

Compendium for **Urban Reforms**

Transversal Management of Planning, Budgeting & Reporting Reforms





Acknowledgements:

The Urban Reforms project is a collaboration between the national departments of Co-operative Governance & Traditional Affairs (COGTA); National Treasury; Planning, Monitoring & Evaluation (DPME); Public Service & Administration (DPSA) and Agriculture, Land Reform & Rural Development and the eight metropolitan municipalities in South Africa. It is managed through the Joint Planning, Budgeting & Reporting Reforms Steering Committee (JPBRRSC) which incorporates the Planning Alignment Task Team (PATT) and the Circular 88 Metro Support Forum (C88 MSF).

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List of Acronyms

BEPP	Built Environment Performance Plan	IZ	Integration Zone
CEF(G)	Capital Expenditure Framework (Guideline)	MFMA	Municipal Finance Management Act
CIF	Capital Investment Framework	MFPMA	Municipal Fiscal Powers and Functions Act
CIDMS	City Infrastructure Delivery Management System	MIIF	Municipal Infrastructure Investment Framework for South Africa
CLDG	Catalytic Land Development Guideline	MPPMR	Municipal Planning and Performance Management Regulations
COGTA	Department of Co-operative Governance and Traditional Affairs	MSA	Municipal Systems Act
CSP	Cities Support Programme	MSCOA	Municipal Standard Chart of Accounts
DDM	District Development Model	MSDF	Metro Spatial Development Framework
DFI	Development Finance Institution	MTEC	Medium Term Expenditure Committee
DG	Director-General	MTREF	Medium Term Review and Expenditure Framework
DHS	Department of Human Settlements	MTSF	Medium Term Strategic Framework
DoRA	Division of Revenue Act [annual]	NDP	National Development Plan 2030
DRDLR	Department of Rural Development and Land Reform	NEPF	National Evaluation Policy Framework
DPME	Department of Planning, Monitoring and Evaluation	NT	National Treasury
DWS	Department of Water and Sanitation	NSDF	National Spatial Development Framework
FIPDM	Framework for Infrastructure Delivery and Procurement Management	PFMA	Public Finance Management Act
FMPPi	Framework for Managing Programme Performance Information	PPP	Public Private Partnership
GDP	Gross Domestic Product	SCOPA	Committee on Public Accounts
GIAMA	Government Immovable Asset Management Act	SDF	Spatial Development Framework
GLTPI	Guidelines for Longer-Term Planning Instruments	SOE	State Owned Enterprise
GWME	Government-Wide Monitoring and Evaluation	SPLUMA	Spatial Planning and Land Use Management Act
HSDG	Human Settlements Development Grant	TCF	Technical Committee on Finance
IDP	Integrated Development Plan	TOD	Transit-Oriented Development
IDMS	Infrastructure Delivery Management System	UICF	Urban Investment Coordination Forum
IGFRA	Inter-Governmental Fiscal Relations Act	UNS	Urban Network Strategy
IUDF	Integrated Urban Development Framework		

Section 1: Introduction and Background

1.1 Purpose

The purpose of this compendium is to present a single point of reference for terminology relating to the following:

- Development Planning, as a tool and guide for municipal finance and engineering practitioners;
- Municipal Finance, as a tool and guide for municipal development planning and engineering professionals;
- City Infrastructure Delivery Management System, as a tool and guide for municipal finance and municipal development planning practitioners; and
- Reporting, Monitoring & Evaluation, as a tool and guide for development planners, municipal finance and engineering practitioners.

The compendium aims to support a greater shared understanding of how planning, budgeting and reporting systems are being reformed in order to achieve spatial transformation in cities that should be more compact, sustainable, productive, inclusive and better governed. It should enhance the operations of multi-disciplinary teams working in cities by enabling deeper collaboration and co-operation. This compendium contains terminology sourced from a range of relevant legislative and policy frameworks, planning guidelines, as well as existing knowledge products, in a collated format.

1.2. Background

South African cities continue to face significant development challenges, despite the progress in expanding access to basic services. We have highly inequitable city environments that exclude poor people from social and economic participation. The ability of cities to respond to the challenges are exacerbated by the macro-economic constraints to growth which impacts cities, yet cities will themselves provide the solution to these challenges.

The division of powers and functions in terms of the Constitution is logical and clear. Similarly, the National Development Plan is clear about the need to assign functions to metropolitan municipalities, yet this has not been done to date (e.g., passenger rail, housing). Even when powers and functions are clear and uncontested between spheres/entities of government, or there is an abundance of money, there is still a need to align and co-ordinate planning, budgeting, implementation and reporting for achieving outcomes (rather than outputs only). Outcomes are good if they positively make a difference to people's daily lives. For example, health and education facilities and/or services are provided in close proximity to where people live, work and play, while at the same time being affordable and of good quality. The cost of failure to plan for outcomes (and just plan for outputs) can be measured by how easy or difficult it is for people to go about their daily activities in cities. The more difficult it is for people, the higher the incidence of civil protests and increasing inequality and hardship.

The Municipal Systems Act (MSA) and the Municipal Financial Management Act (MFMA) require alignment between planning, budgeting, and reporting instruments such as the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Annual Report. Similarly, the Spatial Planning and Land Use Management Act (SPLUMA) requires alignment between planning instruments such as the IDP and Municipal Spatial Development Frameworks and budgeting.

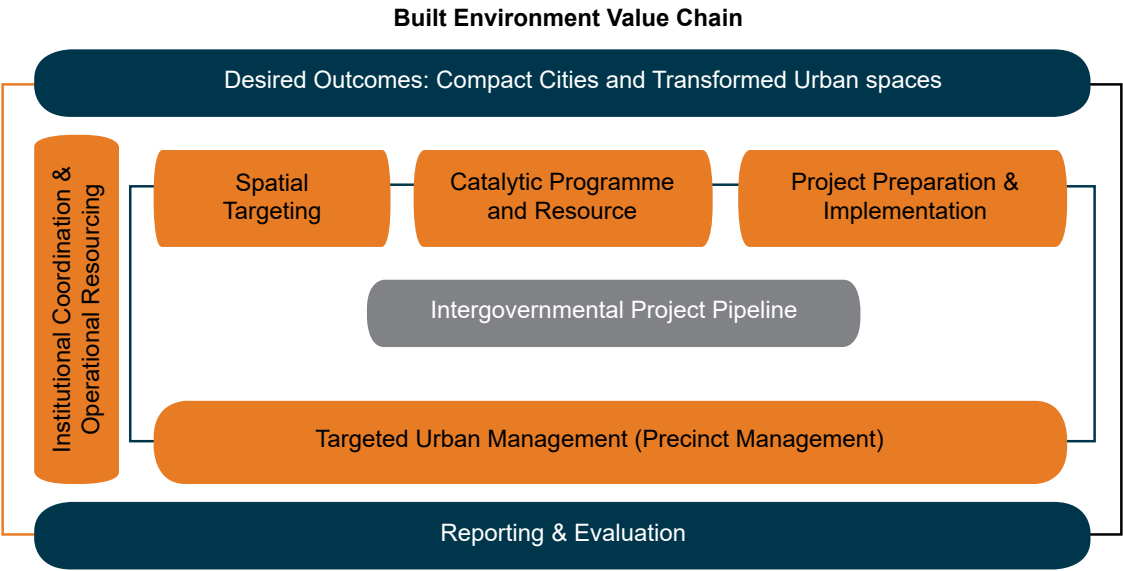
Development planning policy, legislation, processes and practice are currently ineffective in meeting the expected outcomes of a developmental state and developmental local government. The planning regulatory environment is fragmented across various national departments while at the same time being highly contested ([Review of Planning Regulatory Environment 2016](#)). Development planning has not achieved the delivery of more compact, productive, sustainable and inclusive cities that are better governed, despite a sincere intention as demonstrated in legislation, policies, regulations, etc. Intergovernmental planning practices and processes also need to be reformed so that all of

government complements each other in achieving its objectives and outcomes. However, development planning and spatial planning, in and by itself, is unlikely to succeed in achieving the outcome of spatial transformation.

Public and Municipal Financial Management has been reformed since 1994 to be more responsive and aimed at meeting the needs of a developmental state that recognises the independence of local government within the intergovernmental system. Despite various budgetary and finance reforms over the last ten years the planning regime has remained relatively sluggish.

Reporting requirements for metropolitan municipalities were based on 2 572 indicators and 18 467 data elements to be reported annually until the rationalisation effort in November 2017. The rationalisation of reporting has made annual incremental strides since 2017 with the latest update made in terms of the publishing of the MFMA Circular 88 Addendum 2 on 17 December 2020. Having clearly defined and predetermined outcome statements and indicators is the start of adopting an outcomes-led approach to planning.

Metropolitan municipalities and a range of related stakeholders acknowledge that planning, budgeting and reporting reforms need to be complemented by policy and regulatory reform. National Treasury and its partners address all of these reforms and its inter-linkages to policy and regulatory reforms in a programmatic and systematic way. The urban reform agenda was designed to take a series of deep dives on planning, budgeting and reporting reforms, based on the experience of metropolitan municipalities over seven years (2014 to 2021) in producing their Built Environment Performance Plans (BEPPs) in line with the Built Environment Value Chain (BEVC) depicted below to contribute to spatial transformation of their cities.



This compendium is part of the arsenal of tools available to assist us in our pursuit of more compact, inclusive, productive and sustainable cities.

The Urban Reform Agenda

The BEPP was introduced to reform planning, budgeting, and reporting, given that the diagnostic in the National Development Plan (NDP) identified serious shortcomings in meeting our urban spatial transformation outcomes. That is, addressing the apartheid spatial legacy where poorer people are forced to live on the periphery of cities and thereby incur increased transport costs and long travelling times in generally unsafe and unreliable public transport to access social and economic services on a daily basis – this is generally referred to as the Commuting Burden in the NDP (pg. 267). Besides the impact on the daily lives of most people in our cities, there were a range of other spatial issues that needed to be addressed – these are spatial justice, efficiency, sustainability, resilience, and quality.

The BEPP was an additional planning, budgeting, and reporting requirement in the government system for seven consecutive years since 2014, during which metropolitan municipalities led the reform process, supported by the National Treasury's Cities Support Programme. The reform was a collaboration with key national sector departments such as Planning, Monitoring and Evaluation (DPME), Cooperative Governance (DCOG), Agriculture, Land Reform and Rural Development (DALRRD), Water and Sanitation and Human Settlements (DWSHS), Transport (DOT), Economic Development (DTIC), and Environment, Forestry & Fisheries (DEFF), including the relevant provincial government departments and state-owned enterprises. The collaboration was and continues to be enabled by the establishment of the Planning Alignment Task Team and, more recently in 2020, by the Joint Steering Committee for Planning, Budgeting and Reporting Reforms (PBRRSC), a special IGR structure co-chaired by the National Treasury and DECOG with explicit support from DPME.

By 2018 there was sufficient evidence and consensus on which reforms worked (and which did not work) and how these lessons learnt could be used to strengthen the key existing legislative planning, budgeting, and reporting instruments. Metropolitan municipalities did their last BEPPs for the 2020/2021 MTREF and part of their work involved outlining how they were going to institutionalise the approach/method, process, content, and practice in their municipalities.

