SERVICE AND ACCESS FUND

2018 – 2019
ANNUAL PERFORMANCE PLAN

GO DIGITAL

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Foreword by Chairperson of the Board

I am pleased to present the USAF Strategic Plan for the 2014 – 2019 planning cycle outlining the Fund's priorities as approved by the Board as the Agency's Accounting Authority.

In preparing this 2014-2019 Strategic Plan, the Board, in consultation with management and DTPS, has ensured that the identified USAF strategic objectives continue to support the effective implementation of the National Development Plan – 2030, the National Infrastructure Plan, the South Africa Connect Broadband Policy 2013 and the Medium Term Strategic Framework 2014 - 2019 (MTSF).

This comprehensive Strategic Plan sets out the Fund's strategic objectives and performance targets over the five-year period and it is complemented by the Agency's Annual Performance Plan for 2018 - 2019, setting out specific goals, key performance indicators and targets for the performance cycle.

The Agency's focus during the 2014 -2019 five – year period will be on the following key strategic priorities:

- Increased access to connectivity through the roll-out of electronic communication infrastructure
- Increased access to digital broadcasting services
- Improved accountability on project management of the infrastructure projects

USAF has made great strides in assisting the country to meet the developmental agenda set in terms of the National Development Plan and international commitments. To the extent that this affects universal service and access by facilitating the connection of villages to ICTs and establishing community access points, connecting primary healthcare facilities to ICTs, and connecting local government departments and these will continue to be focus areas during the 2018-2019 performance cycle. In achieving this, USAASA will continue to improve on social facilitation with local municipalities where deployment of broadband is taking place and also collaborate closely with all stakeholders for purposes of ensuring the best possible outcome for all parties. The mandate of the Agency requires a collaborative effort for the connected South Africa vision to be realised.

In consolidation of the Key Performance Indicators for the USAF Annual Performance Plan for 2018/19, the Board has ensured synergies between Broadband Infraco (BBI), Sentech, Department of Communications (DoC) and Department of Telecommunications and Postal Services (DTPS) in order to avoid the duplications of efforts and thus making a meaningful contribution towards connected South Africa. The deployment of broadband is aligned to the South Africa Connect Phase 1 Implementation Plan and henceforth Port St Johns and Ingquza Hill Local Municipalities in OR Tambo District Municipality, Eastern Cape will be recipients of the grant funding through the USAF for the rollout of electronic communications networks and services. The Board of the Agency will also work closely with the Council of the Independent Communications Authority of South Africa

(ICASA) in ensuring the quality of service provided to communities and thus improving the service delivery by the Agency.

The planning of the Key Performance Indicators for the Digital Broadcasting Migration programme is aligned to the Ministry of Communications deadline of June 2019 on ensuring every households earning below R3200 per month is subsidised for acquisition of a Set- Top-Box in ensuring universal access to digital broadcasting as per the requirements of the Broadcasting Digital Migration Policy. The Board working closely with Minister of Communications will expedite a service delivery model for effective implementation of the broadcasting digital migration programme within the allocated financial resources.

Resulting from an audit finding in the financial year 2016/2017 that the procurement process on the BDM project was flawed, the Board of USAASA after considering a legal opinion from Senior Counsel resolved to approach the High Court to review the procurement process and to invalidate the previous Board resolution in appointing a panel of service providers to supply set top boxes and related accessories.

The key focus of the Board is to ensure that all the current stock of the Set-Top- Boxes and related antennas that are in South African Post Office nationwide warehouses are distributed accordingly. Considerable effort will be spent towards ensuring that all litigation and arbitration processes on procurement of Set-Top-Boxes are concluded by the end of the financial year 2017/18 in order to path a way for a new procurement as required by the Ministry for Communications. The previous Board appointed 26 service providers and the High Court application was served on all 26 service providers as well as the Minister of DTPS and the Minister of Communications. The application was heard on 13th March 2018 in the High Court of North Gauteng and the order was granted to invalidate the procurement process. USAASA needs to file a supplementary affidavit whereby an order will be sought to suspend the invalidation of the contracts in respect of the contracted service providers i.e. CZ Electronics, Leratadima, QEC, TEMIC, Ellies, BUA resulting from the fact that USAASA procured from these service providers and many of these set top boxes and related accessories are being installed at the beneficiary's households.

Resulting from the Auditor General finding in 2016/217, which found that the procurement process was irregular, USAASA filed a complaint with the Competition Commission to investigate possible collusive tendering. The Competition Commission has not as yet concluded their investigation into collusive tendering in relation to the procurement processes of the BDM Project.

The Board has, with the goal of Universal Service and Access at the core of everything USAASA does, put a considerable effort into ensuring that corporate governance structures are strengthened as these provide assurance to our stakeholders regarding that the Fund operates efficiently, effectively and transparently. Measures applied include reviewing the said structures Terms of Reference. The Board will also ensure that the Agency puts in place the effective Annual Work Plans and the Service Charter to be signed by the Board and Executive Management in the next financial year.

In closing, the Board re-affirms its commitment to providing strategic guidance that will develop USAF into a well-resourced entity that is optimally positioned for delivering on its mandate and realise that this can only be achieved through 100% dedication to the achievement of the Fund's strategic goals by the USAF team.

The continuous support from the Portfolio Committee on Telecommunications and Postal Services and the Ministry in spurring the Agency towards its goal of universal access and service to ICT for all must be acknowledged as it serves as a continuous reminder of the huge responsibility the Fund has in contribution to the closure of access gaps and developing South Africa as a knowledge society.

Sincerely,

Mawethu Cawe
Chairperson: USAASA Board of Directors

Overview by the Chief Executive Officer

I am pleased to present the Annual Performance Plan for the Universal Service and Access Fund (USAF) reflecting the Fund's pre-determined objectives, key performance indicators and targets for the 2018 - 2019 performance cycle. This is part of the Medium Term Strategic Framework (MTSF) 2014-2019 in line with the Government's strategic plan. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government. The MTSF 2014-19 is a five-year building block to achieve the NDP vision 2030.

The National Development Plan (NDP) 2030, which underpins the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous, requires South Africa to sharpen its innovative edge and continue contributing to global scientific and technological advancement. This is also emphasised by the New Growth Path and Nine-Point Plan priorities of Government, which seek to promote rapid deployment of ICT infrastructure and broadband rollout aimed at igniting economic growth and a vibrant knowledge society.

The Fund has a mandate that is expressed in both the Constitution of South Africa (section 16 of The Bill of Rights) and in the underpinning legislation – the Electronic Communications Act 36 of 2006 - as amended, which now enables USAASA as an administrator of USAF to collect all the licensed operator levies due to the Universal Service Fund (USAF) from the Independent Communications Authority of South Africa (ICASA). The USAF pre-determined objectives, key performance indicators and targets for the 2018/19 financial year as outlined in this Annual Performance Plan have been prepared in accordance with the Fund's mandate.

Delivery under the new National Integrated Information Communication Technology Policy (ICT Policy), requires major shifts in the policy environment. These changes create a more transparent and equitable ICT environment. It allows government to roll out quality communications and broadband infrastructure to reach all areas of the country and ensure universal access and services. This policy paves the way for the start of a legislative program that will amend laws where necessary, set up new proposed structures or institutions, guide government interventions, improve access to modern communications and postal infrastructure and services for all, improve the ability of all citizens to meaningfully participate in the digital economy and simplify the regulatory regime to foster competition and make it easier to comply. The ultimate goal is to ensure that everyone, regardless of who they are, where they live or their social or economic standing, can benefit from the opportunities offered by ICT either on an individual or shared basis.

