



**MINISTRY: FINANCE
REPUBLIC OF SOUTH AFRICA**

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Ms N Mapisa-Nqakula, MP
Speaker of the National Assembly
Parliament of the Republic of South Africa
PO Box 15
CAPE TOWN
8000

Dear Honourable Speaker

NOTING OF THE AMENDMENTS TO THE NATIONAL TREASURY 2020-2025 STRATEGIC PLAN AND THE 2022/23 ANNUAL PERFORMANCE PLAN TECHNICAL INDICATOR DESCRIPTIONS

I hereby wish to inform you of the amendments to the National Treasury 2020-2025 Strategic Plan and the 2022/23 Annual Performance Plan technical indicator descriptions. These changes are brought about by the need to enhance the monitoring mechanisms on the identified outcome and output indicators.

The amendments to the 2020-2025 Strategic Plan and 2022/23 technical indicator descriptions are attached as "**Annexure A**" and "**Annexure B**" to this submission respectively.

I appreciate your noting in this regard.

Your sincerely,

A handwritten signature in black ink, appearing to read 'Godongwana'.

**ENOCH GODONGWANA, MP
MINISTER OF FINANCE
DATE: 08/12/2022**

2022/23 ANNUAL PERFORMANCE PLAN

PART D: TECHNICAL INDICATOR DESCRIPTION

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Output Indicator no 3.1.4	
Indicator Title	Number of township economic development strategies implemented
Definition	<p>Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented. The inclusion of the township economic development strategies within municipal plans and budgets is a first step to ensuring their implementation and ongoing resourcing given that the strategies will include short, medium and long-term actions</p> <p>Therefore, implementation refers to the township economic development strategies being approved by Council and reflected in the budgets and IDPS of the 5 metros and the execution of short, medium and long-term actions included in the strategies. Annual progress reports will be produced for each of the 5 metros to assess the progress with Implementation</p>
Source of data	Programme reports
Method of Calculation / Assessment	Simple count of township economic development strategies implemented
Means of verification	Annual progress reports, supported by evidence such as EXCO decisions, Metro IDPs and budgets, project resourcing documents
Assumptions	<p>Sufficient capacity in metros to plan and implement the strategies</p> <p>Private sector and national departments support in line with the strategies</p>
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: Marginalised townships</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	5 township economic development strategies implemented.
Indicator responsibility	<p>Chief Directorate: Neighbourhood Development Programme</p> <p>Chief Directorate: Provincial and Local Government Infrastructure</p>

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Output Indicator no 3.1.4	
Indicator Title	Number of township economic development strategies implemented
Definition	Metro township economic development strategies have been developed for 5 townships and the focus is on ensuring these strategies are implemented. Implementation refers to a township economic development strategy being approved by the municipality's EXCO and the subsequent identification of its 8 prioritised projects per pilot metro
Source of data	An approved township economic development strategy and the project charters that identify the 8 prioritised projects per pilot metro
Method of Calculation / Assessment	Simple count of township economic development strategies implemented
Means of verification	EXCO decision, TED strategies, and priority project charters per pilot metro
Assumptions	EXCO approves the township economic development strategy Sufficient capacity in metros to plan and implement the strategies Private sector and national departments support in line with the strategies
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: Supports economic development in marginalised townships Reflect on the spatial impact area: Marginalised townships in the pilot metros
Calculation Type	Non-cumulative.
Reporting Cycle	Annually.
Desired performance	5 township economic development strategies implemented.
Indicator responsibility	Chief Directorate: Neighbourhood Development Programme Chief Directorate: Provincial and Local Government Infrastructure

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Output Indicator no 3.1.8	
Indicator Title	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt
Definition	Assist with the preparation of a mandatory financial recovery plan when a complete request is received
Source of data	Tracking register of municipalities submitting a complete request and municipalities assisted with the preparation of the mandatory financial recovery plans
Method of Calculation / Assessment	$\frac{\text{Number of complete requests responded to within 90 days of receipt}}{\text{Total number of complete requests received}} \times 100$
Means of verification	Financial recovery plans produced
Assumptions	Timely submission of relevant information by municipalities to commence with the preparation of the mandatory financial recovery plans
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of complete requests to draft mandatory financial recovery plans responded to within 90 days of receipt
Indicator responsibility	Chief Directorate: Local Government Budget Analysis