All metros made commitments to institutionalising their BEPPs and planning, budgeting and reporting reforms during the Annual Assessment of BEPPs & City Plans in 2020. These commitments will be monitored in the 2021/22 MTREF plans and budgets – key content and process from the planning reforms that should be in the 2021/22 IDP are the Intergovernmental Programme Pipeline and Catalytic Land Development Programmes (previously Annexure 2 and 1 of the BEPPs respectively) that should be brought into the IDP. Progress with the institutionalisation process will be a key part of the national oversight function for the next 5 years and will be complemented with support where required.

Support will be provided to all stakeholders in order that the planning reforms are successfully implemented and institutionalised. The BEPP Guidelines will be turned into a toolkit for outcomes-led planning and spatial targeting to provide technical guidance for both longer-term and term-of-office planning. Existing and new knowledge products provide another form of support, as does technical support from the Cities Support Programme. Work has started on bringing professional institutes on board to promote continuing professional development for municipal finance, planning and engineering officials. Specialist capacity building and training institutions such as Municipal Institute of Learning (MILE) and the Tshwane Leadership and Management Academy are being engaged to do training and capacity building. Tertiary education institutions are being approached to factor in the planning reforms into curriculum development.

In addition, National Treasury, with the other stakeholders mentioned above as part of the collaboration, worked with DCOG in developing metro-specific IDP Guidelines and the complementary IDP Assessment Framework that incorporates the planning, budgeting, and reporting reforms, and this has been approved by COGTA for implementation.

Further, on the back of reforms that worked in metropolitan municipalities, the main planning, budgeting, and reporting reforms for Category B municipalities were introduced in the Circular 88 update in 2020 getting closer to a standardised single set of indicators for all municipalities. That is the incremental roll-out of reforms to all municipalities.

The planning, budgeting, and reporting reforms collaboration continues to work on the reforms to longer term planning during 2021 and continues to use the existing platform which is a special IGR structure called the Joint Steering Committee for Planning, Budgeting and Reporting Reforms.

Detailed information on the urban reforms managed by the Cities Support Programme in National Treasury is available in book [Supporting City Futures](#).

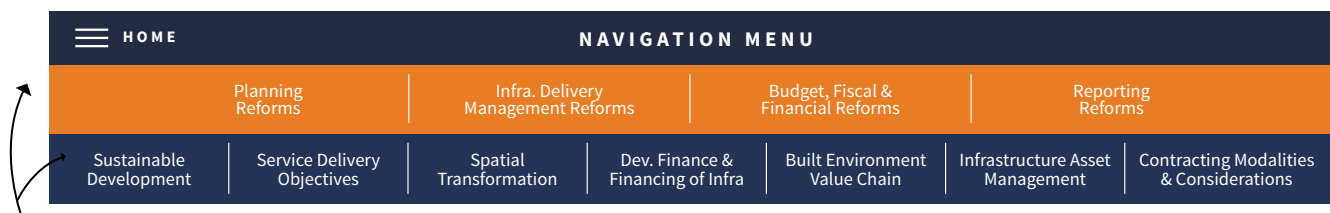
1.3. Navigating The Compendium For Urban Reforms: How To Use This Document

This is a unique document that allows the reader to navigate based on their needs. Much like a website, this document allows the user to choose different 'journeys', depicted in Figure 1, and gives the user the ability to easily jump between topics, based on their needs.

- The first journey is for the user who wants to find terms related to one of 4 disciplines:
 - Planning Reforms
 - Infrastructure Delivery Management Reforms
 - Budget, Fiscal & Financial Reforms
 - Reporting Reforms
- The second journey is for the user who wants to orientate themselves around a particular subject relating to infrastructure development and the planning, reporting and budgeting reforms; these topics are:
 - Sustainable Development
 - Service Delivery Objectives
 - Spatial Transformation
 - Development Finance and the Financing of Infrastructure
 - Built Environment Value Chain
 - Infrastructure Asset Management

Figure 1: Document Navigation Menu

This menu appears on every page



Note: The page footers are colour coded according to themes/topics and for easy navigation.

- To Navigate by Discipline, click the orange bar.
- To Navigate to a Topic, click on the blue bar.

Click on the menu below to try it.

Section 2: Terminology

Section 2 presents a collation of relevant terminology for supporting urban reform, bringing together multi-disciplinary concepts in one place for improved understanding of the different terminology used by various disciplines and professionals to make multi-disciplinary teams operate more effectively, especially if we want to pursue and achieve outcomes such as spatial transformation. These terms and their definitions are grouped in terms of 2 potential ‘user journeys’, for ease of use, namely ‘Terminology by Discipline’ and ‘Terminology by Topic’:

- A reader seeking terminology related to a specific discipline, such as Planning Reforms, will find these terms grouped accordingly in Journey 1: Terminology by Discipline.
- A reader seeking terminology relating to a development topic, such as Sustainable Development or the Infrastructure Value Chain, will find a collection of relevant, multi-disciplinary terms under the appropriate heading in Journey 2: Terminology by Topic.

Journey 1: Terms by Discipline (Pages 10 – 71)

Journey 1 takes the reader through terms which have been grouped by the following disciplines:

1.	Planning Reforms	Page 10
2.	Infrastructure Delivery Management Reforms	Page 26
3.	Budget, Fiscal & Financial Reforms	Page 44
4.	Reporting Reforms	Page 66

Journey 2: Terminology by Topic (Pages 72 – 147)

Journey 2 takes the reader through terms which have been grouped by the following topics:

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Journey 1: Terms By Discipline

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1. Planning Reforms

Introduction

The identification and definition of desired integrated outcomes for spatial transformation represents the starting point planning reforms. One of the key shifts that is required in planning is the adoption by all of government to an outcomes-led planning approach based on one set of clearly defined outcomes established at the outset of the planning process. The Outcomes-Led Planning module in the [Urban Reforms Knowledge Series](#) defines what is meant by outcomes-led planning and why it is important. The module teases out the current legislative landscape and notes that there have been attempts by various stakeholders to better realise spatial transformation. To this end, the BEPPs have made significant progress in planning and budgeting for interventions and investments in programmes that build towards transformation through its focus on establishing a clear line of sight between setting outcomes and knowing how to measure/report them upfront. These good lessons will be institutionalised in all planning, budgeting and reporting starting in the 2021/22 MTREF.

Other tools available to further understand Outcomes-Led Planning are the Spatial Targeting Toolkit (forthcoming and comprising the consolidated set of BEPP Guidelines updated in 2021) and the Urban Reforms Online Training (forthcoming). DPME in collaboration with the National School of Government provides a training course on the [DPME TOC National School of Government](#). The difference between the content and training between the DPME material and the above-mentioned Outcomes-Led Planning in the Urban Reforms Knowledge Series and Online Training is that the latter has been customized for local government with an explicit focus on spatial transformation.

Source Documents:

Key source documents in this category include::

Available at: <i>(Click a link below to download the source document)</i>	
SPLUMA	Spatial Planning and Land Use Management Act, No. 16 of 2013
SPLUMA Regulations	Regulations in terms of the Spatial Planning and Land Use Management Act, No. 16 of 2013
MSA	Local Government: Municipal Systems Act, No. 32 of 2000 and Local Government: Municipal Systems Amendment Act, No. 44 of 2003
BEPP	Guidance Note: Framework for the formulation of Built Environment Performance Plans (BEPP), 2017; Guideline for Transitioning Out of Planning Reforms and BEPPs to Sharpen The Planning Tools, 2019; Supplementary Guidance Note for the Built Environment Performance Plan (BEPP) 2019/20–2020/22: Integrating Climate Response Priorities into the BEPP, 2019/2020
NSDF	Draft National Spatial Development Framework, 2019

Available at: (Click a link below to download the source document)

IUDF	Integrated Urban Development Framework, 2016
CLDG	Catalytic Land Development Guideline, 2018
MPPMR	Municipal Planning and Performance Management Regulations, 2001
GLTPI	Review of Guidelines for Longer-Term Planning Instruments, National Treasury Cities Support Programme, Nov 2020
IDP	Draft Integrated Development Plan Guideline for Metropolitan Municipalities, June 2020
CSP	Cities Support Programme Urban Reforms Knowledge Series, 2021

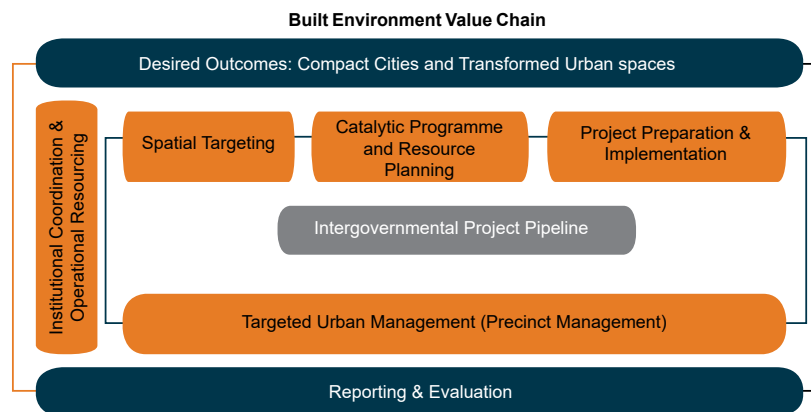
Terminology

Term	Source	Definition
Activities		
CSP		The process or actions that use a range of inputs to produce the desired outputs and ultimately outcomes.
FMPPi		What we do. The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes.
Apartheid		
SDF		A political system and its laws and policies directed towards the separation of different ethnic or racial groups. Spatially, apartheid involved the physical separation of the four racial groups according to the Population Registration Act of 1950 into so-called "Group Areas" according to the Group Areas Act of 1950. A system of ethnically-based "Bantustans" for Black South Africans was also established.
Asset		
CIDMS		A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
MSCOA		Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
CLDG		An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
Bankable		
CLDG		Where a programme or project has 'sufficient collateral, future cashflow, and high probability of success, to be acceptable to institutional lenders for financing'. (www.businessdictionary.com/definition/bankable.html).
Bantustan		
SDF		Areas reserved for African occupation under the Apartheid government. Approximately 13% of the total area of South Africa was divided into ten such Bantustans and were given some degree of self-rule, but always subject to the wishes and needs of the Apartheid government. While these areas were incorporated back into South Africa at the dawn of democracy in 1994, they still suffer the consequences of long-term neglect, isolation and poverty.
Baseline		
GWME		A description of the status quo, usually statistically stated, that provides a point of comparison for future performance
FMPPi		The current performance levels that an institution aims to improve when setting performance targets
CSP		Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Built Environment Performance Planning		
IDP		A built environment investment prioritization approach where specific areas are prioritized for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes.

Term	Source	Definition
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Built Environment Value Chain

CSP	The BEVC is an intergovernmental process or set of activities aimed at achieving the identified set of built environment outcomes in cities. The BEVC activities are linked together in a logical sequence, and form part of an iterative process rather than a linear process.
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**Catalytic Land Development Programmes**

BEPP	Catalytic urban development programmes are urban development programmes and associated projects that:- a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders. Catalytic development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [Public Private Partnerships, Special Purpose Vehicles, and pure private development] projects) needed to be implemented within a specific spatial targeted area and from which the total intergovernmental project pipeline is updated for all public sector projects in the programme.
CSP	Catalytic land development programmes are specifically defined as programmes that: a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders.