The establishment of the DDF is seen as an important lever to high-speed broadband and a response to the National Development Plan, "*By 2030, ICT will underpin the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous. A seamless information infrastructure will be universally available and accessible and will meet the needs of citizens, business and the public sector, providing access to the creation*

and consumption of a wide range of converged services required for effective economic and social participation – at a cost and quality at least equal to South Africa's main peers and competitors."

To effect the above, the DDF will replace the Universal Service and Access Fund and will focus on the extension of infrastructure, end user and equipment subsidies, support digital literacy and skill development, funding to extend access to digital government services, and support for innovative use by SMMEs of ICTs to improve productivity, sustainability and competitiveness. Furthermore, all South Africans will establish the DDF to manage the universal service funds and to manage the rollout of programmes to address the digital divide and ensure universal access to infrastructure and services.

The introduction of the DDF contributes to the existence of all technological advancements that is evidence by the Fourth Industrial Revolution. It is envisaged that the DDF and the other amendments made will contribute substantially to innovation and become the new driver of economic growth in Africa.

In pursuant of a more accountable organisation and improved reporting, USAASA and USAF embarked on a process that collectively defined the strategic goals, objectives, key performance indicators and targets. In order to ensure complete buy-in, the board, management and employees met and agreed upon what USAASA/USAF must accomplish, to what standard, and also the competencies needed to effectively accomplish the stated performance targets.

Once the agreement was reached, operational plans were developed directly linking to the overall organisational planning process. The Key Result Areas (KRAs) and Key Performance Indicators (KPIs) for team and individual performance was extracted from the APP. A discussion on the outcomes and also behaviours for achievement of the goals, objectives and targets took place at this stage. The cascade approach was used and the goals, objectives and targets were cascaded to individual performance plans in team working sessions. Each business/functional head deliberated on the interventions to be included in the annual plan and defined key initiatives that will support the same. Activities were cascaded down the organization and translated into objectives at the individual level.

The USAF continues to face challenges in terms of operating with limited financial resources, which impacts negatively on its ability to stretch its projects far beyond what it is currently able to achieve and have a much broader reach in terms of closing universal service and access gaps in the country. We, however, remain confident that our shareholder will assist by ensuring its continued financial stability of the Fund.

USAF APP 2018/19 complies with SMART principles and is in line with National Treasury (NT) Regulation, which introduced use of output targets and performance reporting against Strategic Plan and APP, and Guidelines on the formulation of performance targets and reporting against these, such as the Framework for Managing Programme Performance Information (FMPPI). The APP ensures that the auditing of performance against predetermined objectives, which involves auditing of actual reported performance against predetermined objectives, indicators and targets as

contained in the Annual Performance Report; is not only compliant with relevant laws and regulations, but useful and reliable reported performance information.

Subsequent to the achievement on an unqualified AG audit opinion for USAF in 2016/17, the focus of the USAASA team responsible for administering USAF will remain on strengthening financial and other internal controls with the aim of obtaining a clean 2018/19 audit opinion from the Auditor General.

In conclusion, sincerest gratitude goes to Team USAASA for their contribution to supporting the project delivery of USAF and the unwavering commitment to pursuing the goal of universal service and access to ICT's for all.

Sipho Selby Mngqibisa
Acting Chief Executive Officer

OFFICIAL SIGN – OFF

It is hereby certified that this Annual Performance Plan:

Was developed by the management of Universal Service and Access Agency of South Africa (USAASA) under the guidance of USAASA Board of Directors.
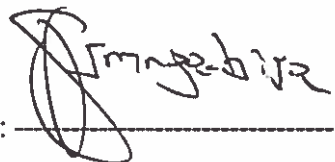
Was prepared in line with the current Strategic Plan of Universal Service and Access Fund (USAF) 2014-2019.

Accurately reflects the performance targets which USAASA will endeavour to achieve on behalf of USAF given the resources made available in the budget for 2018/19 financial year.

Mahomed Chowan
Chief Financial Officer

Signature: _____

Sipho Mngqibisa
Head Official Responsible for
Planning

Signature: _____

Sipho Mngqibisa
Acting Chief Executive Officer

Signature: _____

Mawethu Cawe
Chairperson: USAASA Board of
Directors

Signature: _____

Dr. Siyabonga Cwele, MP
Minister: Department of
Telecommunications and Postal
Services

Signature: _____

LIST OF ACRONYMS

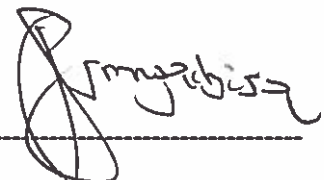|	
AG	Auditor General
APP	Annual Performance Plan
BBBEE	Broad-based Black Economic Empowerment
BDM	Broadcasting Digital Migration
CEO	Chief Executive Officer
DDF	Digital Development Fund
DTPS	Department of Telecommunications and Postal Services
EC	Eastern Cape
ECA	Electronic Communications Act
ERP	Enterprise Resource Planning
FS	Free State
GRAP	Generally Recognised Accounting Practice
GATS	General Agreement on Trade in Services
HR	Human Resources
HRD	Human Resource Development
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IT	Information Technology
ITU	International Telecommunication Union Busan Resolution of 2014
KRA	Key Result Areas
KZN	KwaZulu-Natal
LP	Limpopo
MBPS	Mega Bits per Second
MP	Mpumalanga
MTEF	Medium Term Expenditure Framework
NC	Northern Cape
NDP	National Development Plan
NGP	New Growth Path
NW	North West
OD	Organisational Development
PICC	Presidential Infrastructure Coordinating Commission
REMCO	Human Resources & Remuneration Committee
R&D	Research and Development
RDP	Reconstruction and development Plan
SANRAL	South African National Roads Agency Limited
SAP	Systems, Applications and Products
SAPO	South African Post Office
SCM	Supply Chain Management
SIP 15	Strategic Integrated Plan 15
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
USAF	Universal Service and Access Fund
USAASA	Universal Service and Access Agency of South Africa
WSP	Work Skills Plan
WSIS	World Summit on the Information Society
WTO	World Trade Organisation

PART A:

STRATEGIC OVERVIEW

1. VISION

Universal Access and Service to ICT for All.

2. MISSION

- To facilitate the rollout of adequate Information and Communication Technology (ICT) infrastructure to enable universal access to under-serviced areas in South Africa.

- To facilitate ICT service to under-serviced areas and thereby contributing to the reduction of poverty and unemployment in South Africa.

- To promote and pursue the goal of Universal Access and Services and contribute to the sharing and preservation of information in order to build South Africa's sustainable knowledge society.

3. VALUES

The following values essentially capture what the Agency stands for and they guide USAASA's efforts towards achieving the set strategic objectives:

USAASA Values	
• **Batho Pele** – We believe in providing excellent, efficient and effective service to all customers and stakeholders. • **Integrity** – We uphold high standards of trust; condemn bribery and corruption; and uphold honesty and respect in all interactions with stakeholders. • **Transparency** – We encourage openness in all our activities.	• **Accountability** – We foster employee ownership and responsibility in ensuring quality service **Innovation** – We support employee creativity in delivering all our services. • **Teamwork** – We strive to create a harmonious work environment, where all employees and contributors are respected.