AS AMENDED

Output Indicator no 3.1.8	
Indicator Title	Percentage of requests to draft mandatory financial recovery plans responded to within 90 days of receipt
Definition	<p>Mandatory financial recovery plans are prepared in terms of section 139 of the MFMA for municipalities, whom as a result of a crisis in their financial affairs, are in serious or persistent material breach of their obligations to provide basic services or to meet their financial commitments or admit that they are unable to meet their obligations or financial commitments.</p> <p>The 90 days required for the preparation of the mandatory Financial Recovery Plans (FRP) commences after the finalisation, as determined by National Treasury of the following legislated processes:</p> <ul style="list-style-type: none"> (i) the determination of the reasons for the crisis in the municipality's financial affairs; and (ii) the assessment of the municipality's financial state. <p>The determination of finalisation of (i) and (ii), is defined in an approval memo signed by the Deputy Director-General: Intergovernmental Relations (DDG: IGR) or a person delegated by the DDG: IGR.</p> <p>A Financial Recovery Plan is considered complete when it is submitted to the Minister of Finance for approval.</p>
Source of data	<p>Tracking register of municipalities approved for mandatory FRP assistance.</p> <p>Approval memo signed by the DDG: IGR or a person delegated by the DDG: IGR.</p> <p>Submission memo of the FRP to the Minister of Finance.</p>
Method of Calculation / Assessment	$\frac{\text{Number of mandatory financial recovery plans drafted within 90 days} \times 100}{\text{Total number of municipalities approved for mandatory FRP assistance}}$
Means of verification	Mandatory financial recovery plans drafted within the 90 days
Assumptions	Timely submission of relevant information by municipalities to commence with the preparation of the financial recovery plans
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: N/A</p> <p>Reflect on the spatial impact area: N/A</p>
Calculation Type	Non-cumulative.
Reporting Cycle	Quarterly.
Desired performance	100% of requests to draft mandatory financial recovery plans responded to within 90 days of receipt
Indicator responsibility	Chief Directorate: Local Government Budget Analysis.

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Output Indicator no 3.1.9	
Indicator title	Percentage of Cabinet memos received commented on
Short definition	Analysis of the implementation of financial management and policy developments, challenges and trends in sectors and how these affect expenditures
Source of data	Comments made on Cabinet memos
Method of calculation / Assessment	$\frac{\text{Number of Cabinet memo comments sent at least one day prior to the cabinet meeting}}{\text{Total number of Cabinet memos received}} \times 100$
Means of verification	Comments on received cabinet memos
Assumptions	Cabinet memos received on the day of cabinet will be measured as part of the next cabinet cycle
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% Cabinet memos received commented on
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure

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Output Indicator no 3.1.9	
Indicator title	Percentage of Cabinet memos received commented on
Short definition	Comments on the Cabinet memos provide analysis on the implementation of financial management and policy developments, challenges and trends in sectors and how these affect expenditures.
Source of data	Comments made on Cabinet memos
Method of calculation / Assessment	$\frac{\text{Number of Cabinet memo comments sent at least one working day prior to the sitting of the Cabinet meeting}}{\text{Total number of Cabinet memos received at least two working days prior to the sitting of the Cabinet meeting}} \times 100$
Means of verification	Email to the Ministry with the Cabinet memo comments Register and record of Cabinet sittings
Assumptions	Changes to the date of the Cabinet meeting must be communicated at least a day prior to the revised date of the Cabinet meeting Cabinet memos will be received at least two days prior to the Cabinet meeting
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% Cabinet memos received commented on
Indicator responsibility	Chief Directorate: Economic Services Chief Directorate: Administrative Services Chief Directorate: Health and Social Development Chief Directorate: Educational and Related Departments and Labour Chief Directorate: Justice and Protection Services Chief Directorate: Urban Development and Infrastructure