Catalytic Programmes

CSP	Multi-sectoral, mixed-use programmes that require a mix of funding that are thus inevitably complex.
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Cities' Infrastructure Delivery And Management System

IDP	A management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes which transform inputs into outputs.
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City

SDF	A human settlement characterised by (1) large and generally diverse communities of people living at high residential densities, (2) a variety of employment opportunities, and (3) high-intensity business and commercial areas.
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City Transformation Outcomes

CSP	Also commonly referred to as BEPP outcomes or integrated outcomes, with the outcomes being the results, and the indicators being some of the multiple possible measurements of those results. The indicators are designed to measure spatial transformation at the outcome level. Metros spent two years reporting on these outcome indicators and after analysis of the reporting it was concluded that annual statutory reporting was not the best way to report on outcomes – spatial transformations outcomes could be better reported on through an evaluation. This experiment and conclusion is well documented in MFMA C88 Addendum 2020 and there is a dedicated part in the module on Reporting Reforms in the Urban Reforms Knowledge Series (2021).
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Term	Source	Definition
Climate Adaptation		
	BEPP	The process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.
Climate Mitigation		
	BEPP	A human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs). This includes human interventions to reduce the sources of other substances which may contribute directly or indirectly to limiting climate change.
Climate Resilience		
	BEPP	Defined as per the Intergovernmental Panel on Climate Change (IPCC, 2014): The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.
Climate Responsive		
	BEPP	Being climate responsive embraces climate change adaptation and mitigation actions, building resilience, and disaster risk reduction, while also recognizing the complexity of rapidly growing urban areas in the context of the uncertainty associated with what climate change will actually mean in any given region.
Concentration		
	SDF	Concentration of people and activities refers to (1) a higher density of people, and (2) a higher intensity and mix of activities in a specific place, area or region. Generally, such concentration supports the development and sustenance of agglomeration economies. This can take the form of urbanisation economies (where cost decreases as total output of an urban area increases) or localisation economies (where costs decrease as firms in a specific industry increase output).
Critical Biodiversity Areas And Ecological Support Areas		
	SDF	Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs), are natural areas of critical importance for ecological sustainability, and should be kept in their natural, or at least semi-natural, state. Critical Biodiversity Areas (CBAs) are divided into two sub-categories: CBA1 and CBA2. CBA1s are irreplaceable, which means that there are no other places in the landscape where the conservation and ecological objectives associated with those CBAs can be met. In CBA2s, there may be some options for meeting the conservation and ecological objectives associated with those CBAs in other parts of the landscape. However, this can only be done at the cost of losing some of the spatial efficiency of the network of CBAs. If a CBA2 is lost and an alternative natural area elsewhere is identified to become part of the CBA network, the alternative area is likely to be larger, increasing the size of the CBA-network as a whole. Areas identified as ESAs should be kept in at least semi-natural condition, i.e. with their basic ecological functioning still intact.
Deep Periphery		
	IUDF	Very marginal local economies with outputs of less than R0.4-billion per year(e.g. Jansenville, Tarkastad, Boshof, Harding, Poffader, Warrenton).
Densification		
	BEPP	Increased use of space, both horizontally and vertically, within existing areas/properties and new developments, accompanied by an increased number of units and/or population threshold
Development Corridor		
	SDF	Integrated linear networks of infrastructure and economic activity. Development corridors typically fulfil a variety of multiple, complex functions, such as (1) the movement of people and freight, (2) facilitating trade between areas, (3) flows of information, (4) flows of services such as water and gas, and (5) facilitating tourism. Supportive functions may be located in corridors, e.g. logistics. Development corridors often also include a human settlement and/or economic activity component, e.g. higher-density transit-oriented mixed-use development or industrial development adjacent to, or along the main transport routes.
Development Patterns		
	CSP	Development patterns play a key role in driving municipal finances – capital and operating costs, maintaining the balance between these costs and generating the income to pay for these costs. For example, if the projections suggest that indigent households will be greater than rate paying households in the future, how are projects housing these households located to enhance the efficiency of existing services rather than extend the operating burden of the municipality? Also, allowing the municipality to increase spending on repairs and maintenance as opposed to new capital investments. Or perhaps, what kind of value generating investments could be located within settlements that could realise their potential to become rate paying areas? Another example is the need to reduce pressure on municipal own revenue to subsidise public transport by directing investment to promote densification, and land use mix that enhances public transport operational efficiencies.
Development Rights		
	SPLUMA	Means any approval granted to a land development application;

Term	Source	Definition
District Development Model		
IDP		A planning model for cooperative governance that seeks to be an integrated, district- or metro-based, service delivery approach aimed at fast-tracking service delivery and ensure that municipalities are adequately supported and resourced to carry out their mandate. It aims to accelerate, align and integrate service delivery under a single development plan per district or metro that is developed jointly by national, provincial and local government as well as business, labour and community in each district.
Diversification		
SDF		The process of introducing and/or allowing a greater mix of land uses in an area, to (1) boost local people-to-people service economies, stimulate co-production of knowledge innovation and create jobs, (2) reduce the need for travel and travel distances, (3) bring more vibrancy and life to an area; (4) enhance social interaction and cohesion, and (5) make better use of available land
Ecological Footprint		
SDF		A measure of the 'load' imposed by a given population on natural systems. The bigger the footprint, the greater the impact.
Ecological Infrastructure		
SDF		Ecological infrastructure refers to naturally functioning ecosystems that generate or deliver valuable services to people, e.g. water catchments, wetlands, riparian zones, coastal dunes, kelp beds or spawning grounds. Ecological infrastructure consists of a network of interconnected structural elements in the landscape and seascape
Economic Sectors		
SDF		A description of the kind of economic activities in a country, or the activities in which the population of a country are active/working. The following five categories/sectors of economic activity are generally used in this regard: (1) the primary sector, which includes agriculture, mining and other natural resource-based industries; (2) the secondary sector, which entails manufacturing, engineering and construction; (3) the tertiary sector, meaning the service industries; (4) the quaternary sector, which refers to intellectual activities involving education and research; and (5) the quinary sector, which is reserved for the economic activities of high-level decision makers in government and industry. In some instances, including this NSDF, the last two sectors are included in the definition of the tertiary sector.
Economic Node / Employment Node		
BEPP		Employment or economic nodes are localised urban agglomeration economies with the highest number of jobs per unit of area (job densities). They are the primary urban destinations and therefore are mostly located on major transit routes and accessible via a variety of transport modes. In terms of land use, employment nodes can either be mixed – a cluster of office, retail, industrial, community and residential land uses; or uniform - homogenous land uses such as industrial or office complexes. Building heights and land coverage in economic nodes are much higher compared to average urban places. In terms of life cycle stage, they can be segmented into emerging (township nodes or urban hubs), established (decentralised commercial nodes) and declining nodes (CBDs). Size and catchment area of economic nodes are characterised into a descending hierarchy, e.g. Regional, CBD, Metropolitan, Suburban and Neighbourhood
Ecosystem		
SDF		The dynamic and complex interplay of animal, plant, and micro-organism communities and their non-living environment (soil, water, climate and atmosphere) as a functional unit.
Ecosystem Services		
SDF		The beneficial services that nature provide to people. Ecosystem services are typically grouped into four broad categories: (1) provisioning, including the production of food and water; (2) regulating, including the control of climate and disease; (3) supporting, including nutrient cycles and oxygen production; and (4) cultural, including spiritual and recreational benefits.
Engineering Service		
SPLUMA		Means a system for the provision of water, sewerage, electricity, municipal roads, stormwater drainage, gas and solid waste collection and removal required for the purpose of land development referred to in Chapter 6
Environmental Legislation		
SPLUMA		Means the National Environmental Management 40 Act, 1998 (Act No. 107 of 1998), and any other legislation that regulates a specific aspect of the environment;
Evidence Based Planning		
CSP		Evidence based planning means that the best available data, information and knowledge are used to make Planning decisions. Therefore, evidence-based planning is harnessing the knowledge gained from data and information and using it to optimize our planning process and improve results. In the South African context the following definition is used: Evidence-based decision making is the systematic application of the best available evidence to the evaluation of options and to decision making in management and policy settings. Evidence can come from any of the three data terrains outlined in the government wide monitoring and evaluation system: programme performance information, evaluation and census data/statistics – as well as from research studies and local community information.

Term	Source	Definition
Evidence Mapping		
	SDF	A structured process of seeking, ordering and making sense of relevant published and unpublished research (i.e. 'evidence') to inform the preparation and review of policy and legislation.
External Engineering Service		
	SPLUMA	Means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area;
Financing		
	CLDG	Financing refers to the instruments used to bring upfront capital to the project.
Fiscal		
	CLDG	of or relating to taxation, public revenues, or public debt
Fiscal Impact Tool		
	CSP	The Fiscal Impacts tool was intended to be a simple tool to assist metros with evidence-based decision making regarding the spatial location of individual development proposals – it is a tool to cost the fiscal impact of planning decisions regarding large scale, public/private sector, integrated housing/human settlements programmes and projects in urban areas. The tool was designed collectively and collaboratively by the Cities Support Programme in National Treasury with the metros during 2015-16.
Five-Year Term Of Office		
	IDP	The period of time between local government elections, for which a municipal council sits and for which an Integrated Development Plan is prepared.
Food Security		
	SDF	A condition of having reliable access to a sufficient quantity of affordable and nutritious food, through locally-grown produce and/or imports.
Functional Area		
	BEPP	A functional area is a dense built up area that presents a concentration of people, activity, capital and buildings and is structured on major roads, railroads and terminals. It forms a system that functions by flows of people, goods, energy, information and money and includes a contiguous core of urban areas and commuters belts from which a fixed percentage of commuting to work is directed mainly within the functional area.
	CSP	A functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. The sum total of all the defined Functional areas within the municipality must account for the total population (including growth per functional area) in the municipal area over a period of at least 10 years, and the total capex awarded for the 10 year period towards infrastructure investments that falls within the affordability envelope.
Funding		
	CLDG	Funding refers to revenues that are brought down the line to pay back the initial investment or upfront monies paid directly to build the project.
Growth Nodes		
	CSP	Commercial and industrial nodes (Noting that this term would benefit from clearer definition)
Highest And Best Use		
	CLDG	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Hinterland		
	SDF	The sparsely populated areas close to an urban settlement or node in which people farm or depend on natural resources for their livelihood, including the villages and small towns that are dispersed throughout these areas.
Human Settlement		
	BEPP	The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cultural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
	SDF	A place where people live, work, study and relax. A settlement can range in size from a small number of dwellings grouped together to a large city or groups/conglomerations of cities tied together through dense transport and communication networks.