4. UPDATED SITUATIONAL ANALYSIS

4.1 Performance Delivery Environment

National Context

Broadband was essentially introduced to South Africa with the launch of ADSL, Sentech MyWireless, iBurst and 3G services around 2004. At that time, service speeds were typically in the range 256-384kbps. In 2010 the Minister of what was then the Department of Communications, published a national broadband policy. This was replaced in December 2013, the document entitled South Africa Connect: Creating opportunities, ensuring inclusion: South Africa's Broadband Policy was published by the Department of Communications (DoC) on 6 December 2013 in terms of section 3 (1) of the Electronic Communications Act No 36 of 2005 (ECA). This policy document was prepared against the backdrop of the National Development Plan and various other national policy initiatives.

FIGURE 1: EVOLUTION OF BROADBAND SERVICES IN SOUTH AFRICA[1]
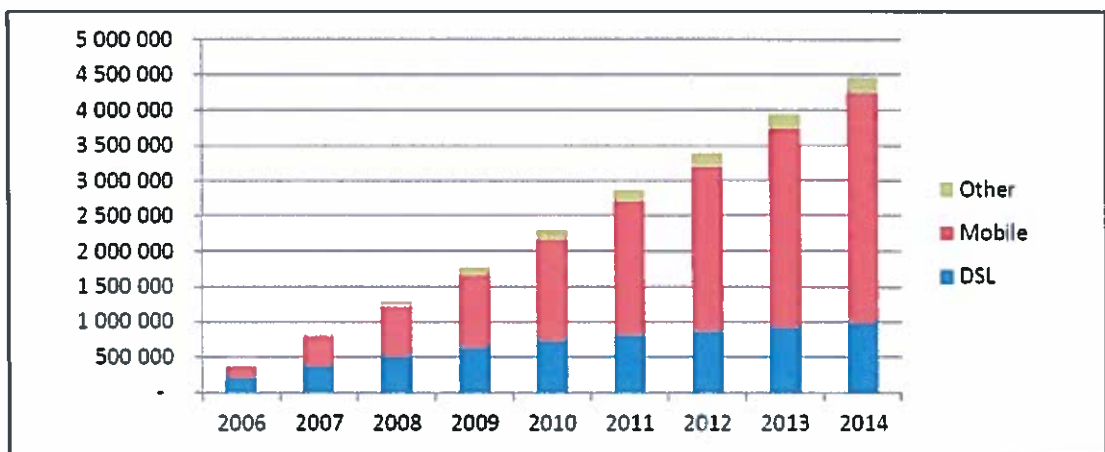
Access technologies have evolved over time. The status quo for the components can be summarised as:

- The policy document cannot operate in a vacuum and it cannot be implemented by one department alone –coordination and cooperation of the sort envisaged in the Constitution, is required. In addition, to make policy meaningful it must be implemented by the relevant regulatory authority. Where policy goals cannot or will not be achieved unless licensees are part of the process, regulatory intervention in the form of coverage obligations, contributions to universal service and access, and even quality of service standards will be necessary.

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[1] SA Connect: A review by BMI-TechKnowledge, 2015

- The ECA, as amended in May 2014, contains a new section requiring the formation of a National Broadband Council to perform various detailed functions, report to, and advise the Minister on policy and implementation. However, SIP15, a strategic infrastructure project for telecommunications, formed under the Presidential Infrastructure Coordination Committee and pursuant to the National Development Plan, also has some responsibility for broadband, as does the Steering Committee provided for in the Infrastructure Development Act, 2014.
- Structured with 4 pillars –Digital Readiness, Digital Development, Digital Future and Digital Opportunity –the SA Connect policy has become the basis on which various levels of government, including local and district municipalities, have begun procurement processes to create digital cities or WiFi zones within their area of jurisdiction.
- Mobile broadband services have progressed from 3G to HSPA to HSPA+ and LTE since late 2013. Service speeds followed a progression from 2Mbps to 13Mbps to 26Mbps to 42Mbps and even 50Mbps or higher for LTE. The prevailing rate for these services is R50/GB.
- Other broadband services include wireless services offered by iBurst, Neotel CDMA2000 EV-DO, WISP and VSAT. Prices are between the fixed and mobile rates detailed above. Broadband VSAT services have now dropped in price and packages offering DSL-like services are available around the R75/GB mark.
- Coverage – the plethora of research undertaken concludes that the overall, the state of Internet access varies across South Africa. In comparison to the cities and towns, the rural areas have limited access. Mobile broadband services are available in most populated parts of the country. Access to internet and broadband services is not, however, uniform across South Africa. For obvious reasons, operators have stuck to more densely populated areas and it is unclear how and if they will extend into less well-served areas absent a regulatory obligation to do so.

Disappointedly, and despite some progress in this regard, when considering the parameters of speed and percentage adoption, South African broadband in 2015 does not even measure up to that of the broadband in developed nations over seven years ago.

The National Development Plan Vision 2030 states that "a single cohesive National e- Strategy is essential to ensure the diffusion of ICTs in all areas of society and the economy. ICT as an enabler, can speed up delivery, support analysis, build intelligence and create new ways to share, learn and engage". The focus of 2017 can be characterised by: (i) focused service delivery; (ii) commitment to the National Development Plan (NDP) by implementing programs that support the development of an inclusive dynamic information society and knowledge economy by increasing broadband penetration and developing a comprehensive and integrated e-strategy that reflects the cross-cutting nature of ICT; and (iii) expand, modernise and increase the affordability and accessibility of information and communications infrastructure and electronic communication services, including broadband and digital broadcasting.

The agency works with both DTPS and Department of Communications. USAASA works with DTPS on telecommunications and broadband universal service and access and with Department of Communications on broadcasting issues and digital migration.

Changes in the Policy Environment

The National ICT Integrated White Paper Policy was adopted by the South African Cabinet in September 2016 and aims to achieve a 'people-centred, development orientated and inclusive digital society'. The National ICT Integrated White Paper Policy has a dedicated focus on the digital transformation of public service where ICT is used to enhance service delivery to the general public and directs for the development of the National e-Government Strategy and Roadmap.

The Government e-Strategy and Roadmap (10 November 2017) translates builds on various policies within the ICT and related sectors amongst them the Integrated ICT Policy White Paper and the ICT RDI Roadmap and the Industrial Policy Action Plan. It seeks to ensure a coordinated approach to the implementation of various initiatives arising from these and other government policies. The National e-Strategy should be viewed together with these and other policies to establish an ecosystem as the basis of the digital society. Within this overall strategic construct, instead of being an omnibus of all ICT initiatives, the e-Strategy would focus on initiatives that have a significant, catalytic potential on growth and development with a long-term view to transition the economy to the Digital Industrial Revolution. [2]

The National e-Government Strategy and Roadmap is to guide the digital transformation of public service in South Africa into an inclusive digital society where all citizens can benefit from the opportunities offered by digital technologies to improve their quality of life. As indicated above, the National Development Plan (NDP) of South Africa stipulates that by 2030, Government will make extensive use of ICT to engage with and provide services to citizens. This will be achieved through "an enabling coordinated and integrated e-Strategy" that cuts across government departments and sectors. The National e-Strategy as a Digital Economy Plan for South Africa to achieve an inclusive digital society and internet economy, because it guides the National e-Government Strategy and Roadmap that defines the parameters and forward-looking strategies for the use of the ICTs in a government. in the main the purpose of the National e-Government Strategy and Roadmap is to guide the digital transformation of public service in South Africa into an inclusive digital society where all citizens can benefit from the opportunities offered by digital technologies to improve their quality of life.