Term	Source	Definition
Impacts		
	CIDMS	Impacts are effects that either positively contribute to an outcome or strategic objective, such as increased revenue, or that reduce risks such as environmental disasters, workplace injuries, loss of property, or damage to the reputation or image of the organisation
	FMPPi	The results of achieving specific outcomes, such as reducing poverty or creating jobs
	CSP	What we aim to change. The long term developmental result at a societal that is the logical consequence of achieving specific outcomes.
	MFMA CIRCULAR 88	the results of achieving specific outcomes, such as reducing poverty or creating jobs
Incremental Upgrading Of Informal Use		
	SPLUMA	Means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure;
Indicators		
	CSP	Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Informal Settlement		
	BEPP	The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cultural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
Inner Core		
	IUDF	The Gauteng City-region, Western Cape Urban Agglomeration, KwaZulu-Natal Coastal Urban Agglomeration, Nelson Mandela Bay, Mangaung, Buffalo City, Msunduzi, Polokwane, Free State Goldfields, Mbombela, Sol Plaatje, Cape South Coast Tourism Belt
Inputs		
	FMPPi	The resources that contribute to production and delivery of outputs
	CSP	What we use to do the work. The resources that contribute to the production and delivery of outputs.
Institutional Arrangements		
	IDP	Agreements on the division of the respective responsibilities of and within organs of state, role players and stakeholders that are involved in the process.
Institutionalisation		
	CSP	"Institutionalisation" in the context of the BEPPs refers to using the BEPP planning content, process, practice and approaches from the Planning Reforms project to strengthen the relevant city frameworks, strategies and plans, and especially the SDF and IDP noting that there are plethora of frameworks, strategies and plans.
Integrated Development Planning		
	IDP	The collective activities that constitute the standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact City that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Integrated Planning		
	BEPP	Integrated planning refers to planning that enjoys the co-operation and contribution of different sector department, different spheres of government, state-owned entities and the private sector in order to programme and implement development that is geared towards achieving a shared set of development outcomes. In space, integrated planning is planning of the built environment that supports the performance of the built environment as a whole in an equitable manner balancing land uses and infrastructure requirements, optimising public access and creating liveable urban precincts

Term	Source	Definition
	IDP	Joint planning that ensures participation of all stakeholders and affected departments. Its objective is to examine all economic, social and environmental costs and benefits, in order to determine the most appropriate option and to plan a suitable course of action
Integration Zone (Iz)		
	BEPP	The Urban Network consists of a number of Integration Zones. Each zone is a part of a city or city region-wide TOD network. An integration zone is a spatial planning element facilitating spatial targeting of investment aimed at spatial transformation. Each zone consists of a transit spine connecting two anchors via mass public transport (rail/bus), e.g. the CBD and an “urban hub” (township node with the best investment potential). It can also comprise of the CBD and another primary metropolitan business node. Between the two Integration Zone anchors are a limited number of Integration Zone intermediate nodes that are strategically located at key intersections connecting to marginalised residential areas (townships and informal settlements) and economic nodes (commercial and industrial nodes) via feeder routes. The Urban Hub connects to secondary townships nodes within the marginalised peripheral township. The Integration Zone includes a hierarchy of TOD precincts located and prioritised within the structure of nodes described above
Intensification / Mixed Land Use		
	BEPP	Achieving a greater spectrum of compatible land uses (commercial, industrial, residential or social) through the increased use of space, both horizontally and vertically, within existing areas or properties and new developments within a TOD precinct, resulting in increased population thresholds that support public transport ridership, walkability, economic development and inclusivity
Inter-Governmental		
	IDP	Between two or more governments, or between different spheres of the same government
Intergovernmental Programme And Project Pipeline		
	BEPP	The intergovernmental project pipeline consists of a pipeline of projects of a strategic/priority nature within the metropolitan space whether it is a project of the national, provincial or metropolitan government, or that of a state-owned entity. The main purpose of the pipeline is for it to incorporate funding and projects from all spheres and entities to prioritise collective public investment in particular spaces. For further information please consult section 3.3.1 in this Guideline. The format/template for recording this pipeline is presented in Annexure 2. Please cross-reference this with Catalytic Programmes above
Internal Engineering Service		
	SPLUMA	Means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the municipality or service provider;
Intervention Logic		
	IDP	Defines the project objectives and expected results. A clear statement of the assumption of what results must be achieved through the interventions to achieve the outcome
	CSP	A clear statement on the assumptions about what results must be achieved to achieve the outcome, how they will be achieved and what resources will be necessary. The outcomes approach involves a move away from statements of intention to statements which stress measurable results. This chain of logic will enable us to track progress and test whether the outputs are actually a necessary and sufficient condition to achieve the outcome.
Land		
	SPLUMA, BEPP	Means any erf, agricultural holding or farm portion, and includes any improvement or building on the land and any real right in land
Land Based Financing		
	BEPP	A policy and regulatory mechanism that allows a public entity to share in a portion of the increased value (direct or indirect) of land resulting from either investment in infrastructure or the allocation of use rights by the public sector
Land Development		
	SPLUMA, BEPP	Means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme
Land Reform		
	SDF	The process of correcting the historical imbalances in (1) ownership of land, and (2) access to land. It entails three types of intervention by the State, viz. (1) land restitution, meaning the redress of wrongs committed during the colonial and Apartheid eras; (2) land redistribution, meaning The provision of land for residential and economic purposes to those who do not have the means to access land); and (3) tenure reform, meaning the provision of security of tenure.
Land Use		
	SPLUMA, BEPP	Means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes

Term	Source	Definition
Land Use Management System		
	SPLUMA, BEPP	Means the system of regulating and managing land use and conferring land use rights through the use of schemes and land development procedures;
Land Use Scheme		
	SPLUMA	Means the documents referred to in Chapter 5 for the regulation of land use;
Land-Use Pattern		
	SDF	The land-use pattern is a general description of how land is occupied or used, and how land-uses tend to be distributed across a specific geographic area. In the context of the NSDF, the national land-use pattern is a high-level description of how the (1) population, (2) settlements, (3) economic activities, and (4) natural areas are distributed and systemically-related within the country as a whole.
Logic Model		
	IDP	Hypothesized descriptions of the chain of causes and effects leading to an outcome of interest. It links inputs, activities, outputs, outcomes and impacts. This can be in a narrative or graphic form.
Long Term Growth And Development Strategy		
	IDP	A story of a City's future beyond the limitations of the medium-term focus of the IDP, SDF and the electoral cycle. It is a vision of the future built up from present and past experiences. It defines strategies and/or approaches that can be implemented through projects defined in medium-term plans such as the IDP and the SDF and realised in annual budgets. It is meant to be cross-cutting and integrate the key aspects of integrated sustainable urban development, as well as reflect the strategic development priorities of the City.
Marginalised Areas		
	CSP	Informal settlements, townships and inner city areas (Noting that this term would benefit from clearer definition)
Marginalised Residential Areas		
	BEPP	Marginalised areas are areas, primarily residential in purpose with related land uses, which are in decline and/or where people are deprived. They are typically informal settlements and dormitory residential townships in need of redress. These are areas that do not tend to be the focus of the private sector developers and will thus require some kind of intervention or support from government to start with if it they are to flourish as liveable neighbourhoods with high accessibility to the broader urban network
Market		
	CLDG	The people or organisations that might want to buy something.
Market Demand		
	CLDG	Market demand is the 'aggregate of the demands of all potential customers (market participants) for a specific product over a specific period in a specific market' (Business Dictionary, 2018: s.v. market demand.) In the context of land development, the location of the product is also a key factor for demand. Drivers of demand can be understood to include the number, income, tastes and preferences of consumers; expenditure allocation of consumers; the availability of credit to consumers and the price of substitutes (alternatives) (McGaffin, 2017).
Multi-Variate Tools		
	CLDG	Tools used to undertake options assessment using multiple variables; such as economic, social, environmental and financial variables.
Municipal Service		
	MFMA	has the meaning assigned to it in section 1 of the Municipal Systems Act;
	MSA	Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and fees, charges or tariffs are levied in respect of such a service or not
	MIIF7	This is the service provided by municipalities in terms of their constitutional obligations, as experienced by the consumer of the service (households and businesses). The service requires infrastructure and the organisational arrangements required to provide, operate and maintain the infrastructure, including other equipment required (movable assets) and the interface between the municipality and the consumer.
Municipal Planning Tribunal		
	MSCOA	Means a Municipal Planning Tribunal referred to in Chapter 6;

Term	Source	Definition
National Development Paradigm		
SDF		The overarching set of ideas and beliefs and its associated legal and policy framework, setting out how (1) a country should be developed, (2) its economic relations should be structured, (3) the benefits of its economic system should be shared, and (4) its natural resources should be used and managed
National Spatial Development Framework		
SDF		A long-term national spatial planning instrument with a long-term horizon that (1) is mandated by the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), (2) has to be aligned with the National Development Plan (NDP), and (3) is adopted by Cabinet as official national spatial development policy for implementation throughout the country. As such it provides (1) an overarching spatial development framework including a set of principle-driven spatial investment and development directives for all three spheres and sectors of government, meaning 'where, when, what type, and how much to invest and spend throughout the country'; and (2) a set of strategic spatial areas of national importance from an ecological, social, economic and/or ICT or movement infrastructure perspective, to be targeted by both government and the private sector in the pursuit of strategic national development objectives, or to avert national crises.
National Spatial Development Logic		
SDF		The approach to, and the way in which national space is used and managed in pursuit of the objectives of the prevailing national development paradigm.
National Spatial Development Pattern		
SDF		The outcomes of the national spatial development logic of a country in national space. As such, it entails (1) where, how and for whom settlements are built, (2) the land tenure types and land-use patterns in these settlements, and (3) the type, mix, density, intensity and distribution of land-uses in these settlements.
Node		
CIDMS		A centre of activity, economic or otherwise. These often occur at intersections of major corridors, but some just function as the centre of their neighbourhood.
SDF		Nodes are concentrations and clusters of activities of varying intensity and density, and can be either mixed-use or mono-functional (e.g. an office node).
Outcomes		
FMPPi		The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
IDP		Refer to a changed state of being. Outcomes describe the effects, benefits or consequences that occur due to the outputs of programmes, processes or activities. The realisation of the outcomes has a time factor and can be in either the medium or long-term. Outcomes are the impacts on, or the consequences for, the community from the outputs or activities of government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions.
CSP		What we wish to achieve. The medium - term results for specific beneficiaries that are a logical consequence of achieving specific outputs.
MFMA CIRCULAR 88		The medium-term results for specific beneficiaries
Outcomes-Led Planning		
CLDG		An activity defined and shaped in its purpose and process by what the ultimate intended desired result or impact is or the need the activity is seeking to address.
GLTPI		Outcomes-led planning: clear articulation of desired outcomes and impacts Practical measurement indices and coherent reporting A Theory of Change pathway
CSP		Outcomes planning means planning backwards from the outcome we need to achieve to work out how best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities.
Outcomes Approach		
CSP		The outcomes approach consists of the following: Focuses on results, Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed, Links activities to outputs and outcome and to test what works and what doesn't, Ensures expectations are as clear and as unambiguous as possible, Provides a clear basis for discussion, debate and negotiation about what should be done and how it should be done, Enables learning and regularly revising and improving policy strategy and plans through experience, Make co-ordination and alignment easier. Going beyond the work we do to interrogate the impact it has, this approach involves management using a logic model which links inputs, activities, outputs, outcomes and impacts.

Term	Source	Definition
Output		
	FMPPI	The final products, goods or services produced for delivery
	MFMA CIRCULAR 88	the final products, goods or services produced for delivery
Output-Based		
	IDP	Immediate and intermediate. These are the direct products and services generated through processes or activities without specific reference to their ultimate purpose.
Periphery		
	IUDF	Small service centres with established infrastructure, small mining economies and previous Bantustan economies with output of between R0.4 – R1-billion per year (e.g. Calvinia, Dannhauser).
Planning Approach		
	CSP	Planning Approach: The planning approach is outcomes-led, using predetermined outcomes that can be measure the performance of the built environment, to inform the planning process. Transit-oriented development and spatial targeting are key planning concepts that drive the outcomes-led approach and inform the budgeting process.
Planning Content		
	IDP	The substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
	CSP	Planning Content: The planning content is the substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
Planning Practice		
	IDP	The professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
	CSP	Planning Practice: Planning practice is about the professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
Planning Process		
	IDP, CSP	Planning Process: The planning process is the collective activities that constitute the Built Environment Value Chain (BEVC), a standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustainable and thus better Governed. The Process Includes Intergovernmental Planning And Budgeting, That Is Across The Spheres Of Government And Including The Communities / Households And The Private Sector Investment In The Built Environment.
Planning Reforms		
	CSP	Refers to the reforming of development planning approach, process, content and practice. It is used in the context of a set of reforms implemented in South African metropolitan municipalities that cut across development planning, budgeting and reporting. It is a distinct part of the term Urban Reforms.
Polycentric System Or City		
	CIDMS	A city structure that typically has a weak, diffused core, and several competing primary nodes. Employment opportunities in a polycentric city are dispersed.
	SDF	A functionally integrated system of settlements/nodes of varying size that co-exist and collaborate in mutually beneficial ways, and in doing so, enhance the resilience of the system and its constituent parts. The system allows the provision of a series of social and other services by (1) using the unique qualities of the various settlements/nodes in the system, and (2) harnessing the connections between them.
Positive Feedback Loop		
	CLDG	A positive feedback loop is a situation where two events are mutually reinforcing. With this situation a small change in one input can cause a bigger final increase in both the initial input and the secondary effect. (Pettinger, 2016)
Principles For Development Charges		
	CLDG	equity and fairness, predictability, spatial and economic neutrality, and administrative ease and uniformity

Term	Source	Definition
Problem Analysis		
CSP		Developing a clear understanding of the problem, to ensure that the plan is relevant and focuses on root causes. If our assumptions about causes and their relationships to effects are explicit, we can test and amend them in later cycles of planning based on our experiences and M&E. It is usually important to ensure that the problem is understood from the point of view of the needs and concerns of the intended beneficiaries as well as possible. This will help us ensure that the intervention planned is relevant. Analytical tools such as problem tree can assist with problem analysis.
Public Fiscus		
CLDG		The treasury of the state or the pool of financial resources available to the state.
Public Value		
CLDG		Benefit derived for the general public, current and future, good.
Results-Chain		
IDP		A simplified picture of a program, initiative or intervention that is a response to a given situation and includes the logical relationship among the resources that are invested, the activities that take place, and the sequence of changes that result
Rural Development		
SDF		The process of improving the quality of life and economic well-being of people living in a rural area, by planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infrastructure and social services, and (3) the type and intensity of economic activities.
Rural Edge		
SDF		A line that is used to delineate a systemically-integrated area/region that has distinct rural qualities that need to be protected from 'intruding' uses that may disrupt or destroy these qualities. Typically, the delineation would be accompanied by (1) a description of the kinds of activities that are permitted within the area/region, and (2) the procedures to apply for uses that are not specified as such. The line may have coordinates and be statutory, meaning it has binding legal power, or be seen as a soft or 'fuzzy line', meaning its exact coordinates are not defined, and it is to be used in a planning and policy sense and not as hard, impenetrable physical line
Rural		
SDF		Generally regarded as areas outside cities and towns. Economic activity in these areas is in most cases intrinsically tied to natural resource use and/or beneficiation, and consists of agriculture, fishing, forestry, nature conservation, eco-tourism and mining. In South Africa, there are rural areas that are densely populated, but without (1) the distinct and diverse nodal areas of dense economic activity in the secondary and the tertiary sectors, or (2) the amenities typically associated with urban areas. These areas are a remnant of colonial and Apartheid spatial planning and the creation of Bantustans.
Ruralisation		
SDF		The process by which (1) people choose to remain in rural areas because there are viable economic opportunities, move back to towns and villages in rural areas from urban areas, and/or build/renovate houses in these areas as 'homes' for their current needs, or with a view to retirement, and (2) the State plans for the development of rural areas in a systemic and holistic way as economically viable, ecologically-significant, productive quality living spaces, as opposed to colonial and Apartheid times in which the little investment that was made in these areas was focused on advancing white economic interests in urban areas, and/or the lives and life chances of white people living in rural towns.
Semi-Periphery		
IUDF		Medium-sized towns with an established infrastructure, secondary mining outliers and the more densely settled parts of the previous Bantustans, with local economies producing more than R1-billion per year (e.g. Vryheid, Kuruman, Springbok).
Service Delivery And Budget Implementation Plan (Sdbip)		
MFMA		Means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate— (a) projections for each month of— (i) revenue to be collected, by source; and (ii) operational and capital expenditure, by vote; (b) service delivery targets and performance indicators for each quarter; and (c) any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c);
IDP		A detailed plan approved by the Executive Mayor for implementing the municipality's delivery of municipal services and its annual budget. Essentially a business plan, the SDBIP is an integral part of the financial planning process
Other		The Local Government: Municipal Finance Management 56 of 2003 (MFMA) require municipalities to develop SDBIPs annually. In terms of section. 53(1)(c)(ii), the SDBIP is defined as a detailed plan approved by the Mayor of a municipality for implementing that municipality's delivery of municipal services. In particular it must indicate the service delivery targets and performance indicators for each quarter.

Term	Source	Definition
Socio-Economic Impact Assessment System (Seias)		
SDF		A recently introduced government instrument that seeks to enhance the process of formulating policies, Acts and regulations by ensuring (1) alignment of such interventions with national priorities, (2) mitigation of risks, (3) anticipation of unintended consequences, and (4) minimisation of costs and maximisation of benefits.
Space Economy		
SDF		The spatial drivers and spatial manifestations and outcomes of the economic interactions and transactions that (1) are generated in 'earth/terra-based space', (2) take place in that space, and/or (3) flow through that space. The size, nature, scale and scope of the space economy of a place/area is related to (1) its unique locational, spatial, ecological, economic, social, institutional, infrastructural, mineral, soils and topographical attributes, culture, and history, and (2) its level of connectedness to, and relations with other places/areas, and the unique attributes and space economies of those places it is connected to, or transacts with.
Spatial Development Framework		
CIDMS		A spatial development framework (SDF) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.
SPLUMA, BEPP		Means a spatial development framework referred to in Chapter 4 of SPLUMA; *[A note: Chapter 4 of SPLUMA provides a comprehensive overview of what a Spatial Development Framework should entail, but does not provide a definition per say, therefore the reader is advised to refer to SPLUMA directly for more information.]
IDP		A framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP
Spatial Planning		
CIDMS		Spatial planning is a process of place shaping and delivery. It is about the management of space and development in order to create better places, responding to the needs of society, the economy and the environment. Spatial planning systems are the methods used by the public sector to influence the distribution of people and activities in spaces of various scales. Discrete professional disciplines, which involve spatial planning include land use, urban, regional, transport and environmental planning.
SDF		The process of making strategic decisions as to (1) how and for what purpose public, communal and private-owned land in an area (it could be a street, town, province, country or continent) is to be used and developed in an environmentally sustainable, economically viable and affordable way, and (2) how these land portions are to be connected to each other through road and rail networks and served with basic service infrastructure (water, electricity and sanitation) and communication networks (cellular, wi-fi and fibre).
Spatial Targeting		
SPLUMA		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes. Spatial targeting is an approach recommended by the National Development Plan.
BEPP		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes. Spatial targeting is an approach recommended by the National Development Plan.
CLDG		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes.
GLTPI		Deliberate focus of particular actions on a particular geographic area. - Objective is spatial transformation - Urban Network Strategy - Focus for intergovernmental investment
SDF		The carefully-planned and well-managed process of placing infrastructure, social services and economic activities in settlements in such a way that (1) the segregated spatial patterns inherited from colonial and Apartheid times are broken down, and (2) the inefficiencies, injustices and inequalities in access to opportunities resulting from these past patterns are corrected

Term	Source	Definition
	CLDG	The legacy of apartheid – communities segregated from one another based on race (and class) – as well as the impacts of the legacy of the modernist trend of city building based on the automobile and functional separation of land use - have left South Africa with cities that are inefficient, inequitably developed and expensive – environmentally, socially and fiscally - to live in and to manage. The NDP states that a national focus on the spatial transformation of our cities should, by 2030, ensure that a larger proportion of the population should live closer to places of work and travel distances and costs should be reduced, especially for poor households. Urban systems – hard (physical structures and networks) and soft (such governance systems including urban management and land use management) that facilitate and enable compact cities and transformed urban spaces of social and economic inclusion on an equitable basis are key levers to overcome the debilitating impact of distance and separation on the fortunes of the individual, household, business and the state, as well as the environment and the resilience of the system as a whole. The equitable redistribution of resources within cities, as well as building systems that facilitate affordable and safe access to the full ambit of resources that makes urban living productive are critical to spatial transformation.
Stakeholder Mapping		
	CLDG	The process of identifying a stakeholder and the nature and extent of interest, influence or impact of an activity on the stakeholder, or on the activity from the stakeholder, as well as identifying how this may differ across the different steps or stages of undertaking an activity.
Strategy-Led Budgeting		
	GLTPI	Budget (and by definition the term-of-office plan) must be driven by a long-term development strategy Clearly mapped-out path that links implementation with outcomes (and impacts) Must be supported by a long-term financial strategy
	IDP	Budgeting that relies on a long-term vision with outcomes-led planning that draws from and is informed by sustained strategy, policy and resource alignment. The resource alignment is the budgeting that is led by strategic, desired outcomes.
Sustainable Development		
	SDF	Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition of sustainable development usually refers to social, economic and institutional components.
Swot Analysis		
	IDP	A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats
Theory Of Change		
	SDF	A story of how things, settings or situations can and will be changed through a well-planned and sequenced set of actions and interventions, to bring about a desired goal, situation or state of affairs.
Time-Based Demand Forecasts		
	CLDG	A projection of demand based on a series of time intervals or for a specific time period.
Town		
	SDF	A place where people and services are geographically concentrated in a distinct and identifiable area. While towns can vary in size, they tend to have a smaller population, lower residential densities, fewer employment opportunities and fewer and/or smaller economic activities than cities
Township		
	SPLUMA	Means an area of land divided into erven, and may include public places and roads indicated as such on a general plan; and
	SDF	This term has two meanings in the South African context. Firstly, it is a colloquial name given to residential townships which were established during the colonial and Apartheid eras for temporary occupation by Black South Africans on the outskirts of towns and cities, and where only the most basic of amenities and infrastructure were provided. During colonial times, these townships were called "locations", and sometimes still are, albeit increasingly less so. Secondly, it is the legal name given to new human settlements and extensions to existing settlements in planning legislation, e.g. "Sunnyside Extension 3", dating back to the first Town Planning Ordinances passed in the early 1900s, and also appearing in the more recent Spatial Planning and Land Use Management Act (2013) (SPLUMA)
	CSP	Another definition that you might want to consider: The term "township" has no formal definition but is commonly understood to refer to the underdeveloped, usually (but not only) urban, residential areas that during Apartheid were reserved for non-whites (Africans, Coloured and Indian) who lived near or worked in areas that were designated 'white only' (under the Black Communities Development Act (Section 33) and Proclamation R293 of 1962, Proclamation R154 of 1983 and GN R1886 of 1990 in Trust Areas, National Home lands and Independent States). Although formal segregation ended with the new democracy, many of these township areas as well as other low-income housing areas (such as informal settlements and low-income housing estates) have seen rapid growth. Consequently target areas include the following: •Townships that were originally created as separate areas for black people (or Coloured or Indian), generally located on the periphery of towns and cities •Low-income housing estates, which are generally not fully functional neighbourhoods •Informal settlements All these areas are characterized by low levels of community facilities and commercial investment, high unemployment, low household incomes and poverty.