One such strategy that will be developed will inform the establishment of the DDF is seen as an important lever to high-speed broadband and a response to the National Development Plan, "*By 2030, ICT will underpin the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous. A seamless information infrastructure will be universally available and accessible and will meet the needs of citizens, business and the public sector, providing access to the creation and consumption of a wide range of converged services required for effective economic and social participation – at a cost and quality at least equal to South Africa's main peers and competitors.*"

To give effect to the above, the DDF will replace the Universal Service and Access Fund and will focus on the extension of infrastructure and end user subsidies, support digital literacy and skill development, funding to extend access to digital government services, and support for innovative use by SMMEs of ICTs to improve productivity, sustainability and competitiveness. Furthermore, the DDF will be established to manage the universal service funds and to manage the rollout of programmes to address the digital divide and ensure universal access to infrastructure and services by all South Africans.

The introduction of the DDF contributes to the existence of all technological advancements that is evidence by the Fourth Industrial Revolution. It is envisaged that the DDF and the other amendments made will contribute substantially to innovation and become the new driver of economic growth in Africa.

International Context

South Africa is a signatory to the General Agreement on Trade in Services (GATS), entered into by members of the World Trade Organisation (WTO) and binds the members to the agreed rules and regulations. The jurisdiction of the agreements affects domestic legislation and rules of trade, as these may never contravene the WTO commitments and obligations without authorisation. The commitment obligation within the GATS relate to, within the ICT sector, providers of electronic communication services, electronic communication network services and broadcasting services.

The spread of information and communications technology and global interconnectedness has great potential to accelerate human progress, to bridge the digital divide and to develop knowledge societies, as does scientific and technological innovation across areas as diverse as medicine and energy. Sustainable Development Goal 9 states "Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2020 and 2030"[3]

TEXT BOX 1: SUSTAINABLE DEVELOPMENT GOALS

9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States

9.b   Support domestic technology development, research and innovation in developing countries, by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

9.c   Significantly increase access to information and communications technology and strive to provide affordable universal access to the Internet in least developed countries by 2020

Based on internationally agreed development goals, including those in the Sustainable Development Goals, which are premised on international cooperation, indicative targets may serve as global references for improving connectivity and access to the use of ICT in promoting the objectives of the WSIS Plan. The ITU Busan Resolution of 2014 reviewed the WSIS Goals targets and came out with

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[3] Sustainable Development Goals: Resolution adopted by the General Assembly on 25 September 2015

Connect 2020 Vision which envisions "An information society, empowered by the interconnected world, where telecommunications/ICT enable and accelerate social, economic and environmentally sustainable growth and development for everyone." A number of goals have been set as per the table below:

TABLE 1: CONNET 2020 GLOBAL GOALS AND TARGETS:[4]

GOAL	TARGETS
Goal 1: Growth - Enable and foster access to and increased use of ICT's.	• 55% of households should have access to the internet
	• 60% of individuals should be using the internet
	• 40% ICT's should be 40% more affordable
Goal 2: Inclusiveness – Bridge the digital divide and provide broadband for all	• 50% Of houses should have access to the internet in the developing world; • 15% in the least developed countries
	• 50% Of individuals should be using the internet in the developing world; • 20% in the least developed countries
	• 40% Affordability gap between developed and developing countries should be reduced by 40%
	• 5% Broadband services should cost no more than 5% of average monthly income in the developing countries
	• 90% Of the rural population should be covered by broadband services
	• Gender equality among internet users should be reached
	• Enabling environments ensuring accessible ICT's for persons with disabilities should be established in all countries
Goal 3: Sustainability – Manage challenges resulting from the ICT development	• 40% Improvement in cybersecurity readiness
	• 50% Reduction in volume of redundant e-waste
	• 30% Decrease in Green House Gas emissions per device generated by the ICT sector
Goal 4: Innovation & partnership – Lead, improve & adapt to the changing ICT environment	• ICT environment conducive to innovation
	• Effective partnerships of stakeholders in the ICT environment

It is widely held that broadband in South Africa has lagged that of other countries. Indeed, around 2009 and 2010 with the commissioning of the SEACOM and EASSy cables, plus WACS in 2012, South Africa anticipated it would soon close the gap. However, as shown in Figure 2, when considering the parameters of speed (measured in kbps) and percentage adoption, South African broadband in 2015 does not even measure up to that of the broadband in developed nations over seven years ago.

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[4] Source: ITU website

4.2   Organisational Environment

The organisational environment is impacted externally by the changing policy environment, the White Paper on ICT and the development of the Bill has impacted on the delivery by USAF. The situation was exacerbated by the maturity of the internal environment. The embryonic development of policies and procedures that enable more effective and efficient delivery and the limited application of these policies and procedures, limited some of the successes that could have been achieved in the 2017/2018 financial year.

The work environment requires effective organisational performance. An effective organisation should have a set clear and unambiguous goals and objectives that can be measured by SMART indicators across the organisation. Second the goals and objectives set should be agile enough to respond to the frequent changes as a result of external factors (for example the economy, shifts in political imperatives). Third a mechanism should be available for effective and regular feedback among all team members as USAASA and USAF have matrix organisational structures.

In pursuant of a more accountable organisation and improved reporting, USAF embarked on a process that collectively defined the strategic goals, objectives, key performance indicators and targets. In order to ensure complete buy-in, the board, management and employees met and agreed upon what USAASA/USAF must accomplish, to what standard, and also the competencies needed to effectively accomplish the stated performance targets.

Once the agreement was reached, operational plans were developed directly linking to the overall organisational planning process. The Key Result Areas (KRAs) and Key Performance Indicators (KPIs) for team and individual performance was extracted from the APP. A discussion on the outcomes and also behaviours for achievement of the goals, objectives and targets took place at this stage. The cascade approach was used and the goals, objectives and targets were cascaded to individual performance plans in team working sessions. Each business/functional head deliberated on the interventions to be included in the annual plan and defined key initiatives that will support the same. Activities were cascaded down the organization and translated into objectives at the individual level.

5.   Revisions of Legislative and other Mandates

5.1   Constitutional Mandates

The Constitution of South Africa (1996) describes the Bill of Rights as a cornerstone of democracy in South Africa and states that: "It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom". Section 16 of the Bill of Rights is one of the sections underpinning the higher guiding principle of USAASA's mandate to provide access and service that will ensure freedom of expression for the people of South Africa:

16. Freedom of Expression

1. Everyone has the right to freedom of expression, which includes –
   a. Freedom of the press and other media;
   b. Freedom to receive or impart information or ideas;
   c. Freedom of artistic creativity; and
   d. Academic freedom and freedom of scientific research.

The right to free expression has been interpreted as a right to the resources, facilities and infrastructure. It follows that the right to have access to telecommunication resources, facilities and infrastructure is a basic right in South Africa. In addition, Section 32 of the Bill of Rights also describes the "Right to information" and if access is limited due to a lack of ICT resources, facilities and access, this right cannot be fulfilled.

5.2   Legislative Mandates

The existence, functions, duties and mandate of the Agency are governed by sections 80 – 91 of the Electronic Communications Act 36 of 2005 ("the ECA") which came into operation on 19 July 2006. The new amendments to ECA, which have a direct bearing on governance of the Agency, came into operation on 21 May 2014.

The Agency is a public body as confirmed by Schedule 3A of the Public Finance Management Act 1 of 1999.

The ECA establishes a Board of the Agency (appointed by the Minister of Telecommunications and Postal Services). The Board, in turn, appoints a Chief Executive Officer (CEO) in concurrence with the Minister. The Agency is under the direction and control of the CEO and it is funded by money appropriated by parliament. The ECA also established the Universal Service and Access Fund ("the Fund") which is financed by contributions from electronic communications service, electronic communications network service and broadcasting service licensees. The money in the Fund must be utilised for specific subsidies to needy persons, underserviced areas and educational institutions.