Term	Source	Definition
Transit-Oriented Development (Tod)		
	SPLUMA, BEPP, CLDG	TOD is a planning concept that directs public and private investment to areas of maximum public transport access in a city, doing it in a way that creates liveable environments. TOD is designed to maximize access to rapid/frequent public transport, encourage public transport ridership and walkable precincts. The symbiotic relationship between land use, built form and public transport lies at its core. From a transport perspective TOD is focussed on promoting sustainable public transport while minimising the travel mode share of private motor vehicles and the negative externalities of this mode including reduced rates of private car parking and carbon emissions. From a spatial development perspective the focus is on creating an inclusive network of well-designed precincts of mixed land use and increased residential densities in an improved public environment (high quality public spaces and streets, which are pedestrian and cyclist friendly) with high pedestrian accessibility within 500 – 800m metres of transit stations
	SDF	A planned intervention that promotes higher density and mixed-use land development close to significant transit routes. TODs aim to (1) make the best use of land located along such routes, (2) increase ridership/use of public transport on the routes, and (3) promote sustainable urban development.
Transversal Technical Management Structure		
	CLDG	An organisational committee comprised of suitably-qualified professionals from a broad spectrum of relevant and/or affected sectors or departments that exercises oversight or supervision over an initiative
Turn-Key Development		
	CLDG	A design and build development project that is constructed to be sold on to a consumer as a completed product.
Urban Development		
	SDF	The process of improving the quality of life and economic well-being of people living in an urban area through planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infrastructure and social services, and (3) the type and intensity of economic activities.
Urban Edge		
	SDF	A line that is used as a border to distinguish between (1) an area/region that is regarded as part of a city or town, and (2) its surrounding natural or rural area. Its primary purpose is to 'contain the urban' and as such, (1) no urban development is permitted, and (2) no municipal services are to be provided outside/beyond the line. As in the case of a rural edge, the line may have coordinates and be statutory, meaning it has binding legal power, or be seen as a 'fuzzy/soft line', meaning its exact coordinates are not defined, and it is to be used in a planning and policy sense and not as a hard, impenetrable physical line.
Urban Hub		
	CSP	Is a precinct within the marginalized peripheral township that is at the point of maximum connectivity, clustered around a transport hub. These are envisaged to serve as town centres to the townships in which they are located.
Urban Management		
	CLDG	The day-to-day operations in a precinct, such as cleaning, waste removal, traffic, transport, land use management, informal trader management and security services. It can extend to place-making, marketing and social services. The management of localised public transport operations and facilities is also an important urban management function.
Urban Network Approach		
	CSP	This approach is one "based in spatial planning and investment prioritisation techniques. It involves identifying defined elements within an urban network and then prioritising these in order to focus planning, investment and management to achieve spatial transformation"
Urban Network Strategy		
	CSP	A spatial targeting and TOD [transit-oriented development] approach aimed at spatial transformation of South African cities.
Urban		
	SDF	A term that refers to a city, being in a city, or 'of a city'. Urban areas are characterised by (1) large communities living at high residential densities, (2) a variety of employment opportunities, and (3) high-intensity business and commercial areas. The 'urban-rural distinction' between cities and towns varies from country to country, and is most often based on a combination of factors related to population size, level of economic output and development density. Generally, large towns are considered as 'urban', whereas small towns are most often regarded as 'rural'. 'Urban regions' in the context of the NSDF refer to large and growing, functionally integrated, built-up regions, that are characterised by areas of high residential density and economic intensity where the population exceeds more than two million inhabitants.
Urbanisation		
	SDF	The process by which an increasing percentage of a country's population (1) moves to live in large towns and cities with the intention of staying there or in a similar urban area, and not returning to the countryside, and (2) is born in an urban area.
Value For Money / Best Value For Money		
	CIDMS	The optimal use of resources to achieve intended outcomes.

Planning Reforms		Infra. Delivery Management Reforms		Budget, Fiscal & Financial Reforms		Reporting Reforms	
Sustainable Development	Service Delivery Objectives	Spatial Transformation	Dev. Finance & Financing of Infra	Built Environment Value Chain	Infrastructure Asset Management	Contracting Modalities & Considerations	

Term	Source	Definition
	GIAMA	means the optimisation of the return on investment in respect of an immovable asset in relation to functional, financial, economic and social return, wherever possible;
	CLDG	In relation to a public-private partnership agreement, means that the performance of a private party in terms of the agreement will result in a net benefit to the municipality in terms of cost, price, quality, quantity, risk transfer or any combination of those factors. (Municipal PPP Regulations)
Value Proposition		
	CLDG	The value a proposed activity intends to realise and contribute towards a specific interest or objective.
Water Scarce Regions		
	SDF	This construct refers to (1) the 'climate capability' of a region, which is a function of the moisture supply, climate constraints and physiological capacity of a region, and (2) the impact of climatic factors on the capability to grow an agricultural crop in a region within a growth season. For the purposes of the NSDF, areas described as 'Water Scarce Regions' fall within the 'low to low-moderate' climate capability ranges.
Zone		
	SPLUMA	Means a defined category of land use which is shown on the zoning map of a land use scheme. (not the same as Integration Zone as in UNS) The spatial planning system consists of the following components: (a) Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government; (b) Development principles, norms and standards that must guide spatial planning, land use management and land development; (c) The management and facilitation of land use contemplated in Chapter 5 of SPLUMA through the mechanism of land use schemes; and (d) Procedures and processes for the preparation, submission and consideration of land development applications and related processes as provided for in Chapter 6 of SPLUMA and provincial legislation. A municipal spatial development framework must assist in integrating, coordinating, aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area. Spatial development frameworks must outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in spatial development frameworks
	BEPP	The process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.

2. Infrastructure Delivery Management Reforms

Introduction: Understanding Infrastructure Asset Management

Infrastructure is influenced by legislation, guidelines and systems. The following information will assist one to understand some of the key infrastructure guidelines and systems, both for practitioners involved in the field of infrastructure delivery management as well as for practitioners who are involved in development planning, municipal finance, reporting, monitoring and evaluation, who need to work together. These functions are specialised disciplines that use particular terminology which is not always immediately understood by practitioners from other disciplines.

A simple web search using the word “infrastructure” or infrastructure guidelines” shows many results and is generally confusing to many people, even those who are actively involved in infrastructure delivery management. Hence the attempt s to address this challenge by first outlining the various infrastructure legislation, guidelines and/or systems by the relevant national sector department, and secondly outlining infrastructure asset management in relation to longer-term planning.

1. Review Of Infrastructure Legislation, Systems And Guidelines

This review clarifies how various infrastructure guidelines developed in the national sphere of government relate to each other and how it impacts local government and metropolitan municipalities specifically. There are four national departments that have infrastructure guidelines, that is National Treasury (NT), Department of Cooperative Governance and Traditional Affairs (COGTA), Department of Public Works and Infrastructure (DPWI) and Department of Agriculture, Land Reform and Rural Development (DALRRD) as shown in Diagram 1: Review of Infrastructure Guidelines for Local Government. The South African Cities Network (SACN) has guidelines for city development strategies (CDS) that have been factored into this review.

1.1 National Treasury (NT)

National Treasury (NT) has the following nine infrastructure-related guidelines/system as shown in Figure 3: Infrastructure Guidelines from National Treasury.

1.1.1 Budget Facility for Infrastructure (BFI)

The BFI is a reform to the budget process that supports the execution of national priority projects by establishing specialised structures, procedures and criteria for committing fiscal resources to public infrastructure spending. As directed by Cabinet, National Treasury is working jointly with the Presidential Infrastructure Coordinating Commission (PICC) secretariat, the Departments of Planning, Monitoring and Evaluation (DPME) and Economic Development (EDD) to establish the facility. The aim is to support quality public investments through robust project appraisal, effective project development and execution and sustainable financing arrangements.

1.1.2 Capital Planning Guidelines (CPG)

The guidelines are designed to ensure thorough planning of capital projects in national sector departments by encouraging consideration of the life-cycle costs of projects. The guidelines emphasise the need for alignment between departmental planning processes and relevant legislation such as the Immovable Asset Management Act (GIAMA) and the Infrastructure Development Act. The planning and appraisal of projects is expected to be a continuous process which takes place throughout the year.

1.1.3 MFMA Local Government Capital Asset Management Guideline (2008)

This guideline has been developed to provide practical assistance to all municipalities and municipal entities on the process of managing public assets, and specifically the accounting treatment of these assets, and forms part of a comprehensive support programme provided by the National Treasury to assist municipalities with financial reforms.

1.1.4 Infrastructure Delivery Management System (IDMS)

The Infrastructure Delivery Management System (IDMS) is a government management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes which transform inputs into outputs.

1.1.5 Cities Infrastructure Delivery Management System (CIDMS) (for metropolitan municipalities)

The CIDMS provides a holistic system for the management of infrastructure based on the requirements of SANS 55001: asset management – management systems – requirements. It has been tailored for application in South African metropolitan municipalities and designed to address urban infrastructure challenges, direct organizational resources to achieve performance in key outcome areas and enable good governance and transparency in how infrastructure is planned, delivered and managed.

1.1.6 Local Government IDMS (for non-metropolitan municipalities)

The Local Government IDMS, in comparison to the CIDMS mentioned above, provides a holistic system for the management of infrastructure in non-metropolitan municipalities and has less onerous requirements than the CIDMS given the capacity and capability of the non-metropolitan municipalities as well as the fact that settlement patterns and infrastructure management is less complex in non-metropolitan municipalities.

1.1.7 Framework for Infrastructure Delivery and Procurement Management (FIDPM)

The Framework for Infrastructure Delivery and Procurement Management (FIDPM) is primarily focused on governance decision-making points as well as alignment and functions to support good management of infrastructure delivery and procurement processes. Government's Infrastructure Delivery Management System (IDMS) is defined as the management system that guides, directs and enables infrastructure delivery in the public sector.

1.1.8 Cities Investment Programme Project Preparation Facility (CIPPPF) and Catalytic Land Development (CLD) Guideline

The CLD guideline provides a framework for the identification and preparation of land development opportunities on the basis that land development generates value. It guides municipalities to be:

- Clear on what kind of social, economic and financial value they are seeking to create;
- Rigorous in how they identify CLD opportunities aligned to the value sought; and
- Deliberate in their approach to the preparation of a land development programme that builds value.

The CIPPPF policy framework document emphasises the criticality of programme and project preparation and in the programme and project cycle, and that it must be managed differently from the other phases. It also provides the framework of support to municipalities to develop a robust pipeline of investment ready capital programmes and projects through establishing and institutionalizing an effective and efficient system of programme and project preparation.

1.1.9 Long Term Financial Model and Strategies (LTF Model & Strategy)

National Treasury supports municipalities (metros and intermediate cities) in developing participatory, broadly supported, long term financial strategies that can support large-scale, transformative infrastructure investments. These strategies are supported by long term financial models. Municipalities are encouraged to take a long-term strategic view of their infrastructure needs, planning and financing.

The nine infrastructure related guidelines/systems mentioned above are different parts of a puzzle that have different functions in the overall infrastructure asset management framework – this is more clearly outlined later.