In terms of the ECA the Agency, must: strive to promote the goal of universal access and universal service;
• encourage, facilitate and offer guidance in respect of any scheme to provide universal and access, universal services or telecommunication services in terms of the Reconstruction and development Plan (RDP);
• foster the adoption and use of new methods of attaining universal access and universal service;
• make recommendations to enable the Minister to determine what constitutes universal access, universal service and under serviced areas;
• conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities;

- continually survey and evaluate the extent to which universal access and service have been achieved;
- make recommendations to the Minister in relation to policy on any matter relating to universal access and universal service;
- advise the Authority (ICASA) on any matter relating to universal access and universal service;
- continually evaluate the effectiveness of this Act and things done in terms thereof towards the achievement of the goal of universal access and universal service;
- manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act;
- submit annual reports in its operations, budget and expenses to the Minister;
- utilise the USAF exclusively for the payment of certain subsidies; and
- provide incentives to network licensees to construct operate and maintain networks in areas declared under-serviced by ICASA.

In terms of the most recent amendments to the ECA (2014), the distinction between public and independent schools and between public and private colleges has fallen away and the scope of application for USAF subsidies has been increased to include provision to independent schools, private colleges and primary health care facilities; in addition, USAASA is subjected to the Public Finance Management Act to improve its governance. The amendments also seek to ensure there is consistency in terms of provisions relating to universal access, universal service and needy persons. Finally, the Minister of Telecommunications and Postal Services, acting with the concurrence of the Minister of Finance, may prescribe additional uses of money held in USAF.

The National Integrated Information and Communication Technologies (ICT) Policy White Paper that was approved by Cabinet on 28 September 2016 makes recommendations with respect to new or amended legislation arising from the White paper. The most significant proposal with respect to universal service and access relates to the creation of a Digital Development Fund which would replace USAASA and USAF. It would exclude the policy making and regulation making functions currently with the Agency, and the Fund would be responsible in the main for identifying, awarding and managing projects

5.3   Policy Mandates

5.3.1 Medium-Term Strategic Framework

The next five years Medium Term Strategic Framework (MTSF) priorities are:

1) Creation of more jobs, decent work and sustainable livelihoods for inclusive growth;
2) Rural development, land reform and food security;
3) Education;
4) Health; and
5) Fighting crime and corruption.

These priorities are supported by various strategies. USAASA is directly impacted by the first priority, related to economic growth and job creation through industrialisation and infrastructure expansion.

USAASA directly operates in the ICT space, and it is further indicated in the priorities that there is a need to expand access rapidly the use of ICT infrastructure through:

- Investing in a comprehensive plan to expand broadband access throughout the country and substantially reduce the cost of communication;
- Connect all schools, public health and other government facilities through broadband by 2020, and at least 90% of communities should have substantial and superfast broadband capacity by 2020;
- Support and develop free-Wi-Fi areas in cities, towns and rural areas.

5.3.2 National Development Plan

The National Development Plan (NDP) aims to eradicate poverty, increase employment and reduce inequality by 2030. The NDP encompasses other critical policy instruments, which are also driving governments' policy agenda, and these are:

- The New Growth Path (NGP), which focuses on economic development;
- The National Infrastructure Plan, which guides the roll-out of infrastructure and includes the Presidential Infrastructure Coordinating Commission (PICC) launched Strategic Integration Project (SIP-15);
- Industrial Policy Action Plan, which supports the re-industrialisation of the economy.

NDP goals that have an influence on USAASA's strategy and work include:

- Implementation of an integrated e-strategy for the country;
- 100% broadband penetration by 2020 (>2mbs);
- By 2030 deployment of a full range of government, educational, and informational services.

5.3.3 New Growth Path strategies:

Jobs Driver 3: Seizing the potential of new economies. Technological innovation opens the opportunity for substantial employment creation.

New Growth Path targets the creation of 100,000 new jobs by 2020 in the knowledge-intensive sectors of ICT, higher education, healthcare, mining-related technologies, pharmaceuticals and biotechnology.

5.3.5 South Africa's Broadband Policy: South Africa Connect

In terms of the Electronic Communications Act, 2005 (Act No.36 of 2005), the Department of Communications of South Africa published a policy document "South Africa Connect: Creating Opportunities, Ensuring inclusion: South Africa's Broadband Policy". This was gazetted on 6 December 2013.

Table 2 SA Connect Targets

Target	Penetration Measure	Baseline (2013)	By 2016	By 2020	By 2030
Broadband access in Mbps user experience	% of population	33.7% Internet access	50% at 5Mbps	90% at 5Mbps 50% at 100Mbps	100% at 10Mbps 80% at 100Mbps
Schools	% of schools	25% connected	50% at 10 Mbps	100% at 10Mbps 80% at 100Mbps	100% at 1Gbps
Health facilities	% of health facilities	13% connected	50% at 10Mbps	100% at 10Mbps 80% at 100Mbps	100% at 1Gbps
Public sector facilities	% of government office		50% at 5Mbps	100% at 10Mbps	100% at 100Mbps

SA Connect is a four-pronged strategy, consisting of 4 "sub-strategies" which will move the country from the current state to achieving its targets over the next ten years. The four prongs or 'sub-strategies' of SA Connect are:

- Digital readiness
- Digital development
- Digital future
- Digital opportunity

Each of the strategies is depicted in the diagram below.

Figure 3: SA Connect Strategies[5]
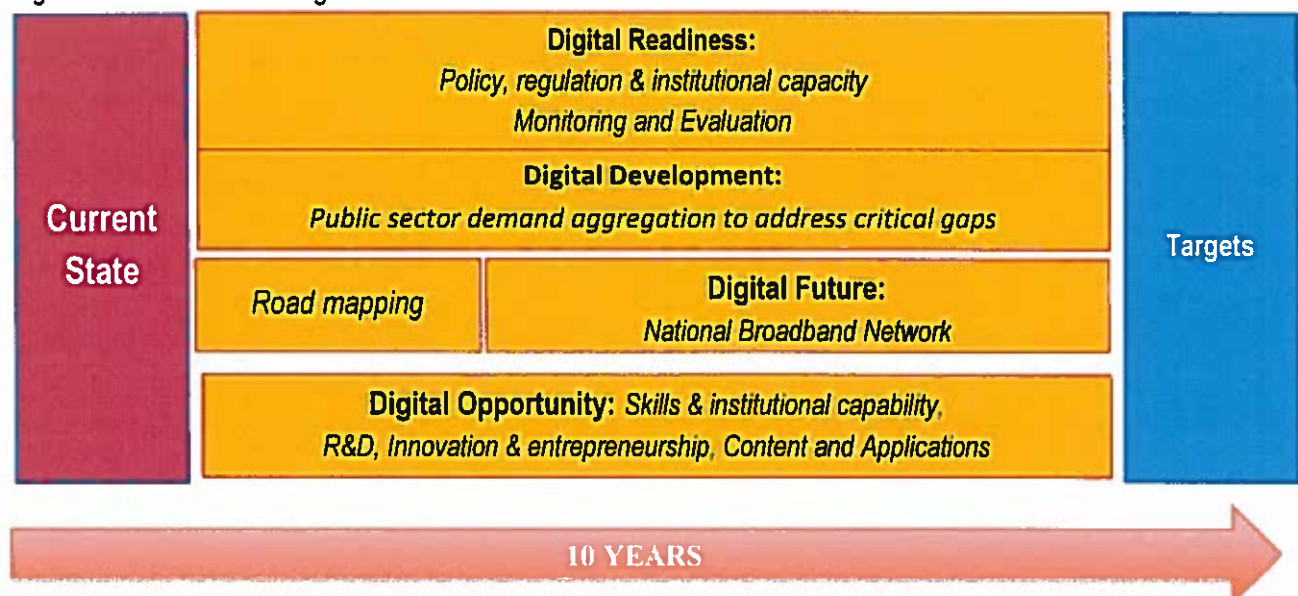
SA Connect guides the ICT sector as a whole, and USAASA in particular, in terms of the approach that must be taken to promote broadband deployment, usage and uptake in the country.

5.4 Planned Policy Initiatives

5.4.1 ICT Policy Review
The ICT Policy review process was guided by three main institutional frameworks which guided the research and review of all existing policy. The table below unpacks each institutional framework into focus areas.

FIGURE 4: ICT POLICY REVIEW – INSTITUTIONAL FRAMEWORKS

Supply Side / Infrastructure	Demand Side / Uptake and Usage	Industry Growth
• Spectrum Policy • Open Access & Facilities Sharing – OAWN and OAFN • Rapid Deployment • Competition • Account Separation • Interconnection • Numbering • Licensing Framework • Universality – Availability, Accessibility, Interoperability, Quality	• E-Government • Universal Access – Affordability, E-Literacy, Awareness, Relevance, Language • E-Commerce • Competition • Applications and Services • Trust and Security • Other content	• R & D • Manufacturing • BBBEE • Skills Development • Green ICT • e-Waste

INSTITUTIONAL FRAMEWORKS
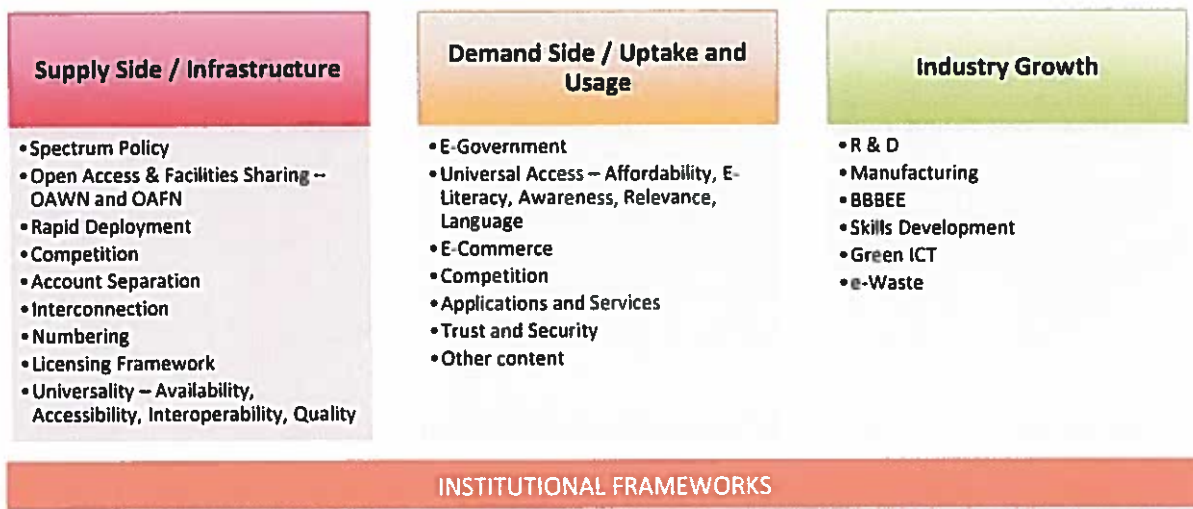
The National Integrated Information and Communication Technologies (ICT) Policy White Paper that was approved by Cabinet on 28 September 2016 will have implications on Universal Service. It proposes the revision of services and access based on the outcome of the research conducted to support the policy revision. The White Paper further suggests that USAASA should be reformulated into a Digital Development Fund and stipulates contributions by licensees into the fund. Lastly, the report revises the USAASA institutional framework.

The establishment of a Digital Development Fund will effectively remove USAASA's policy making and regulatory functions, leaving the organisation to focus on funding and project management. The motivation behind this shift in institutional framework is to allow USAASA to focus on its main priority which is service and access delivery to the nation.

4.4.2 SA Connect: 4 - Pronged Strategy
SA Connect guides the ICT sector as a whole, and USAASA in particular in terms of the approach taken to promoting broadband deployment, usage and uptake. In all the work that USAASA does, it asks itself, 'how does this contribute to meeting the SA Connect targets?' A further consideration is,

in what area of SA Connect is the Agency doing the most work? The pillars of USAASA's 2014 – 2019 strategy all take forward SA Connect.

The SA Connect Strategy can be summarised into two main interventions, the demand side intervention, and the supply side intervention.

- The supply intervention focuses in infrastructure development through private-public investment, creating completion in the industry, building an access or core network, encouraging and facilitating infrastructure sharing, coordinating building programmes for efficiency, and promoting universal access through efficient spectrum allocation and use.
  The demand side intervention focuses on driving uptake and usage through the provision of affordable services and devices, using the government as an anchor tenant for the core network, aligning the regulatory framework, facilitating ICT skills development and e-literacy, and enabling the development of local content, applications, and niche manufacturing.
- The SA Connect targets are reviewed periodically and supplemented by pricing and quality of service targets as well as speed of installation and fault repair – this review is the domain of ICASA.

6. OVERVIEW OF 2018/2019 BUDGET AND MTEF ESTIMATES

The USAF funding allocation is appropriated by Parliament through the Department of Telecommunications and Postal Services. This budget allocation is for the delivery of USAF projects pertaining directly to the expansion of ICT services and access in under-served areas in South Africa.

6.1 Expenditure Estimates

The Fund's main source of revenues is transfers received from the Department of Telecommunications and Postal Services. To deliver on this strategy, USAF will require financial resources for the 2017/18 – 2019/2020 three-year period as illustrated on the table below:

R thousand (R'000)	Audited Outcome 2014/15	Audited Outcome 2015/2016	Audited Outcome 2016/17	Estimated Performance 2017/18	Medium-Term Estimates 2018/19	Medium-Term Estimates 2019/20	Medium-Term Estimates 2020/2021
Revenue							
Tax revenue							
Non-tax revenue	50 997	98 452	108 696				
Transfers received	840 988	233 540	644 540	133 712	95 661	115 018	121 094
Total revenue	**891 985**	**331 992**	**753 236**	**133 712**	**95 661**	**115 018**	**121 094**
Expenses							
Current expenses							
Compensation of employees	-	-	-	-	-	-	-
Goods and services	70 126	66 738	96 469	133 712	95 661	115 018	121 094
Total expenses	**70 126**	**66 738**	**96 469**	**133 712**	**95 661**	**115 018**	**121 094**
Surplus/(Deficit)	821 859	265 254	656 767				

6.2 Relating Expenditure Trends to Strategic Outcome Oriented Goals

USAF Financial Estimates		Estimated Performance		
Rand thousand	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/2021 R'000
Project Costs	3 522	3 727	3 936	4 152
Broadband infrastructure in under-serviced areas	31 227	33 037	34 887	36 806
Rapid deployment and connectivity	19 865	21 017	22 194	23 415
Broadcasting digital migration programme	79 098	37 880	54 001	56 721
Total Expenditure	133 712	95 661	115 018	121 094

The table above depicts the USAF budget allocation for the 2018/19 financial year and the Medium-Term Expenditure Framework funding allocations.