1.2 Department of Agriculture, Land Reform & Rural Development (DALRRD)

The DALRRD has a requirement for the development of a Capital Expenditure Framework (CEF) in terms of the Spatial Planning and Land Use Management Act (SPLUMA 2013) and the Guidelines for Spatial Development Frameworks. However, the DALRRD has not specified what constitutes the CEF.

1.3 Department of Cooperative Governance and Traditional Affairs (COGTA)

COGTA has the following four infrastructure-related guidelines/system/grants in relation to guiding the use of the Municipal Infrastructure Grant (MIG): -

1.3.1. *National Strategic Framework for Comprehensive Municipal Infrastructure Management in South Africa, 2010 (COGTA)*

The National Strategic Framework for Comprehensive Municipal Infrastructure Management in South Africa proposes the Development of Comprehensive Infrastructure Plans for Municipalities as the proposed mechanism by which integration, coordination and a sustainable business model will be developed, and provide a unified direction and framework for implementation, that ensures financial and institutionally sustainability and brings the IDP and downstream processes into coagulated alignment and strategic importance.

1.3.2. *Comprehensive Infrastructure Planning Framework for Achieving Sustainable Municipal Service Delivery, 2008*

The Comprehensive Infrastructure Planning Framework for Achieving Sustainable Municipal Service Delivery recognizes the need to ensure that services will be sustainable in future, and that the necessary institutional, financial and technical measures are in place to achieve this goal. This document provides a brief overview of tools aimed at assisting municipalities in achieving these goals by integrating them into a single planning vehicle.

1.3.3. *Guidelines for Infrastructure Asset Management in Local Government 2006 – 2009*

The purpose of the Guidelines for Infrastructure Asset Management in Local Government 2006 – 2009 was to support improvement in the strategic management of municipal infrastructure assets, and provides a framework that will facilitate the preparation of sector-specific Infrastructure Asset Management Plans (IAMPs) and the aggregation of these into a Comprehensive Municipal Infrastructure Management. The guidelines propose that an Infrastructure Asset Management Plan (IAMP) be prepared for each sector (such as potable water, roads etc). These plans are used as inputs into the Comprehensive Municipal Infrastructure Plan (CMIP) that presents an integrated plan for the municipality covering all infrastructures.

In November 2020, COGTA reached agreement with National Treasury that the first three guidelines mentioned above will be withdrawn by COGTA in favour of the CIDMS and Local Government IDMS since COGTA was part of developing these systems and they were more updated and adopted a full life cycle approach.

1.3.4. *Guidelines on Capital Expenditure Framework for Intermediate City Municipalities (no date)*

Due to the fact that Capital Expenditure Frameworks (CEFs) are not clearly defined in the Spatial Planning and Land Use Management Act (Act 16 of 2013) nor adequately explained in the Guidelines for the Development of Provincial, Regional and Municipal Spatial Development Frameworks (2017) the purpose of this guideline is to Intermediate City Municipalities (ICMs) in the compilation of CEFs. While the guidelines are developed to assist ICMs, the guidelines can also be used by other cities subject to proper customisation to their circumstances. However, it is not for use by metropolitan municipalities due to the increased complexity of their settlements and thus the need for CEFs to be informed directly by metropolitan spatial development frameworks.

The CEF guidelines seeks to contribute to the introduction of integrated long-term planning in our ICMs as one of many efforts currently underway seeking to assist with the implementation of the Integrated Urban Development Framework (IUDF). The CEF guideline is one of the specific interventions that responds to the priority of institutionalising long term infrastructure planning as articulated in pillar four of the IUDF which is referred to as Integrated Urban Infrastructure. The formulation of a CEF for ICMs enables access to the Integrated Urban Development Grant (IUDF).

Figure 2: Review of Infrastructure Guidelines for Local Government

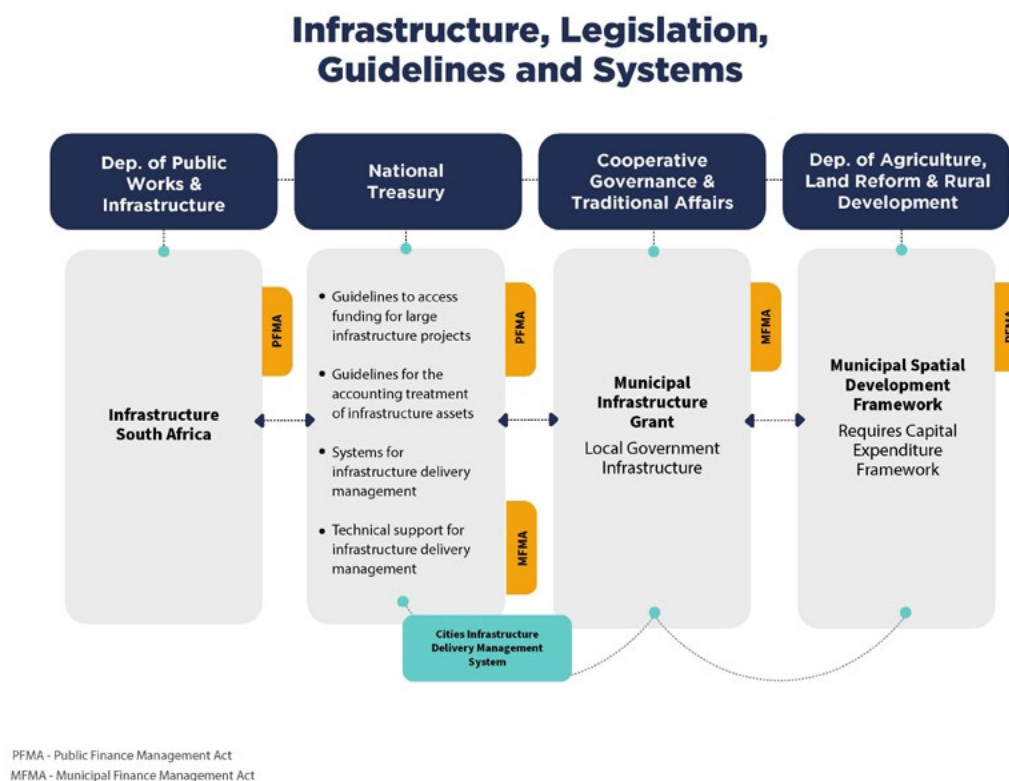


Figure 3: Infrastructure Guidelines from National Treasury



1.4 Department of Public Works and Infrastructure (DPWI)

The Department of Public Works and Infrastructure (DPWI) has infrastructure-related guidelines /system /grants. Infrastructure South Africa (ISA) has been established to be a single point of entry for all infrastructure projects across the country through Infrastructure South Africa (ISA) which is in the process of being established as part of DPWI. The Sustainable Infrastructure Development (SIDS) Methodology forms part of the national efforts to intensify infrastructure investment (launched on June 24, 2020).

2. Infrastructure In Relation To Longer Term Planning

Infrastructure asset development and management is inherently a longer-term function, taking on average 3 – 5 years to plan, another 3 – 8 years to be implemented, and if managed appropriately it is likely to have a asset life cycle of 40 years. Municipalities have a range of longer-term planning instruments, one of them being a system for infrastructure delivery management.

It is noted that besides the National Development Plan, longer term planning is not common practice in government - national sector departments are required to produce 5-year Strategic Plans aligned to the Medium Term Strategic Framework (MTSF) with the process for the Annual Performance Plan being focused on annual plans in the context of 3 year rolling plans and budgets and M&E focused on annual performance. While the annual local government planning and budgeting process includes “all of government stakeholders” (provincial, national and SOE), very few of the provincial, national and SOE processes includes municipalities.

Metropolitan municipalities on the other hand have a tradition of planning for the longer term with metropolitan spatial development frameworks (MSDFs) always based on at least a 10-year time horizon. Furthermore, metropolitan municipalities worked together with the SACN many years ago to develop their GDS/CDS e.g., Joburg 2040 and Tshwane 2055. While the GDS/CDS is not a legislative requirement, it has been established as good practice and critical to informing the term-of-office planning.

All metropolitan municipalities have started implementing the CIDMS and related Framework for Infrastructure Delivery and Procurement Management (FIDPM) and the complementary LTF Model & Strategy, which if correctly implemented should span a 40-year time horizon. DCOG has agreed that the CIDMS replaces any guidelines that it has issued on infrastructure asset management since the CIDMS is based on the full life-cycle management of infrastructure assets and makes the important and direct link of the MSDF informing the spatial location of infrastructure development. There is a customised, less complicated Local Government IDMS to be used by intermediate city municipalities and other local municipalities together with the LTF Model & Strategy.

National Treasury has clarified that the various infrastructure guidelines it has issued serves the functions as set out in Table 1.

Many metropolitan municipalities have used their BEPPs as the MSDF requirement for a Capital Expenditure/Investment Framework (CEF/CIF) since there has been no specification from the DALRRD – the good practice established by some metropolitan municipalities can be adopted by other metropolitan municipalities until such time as DALRRD provides clarity.

Section (4) (e) of the MSA Municipal Planning and Performance Management Regulations (2001) requires that the SDF must set out a Capital Investment Framework (CIF). At the same time SPLUMA section 21 (n) requires that a MSDF must determine a capital expenditure framework for the municipality's development programmes depicted spatially. And the MSDF Guideline 2017 requires the municipality to develop a Capital Investment Framework (CIF) that articulates how the spatial proposals are to be achieved sequentially with attention to what key interventions need to take place, where they need to occur and by whom. This difference between the requirements of the MSA Regulations, the MSDF Guideline and the SPLUMA requires urgent clarification from COGTA and DALRRD.

From a National Treasury perspective, metros should be using the Cities Infrastructure Delivery Management System (CIDMS) and Long-Term Financial Strategy (LTFS) as a “package” for the Capital Expenditure/Investment Framework requirement of the Municipal Spatial Development Framework (MSDF) Guideline (SPLUMA).

Table 1: National Treasury Infrastructure Guidelines, Systems, Frameworks and/or Strategies Summary

Guidelines	Purpose
Annual guideline on Budget Facility for Infrastructure	Criteria for accessing the Budget Facility for Infrastructure for very high value infrastructure projects
Annual Guideline for Capital Planning	Guidance to national sector departments on large infrastructure projects
Local Government Capital Asset Management Guide (2008)	Accounting treatment of infrastructure assets within the context of the full life cycle of infrastructure asset management
Catalytic Land Development Guideline	Provides a framework for the identification and preparation of land development opportunities on the basis that land development generates value.
Systems	Purpose
IDMS	System for provincial government infrastructure delivery management
CIDMS	System for metropolitan municipality infrastructure delivery management
Local Government IDMS	System for municipal (non-metropolitan) infrastructure delivery management
Frameworks and/or Strategies	Purpose
Framework for Infrastructure Delivery and Procurement Management (FIDPM)	Guide procurement for infrastructure delivery management
Cities Investment Programme Project Preparation Facility (CIPPPF)	Guide portfolio, programme and project preparation
Long Term Financial Model and Strategies (LTF Model & Strategy)	Guide long term financial sustainability in municipalities

Infrastructure development is a significant contributor to urban spatial form as a determinant of how compact or sprawling a settlement is. There is a Knowledge Product on [Infrastructure-led Growth through Spatially Targeted Public Investment](#) that provides knowledge and guidance on intergovernmental planning that will contribute to a more compact and spatially transformed city. In other words, it advocates intergovernmental alignment in strategy, planning and infrastructure investment programming through co-ordinated public-sector planning, regulatory and investment approaches within a spatially targeted planning framework to attract and leverage private sector and household investment in spatially targeted areas. This knowledge product complements two other knowledge products on Outcomes-led Planning and Strategy-led Budgeting. These knowledge products were produced in 2018, but have been subsequently updated in 2021 and form part of the Urban Reforms Knowledge Series.