Over the medium - term USAF is spending focus will be on:

- the rollout of broadband infrastructure and provision of set-up boxes to identified underserviced municipal areas (including educational institutions, ICT centres and primary healthcare facilities);

- the rolling out of broadcasting digital migration and the main cost drivers will be subsidising the provision of set-top boxes and antennas to identified television owing needy households, and

- maintaining existing broadband networks to connected sites in underservices areas (i.e. within the initial 2-year period).

PART B:

PROGRAM AND SUB-PROGRAM PLANS

7. PROGRAM 1: BUSINESS OPERATIONS

The functions of USAF as per Section 82 of the ECA can be summarised as that of a facilitator and monitoring role to improve research capacity on universal service and access and to make recommendations to the Minister on policy issues. It has a mandate to provide accurate and credible information on universal service and access gaps.

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

Key objectives and outputs detailed in this APP have been drawn and aligned to the Universal Services and Access Strategy. The 2018/2019 APP will focus in the main on following programmes detailed in the Universal Services and Access Strategy:

- **Community and Institutional Broadband Access** - the greatest need and opportunity for South Africans to take full advantage of ICTs is to ensure widespread access to high quality broadband networks and services in all towns and villages. This will be done by the establishment of high-capacity broadband points-of-presence within currently unserved towns and villages, with last-mile broadband connections to local schools, post offices, health clinics, and government offices. Collaborative development of ICT facilities within each institution to ensure maximum public usage and benefit.

- **Universal Access to Broadcasting** - will support the transformation and expansion of the broadcasting sector, to complement the provision of universal access to multimedia forms of communication and information. The focus of the 2018/2019 APP will be provision of Television Set-Top Boxes.

7.1 Programme Performance Indicator and Annual Targets for 2018/19 – 2019/20

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/2018	MEDIUM-TERM TARGETS		
	2014/2015	2015/2016	2016/2017		2018/2019	2019/2020	2020/2021
1. **Strategic Goal: Establishment of Smart Villages through connectivity to Underserviced and Unserved Areas**							
1.1 **Strategic Objective: Increased access to connectivity through the roll-out of electronic communication**							
1.1.1 Number of newly identified I Adel serviced areas	2	2	2	2	2	2	2
1.1.2 Number of existing sites maintained with internet connectivity	57 existing sites maintained with internet connectivity	63 existing sites maintained with internet connectivity	68 existing sites maintained with internet connectivity	680 existing sites maintained with internet connectivity	680 existing sites maintained with internet connectivity	953 existing sites maintained with internet connectivity	1 253 existing sites maintained with internet connectivity
1.1.3 Number of new sites with internet connectivity	N/A	N/A	N/A	609 new sites with internet connectivity	275 new sites with internet connectivity	300 new sites with internet connectivity	330 new sites with internet connectivity
1.2 **Strategic Objective: Increased access to Digital Broadcasting Services**							
1.2.1 Number of set-top boxes and antennae procured	New	1,500,000 set up boxes	0 set up boxes	181,399 set up boxes	22 282 set up boxes	31 765 set up boxes	33 365 set up boxes
1.2.2 Percentage of set-top boxes and antennae distributed	New	24%	50%	60%	100%	100%	0
1.3 **Strategic Objective: Improved accountability through the efficient and effective management of infrastructure projects**							
1.3.1 Percentage of USAF project activities completed in accordance with recognised project management approach/systems	New	New	New	New	100% of USAF project activities completed	100% of USAF project activities completed	100% of USAF project activities completed

7.2 Quarterly Targets for 2018/2019

Programme Performance Indicators	Reporting Period	2018/2019 Annual Target	Quarterly Targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Strategic Goal: Establishment of Smart Villages through connectivity to Underserviced and Unserved Areas						
1.1 Strategic Objective: Increased access to connectivity through the roll-out of electronic communication						
1.1.1 Number of newly identified I Adel serviced areas	Quarterly	2 Ngquza Hill and Port St Johns Local Municipalities in OR Tambo District Municipality,	0 Preparation of sites with 25% infrastructure deployed	0 Preparation of sites with 50% infrastructure deployed	0 Preparation of sites with 75% infrastructure deployed	2 sites with 100% infrastructure deployed
1.1.2 Number of existing sites with internet connectivity maintained	Quarterly	676 sites with 24-month contracts	676 sites with 24-month contracts	676 sites with 24-month contracts	676 sites with 24-month contracts	676 sites with 24-month contracts
		564 schools with 24-month contracts	564 schools with 24-month contracts	564 schools with 24-month contracts	564 schools with 24-month contracts	564 schools with 24-month contracts
		111 clinics with 24-month contracts	111 clinics with 24-month contracts	111 clinics with 24-month contracts	111 clinics with 24-month contracts	111 clinics with 24-month contracts
		1 public office with 24-month contracts	1 public office with 24-month contracts	1 public office with 24-month contracts	1 public office with 24-month contracts	1 public office with 24-month contracts
1.1.3 Number of new sites with internet connectivity maintained in Impendle and Nyandeni Local Municipalities.	Quarterly	275 new sites	275 new sites	275 new sites	275 new sites	275 new sites
		187 educational institutions	187	187	187	187
		32 clinics	32	32	32	32
		16 public offices	16	16	16	16
		40 public Wi-Fi Hotspots	40	40	40	40
1.2 Strategic Objective: Increased access to Digital Broadcasting						
1.2.1 Number of set-top boxes and antennae procured	Quarterly	22 282	0 set-top boxes and antennae procured	0 set-top boxes and antennae procured	11 141 set-top boxes and antennae procured	11 141 set-top boxes and antennae procured

Programme Performance Indicators	Reporting Period	2018/2019 Annual Target	Quarterly Targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
		set-top boxes and antennae procured [6]				
1.2.2 Percentage of set-top boxes and antennae distributed	Quarterly	100% of set-top boxes and antennae distributed	0	0	50% of set-top boxes and antennae distributed	100% of set-top boxes and antennae distributed
1.3 Strategic Objective: Improved accountability through the efficient and effective management of infrastructure projects						
2.2.1 Percentage of USAF project activities completed within the allocated budget and timeframes	Quarterly	100% completion of USAF project activities executed within the allocated budget and timeframes	100% USAF project activities completed within the allocated budget and timeframes	100% USAF project activities completed within the allocated budget and timeframes	100% USAF project activities completed within the allocated budget and timeframes	100% USAF project activities completed within the allocated budget and timeframes

_____

[6] The total number of set-top-boxes to be procured have been reduced due to budget reduction of R250 million by National Treasury.

Programme 1: Operations	Audited Outcomes (R'000)			Estimated Expenditure (R'000)	Medium - Term Expenditure Estimate (R'000)		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021
Project Costs	705	1 080	1 518	3 522	3 727	3 936	4 152
Broadband Infrastructure in under-serviced areas	36 833	44 502	17 796	31 227	33 037	34 887	36 806
Rapid deployment and connectivity	25 804	16 813	11 868	19 865	21 017	22 194	23 415
Broadcasting digital migration programme	9 664	4 343	65 287	79 098	**37 880	54 001	56 721
Increased end-user demand		-	-				
Total Expenditure	73 006	66 738	96 469	133 712	95 661	115 018	121 094

** The current allocation of broadcasting digital migration programme has been reduced by R250 million by National Treasury and the analogue signal will be permanently switched off in June 2019 as announced by the Minister of Communications. The Minister of Communications is engaging National Treasury on additional funding allocation for Broadcasting digital migration programme as there are more than 7 million households in South Africa earning below the threshold of R3200 a month that would be eligible for subsidisation and therefore the budget and MTEF allocation may be adjusted as per the priority of the Ministry of Communications.

Relating expenditure trends to strategic outcome oriented goals

The above MTEF budget allocations will contribute to the realisation of the Fund's strategic outcome oriented goals over the MTEF period.

PART C:

LINKS TO OTHER PLANS

8. Links to the Long-term Infrastructure and other Capital Plans

Ideally, the 2018/2019 targets presented herein should be in preparation for a larger deployment as informed by the National Strategy on Universal Service and Access. Unfortunately, due to funding constraints, the mass deployment of infrastructure cannot be planned for as additional funds are yet to be allocated against the identified access gaps. This invariably poses a risk to the country's 2020 goals and ultimately to the National Development Plan.

The project – delivery scope of the Fund is influenced by the following plans amongst others:
1. National Development Plan
2. The National Growth Path
3. The Broadband Policy (SA Connect)
4. The Presidential Infrastructure Coordinating Commission (SIP 15)

9. Conditional Grants

USAF does not have any conditional grants on which to report.

10. Public-Private Partnerships

USAF has not engaged in any Public Private

PART D:

TECHNICAL INDICATOR DESCRIPTIONS

ANNEXURE A: TECHNICAL INDICATOR PROFILES

INDICATOR 1

Indicator title	Number of newly identified underserviced areas
Short definition	This indicator measures the number of underserviced areas (municipalities located in rural areas) that were provided with electronic communication infrastructure resulting in underserviced area being connected. The targeted local municipalities are Port St Johns and Ingquza Hill at OR Tambo District Municipality, Eastern Cape. The sites are part of Phase 1 Implementation Plan of South Africa Policy in OR Tambo District Municipality. Underserviced Area" is any area with a local or district municipality in which: (i) no electronic communications network has been constructed; or (ii) an electronic communications network has been constructed, but coverage of the inhabited parts of the area, fall below the national average; or(iii) an electronic communications network has been constructed, but over which no or, limited electronic communications services or broadcasting services are being provided as determined by the Authority from time to time.
Purpose/importance	Deployment of electronic communication infrastructure is crucial to delivering broadband services to South Africans and to overcoming the so- called "digital divide" between connected urban citizens and those living in rural areas. To mitigate these issues, it is critical that electronic communication infrastructure is monitored. The infrastructure has to be functional
Source/collection of data	Completed Infrastructure Reports indicating the infrastructure deployed and its functionality to the underserviced municipal areas. Functionality is measured by providing proof that at least one end-point is able to connect to the internet. Commissioning reports sign- off by USAASA Proof is comprised of sign-off by ICASA showing speed test results.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	2 underserviced municipal areas
Indicator responsibility	Executive Manager USAF

INDICATOR 2

Indicator title	Number of existing sites with internet connectivity
Short definition	This indicator measures the number of existing sites with a contract of 24 months internet connectivity
Purpose/importance	This indicator assists USAF in measuring the maintenance of the sites where broadband was deployed. To ensure that the ICT infrastructure deployed is functioning optimally it would be critical to conduct maintenance as per the maintenance schedule
Source/collection of data	Report showing that the site has internet access
Method of calculation	Simple count
Data limitations	None
Type of indicator	Performance
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Significantly Changed
Desired performance	Total number of sites – 676 of which 564 are schools, 111 clinics and 1 public offices
Indicator responsibility	Executive Manager USAF

INDICATOR 3

Indicator title	Number of new sites with internet connectivity
Short definition	This indicator measures the number of new sites with internet connectivity in Impendle Local Municipality (KZN) and Nyandeni Local Municipality (EC). The infrastructure would have been rolled out in the previous financial year
Purpose/importance	This indicator assists USAF in measuring the increase in the number of sites where broadband was deployed. To ensure that broadband deployment expands, new sites need to be added to the network on an annual basis
Source/collection of data	Report showing that the site has internet access
Method of calculation	Simple count
Data limitations	None
Type of indicator	Performance
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Significantly Changed
Desired performance	• Total number of new sites – 275 of which • 187 educational institutions • 32 clinics • 16 public offices • 40 public Wi-Fi Hotspots
Indicator responsibility	Executive Manager USAF

INDICATOR 4

Indicator title	Number of set-top boxes and antennae procured
Short definition	This indicator measures the number of set-up - boxes procured by USAF as part of the assigned responsibility to procure top boxes & antennae for distribution to identified TV - owning needy households
Purpose/importance	To subsidise identified TV - owning needy households for purposes of ensuring access to quality broadcasting services (digital access to TV)
Source/collection of data	Procurement and delivery records for set-top-boxes and antennae
Method of calculation	Simple count
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	22 282 set-top boxes and antennae procured
Indicator responsibility	Executive Manager USAF

INDICATOR 5

Indicator title	Percentage of set-top boxes and antennae distributed
Short definition	This indicator measures the number of set-top boxes and antennae distributed
Purpose/importance	To ensure that the set-up-boxes and antennae are with the TV - owning needy households that have applied for these services
Source/collection of data	Distribution schedule
Method of calculation	Numerator – Number of qualifying registered users with Set-Top Boxes and antennae Denominator – Total number of qualifying registered users as per database administered by the South African Post Office
Data limitations	None
Type of indicator	Performance
Calculation type	Cumulative
Reporting cycle	Bi-annually
New indicator	No
Desired performance	100% qualified registered users with Set-Top Boxes and antennae as per database administered by the South African Post Office
Indicator responsibility	Executive Manager USAF

INDICATOR 6

Indicator title	Percentage of USAF project activities completed within the allocated budget and timeframes
Short definition	This indicator measures the percentage completion of USAF project activities such as the broadband infrastructure and manufacturing of the set-top boxes and the extent of compliance to the planned timeliness and the budget allocation.
Purpose/importance	To ensure USAF projects activities arising from the broadband infrastructure and the manufacturing of the set-up-boxes are executed within the approved planned timeframes and the allocated financial resources by National Treasury.
Source/collection of data	Project Management Reports and Monthly Operational Reports.
Method of calculation	Denominator – total number of planned activities detailed in broadband infrastructure and the manufacturing of the set-top-boxes project plans Numerator – total number of planned activities detailed in the broadband infrastructure and the manufacturing of the set-top-boxes project plan completed.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	100% completion of USAF project activities arising from broadband infrastructure and the manufacturing of set-top-boxes within the allocated budget resources and timeframes
Indicator responsibility	Executive Manager USAF

ANNEXURE B: AMENDMENT TO GOALS AND OBJECTIVES

ORIGINAL GOAL/OBJECTIVES	AMENDED GOAL	REASON FOR AMENDMENTS
Strategic Goal: Increased connectivity to underserviced and un-served areas.	Establishment of smart villages through connectivity to underserviced and unserved areas	This goal more accurately reflects the overall mandate of USAF, and the impact of the services provided by USAF can be more realistically measured.
Strategic Objective: Increased roll out of electronic communication infrastructure in underserviced areas	Increased access to connectivity through the roll-out of electronic communication infrastructure	The strategic objective need to be more specific and meet the SMART principles
Strategic Objective: Increased access to digital broadcasting services	No change	
Strategic Objective: Creation of smart villages and municipalities	Removed	The overall goal is to create smart villages, this objective was a repeat of the goal
Strategic Objective: Increased digital literacy to stimulate end-user demand through sustainable community broadband services	Removed	The core mandate of USAF is to provide infrastructure to support digital communication. Training is not a core mandate, however on an operational level USAF will support digital literacy.
	Strategic Objective: Improved accountability through the efficient and effective management of infrastructure projects	Due to the slow progress in rolling out the projects as well as the issues related to accountability, it was important to introduce this strategic objective. It is envisaged that this strategic objective will assist with tighter controls and efficient and effective management of projects.