Source Documents:

Key source documents in this category include:

Available at: (Click a link below to download the source document)	
CIDMS	Cities' Infrastructure Delivery and Management System (CIDMS) Management Companion, 2018
FIDPM	Local Government Framework for Infrastructure Delivery and Procurement Management, 2020/2021 and Local Government Framework for Infrastructure Delivery and Procurement Management MFMA Circular No.106, 2020
GIAMA	Government Immovable Asset Management Act, No. 19 of 2007

Terminology

Term	Source	Definition
Acquire		
	GIAMA	in relation to an immovable asset— (a) for national government, means acquisition through construction, purchase, lease, acceptance of a gift, expropriation, exchange or transfer of custodianship between custodians in that sphere of government; and (b) for provincial government, means “acquire” as defined in the relevant provincial land administration law or transfer of custodianship between custodians in that sphere of government;
Advance Payment / Prepayment		
	CIDMS	Sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied.
	MSCOA	Pre-payments are payments in advance for goods and services to be received in future. The actual amount paid is known.
Asset		
	CIDMS	A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
	MSCOA	Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
	CLDG	An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
Asset Hierarchy		
	CIDMS	A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function, asset type, or a combination of the two.
Asset Life		
	CIDMS	Period from asset creation to asset end of life.
Asset Management		
	CIDMS	The process of decision making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximise their service-delivery potential and benefits, and to minimise their related risks and costs over their entire life.
Asset Management Objectives		
	CIDMS	Specific outcomes required by implementing an asset management system.
Asset Management Plan		
	CIDMS	A documented plan developed to manage one, or a portfolio of, assets. It combines multidisciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost-effective way to provide a specified level of service. The plan specifies approaches, programmes, projects, activities, resources, responsibilities and time frames across the life cycle of the asset(s) planned for, or over a time frame appropriate for robust life-cycle planning.
Asset Management Practices		
	CIDMS	The asset management processes and techniques that an entity undertakes, such as demand forecasting, developing and monitoring levels of service and risk management
Asset Management Strategy		
	CIDMS	The high-level, long-term approach to asset management including asset management action plans and objectives for managing the assets.
Asset Management System		
	CIDMS	A management system whose function it is to establish the asset management policy and objectives, as well as processes and organisational arrangements inclusive of structure, roles and responsibilities to achieve asset management objectives.
Asset Register		
	CIDMS	A record of asset information considered worthy of separate identification for both asset accounting and strategic management purposes including inventory, historical, condition and construction, technical and financial information about each. Note: The unit of account in an asset register is a component (see definition of a component).
Asset System		
	CIDMS	Set of assets that interact or are interrelated.

Term	Source	Definition
Asset Type		
	CIDMS	Grouping of assets having common characteristics that distinguish those assets as a group or class.
Audit		
	CIDMS	Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.
Best Practice		
	GIAMA	means a desirable and appropriate standard, process, procedure, method or system in relation to immovable asset management;
Brownfields Development		
	CIDMS	Development that is restricted by existing fixed structures, often necessitating some extent of demolition prior to starting the intended construction.
Capital (Financial Concept Of)		
	CIDMS	Net assets of an entity.
Capital (Physical Concept Thereof)		
	CIDMS	The productive capacity of an entity as measured by the optimised depreciated replacement cost method.
Capital Expenditure (Capex)		
	CIDMS	Expenditure used to create new assets, increase the capacity of existing assets beyond their original design capacity or service potential, or to return the service potential of the asset or expected useful life of the asset to that which it had originally. CAPEX increases the value of capital asset stock.
Capital Upgrading		
	CIDMS	Enhances the service potential of the asset or the economic benefits that can be obtained from use of the asset and may also increase the life of the asset beyond that initially expected
Cash Flow		
	CIDMS	The stream of costs and/or benefits over time resulting from a project investment or ownership of an asset.
	MSCOA	Inflows and outflows of cash and cash equivalents.
Cogeneration (COGEN)		
	MSCOA	Combined Heat and Power (CHP) – The simultaneous production of electric energy and useful thermal energy for industrial, commercial, heating or cooling purposes. The Energy Information Administration (EIA) has adopted this term in place of “cogeneration”.
Component		
	CIDMS	A component (Note 1) is a specific part of a complex item (Note 2) that has independent physical or functional identity and specific attributes such as different life expectancy, maintenance and renewal requirements and regimes, risk or criticality. Note 1: A Component Is Separately Recognised And Measured (Valued) In The Organisation's Asset Register As A Unique Asset Record, In Accordance With The Requirements Of Grap 17 To Componentise Assets. Note 2: A Complex Item Is One That Can Be Disaggregated Into Significant Components. Infrastructure And Buildings Are Considered Complex Items.
Condition		
	CIDMS	The physical state of the asset.
Condition Assessment / Condition Monitoring		
	CIDMS	The inspection, assessment, measurement and interpretation of the resultant data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Constant Price		
	CIDMS	Price excluding adjustment for inflation.
Construction		
	FIDM	Everything constructed or resulting from construction operations
Contract Management		
	CIDMS	Applying the terms and conditions, including the agreed procedures for the administration thereof.

Term	Source	Definition
Contractor		
	CIDMS	Person or organisations who contract with the employer to provide goods or services or any combination thereof covered by the contract
	MSCOA	An entity that performs construction work pursuant to a construction contract.
Corrective Maintenance		
	CIDMS	Maintenance carried out after a failure has occurred and intended to restore an item to a state in which it can perform its required function. Corrective maintenance can be planned or unplanned.
Cost Benefit Analysis (CBA)		
	CIDMS	Discounted cash flow that takes into account the benefits and costs of an investment opportunity to the entity AND/OR THE COMMUNITY IT SERVES.
	CPG	A CBA seeks to establish whether a particular investment is the most efficient use of society's resources. It does this by identifying and monetising the costs and the benefits to society to enable comparison.
Critical Asset		
	CIDMS	Those assets that are likely to result in a more significant financial, environmental and social cost in terms of their impact on organisational objectives and service delivery.
Current Replacement Cost		
	CIDMS	The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business, or the minimum it would cost to replace the existing asset with a new modern equivalent asset with the same economic benefits, allowing for any differences in the quantity and quality of output and in operating costs.
	CIDMS	Actions required to take an asset out of service.
Deferred Maintenance		
	CIDMS	The portion of planned maintenance work necessary to maintain the service potential of an asset that has not been undertaken in the period in which such work was scheduled to be undertaken.
Demand Management		
	CIDMS	The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand
Density		
	CIDMS	Measurement of the population of a defined urban area, excluding non-urban land uses. Non-urban uses include regional open space, agriculture and water bodies. Density can be measured using any of the following means, depending on the purpose of the measurement: <ul style="list-style-type: none"> Floor area ratio (FAR) the total floor area of buildings divided by land area of the lot on which they are built Residential density the number of dwelling units in a given area Population density the number of people in a given area Employment density the number of jobs in a given area Gross density any density figure for a given area of land that includes uses not necessarily directly relevant to the figure (normally roads, typically accounting for about 20 per cent the land cover of a settlement) Net density a density figure for a given area of land that excludes land not directly related to the figure
Depreciated Replacement Cost		
	CIDMS	The replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset.
Depreciation		
	CIDMS	Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.
	MSCOA	The systematic allocation of the depreciable amount of an asset over its useful life.
Discount Factor		
	CIDMS	A rate or factor used to relate present and future money values. Also referred to as the discount rate, hurdle rate, required return, cost of capital or opportunity cost. For the purposes of this Toolkit the discount factor in formulae is denoted with an "r".
Discounted Cash Flow		
	CIDMS	A technique to convert cash flows that occur over time to equivalent amounts at a common point in time. It is the process of finding present values, which is the inverse of compounding interest

Term	Source	Definition
Disposal		
	CIDMS	Actions necessary to decommission and dispose of assets that are no longer required.
	GIAMA	means any disposal contemplated in the State Land Disposal Act, 1961 (Act No. 48 of 1961) or a provincial land administration law;
Early Contractor Involvement		
	CIDMS	Early contractor involvement is an approach to contracting that supports improved team performance and planning to deliver value for money.
Economic Life		
	CIDMS	The period from acquiring the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life, however obsolescence will often ensure that the economic life is less than the physical life
	MSCOA	Either (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
Environmental Impact Assessment		
	CIDMS	An assessment of the environmental consequences (positive and negative) of a plan, policy, programme, or project prior to the decision to move forward with the proposed action.
Facility		
	CIDMS	A complex comprising many assets (e.g. a hospital, water treatment plant, recreation complex, etc.), which represents a single management unit for financial, operational, maintenance or other purposes.
Failure Modes		
	CIDMS	Ways in which an asset can fail in relation to required levels and standards of service that trigger asset management planning and potentially investment decision making: <ul style="list-style-type: none"> · Capacity · Condition · Cost of operation · Performance
	CIDMS	A systematic, logical risk-based maintenance approach aimed at maximising the reliability of plant and equipment assets.
Financing Costs		
	CIDMS	Includes annual interest costs and capital repayments (principle amount) for the investment over the period of the loan.
Framework Agreement		
	CIDMS	An agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Gate / Stage Gate		
	CIDMS	A control point at the end of a process where a decision is required before proceeding to the next process or activity.
	FIDM	A control point at the end of a process where a decision is required before proceeding to the next process or activity
Gateway Review		
	CIDMS	An independent review of the available information at a gate upon which a decision to proceed or not to the next process is based.
	FIDM	An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.
Geographic Information System (Gis)		
	CIDMS	Software that provides a means of spatially viewing, searching, manipulating and analysing an electronic database.
Green Drop Report		
	CIDMS	An incentive-based regulation as a means to identify, reward, ensure and encourage excellence in wastewater management.
Greenfields Development		
	CIDMS	Development that is unconstrained by existing fixed structures.
Immovable Asset		
	GIAMA	means any immovable asset acquired or owned by government, excluding any right contemplated in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);

Term	Source	Definition
Immovable Asset Management		
	GIAMA	means those management processes which ensure that the value of an immovable asset is optimised throughout its life cycle;
Immovable Asset Management Guidelines		
	GIAMA	means the guidelines published by the Minister in terms of section 19 which a custodian or user may use to develop its immovable asset management plan;
Immovable Asset Management Plan		
	GIAMA	means a custodian immovable asset management plan or a user immovable asset management plan, as the case may be, prepared in accordance with section 6;
Impacts		
	CIDMS	Impacts are effects that either positively contribute to an outcome or strategic objective, such as increased revenue, or that reduce risks such as environmental disasters, workplace injuries, loss of property, or damage to the reputation or image of the organisation
	FMPPI	The results of achieving specific outcomes, such as reducing poverty or creating jobs
	CSP	What we aim to change. The long term developmental result at a societal that is the logical consequence of achieving specific outcomes.
	MFMA CIRCULAR 88	the results of achieving specific outcomes, such as reducing poverty or creating jobs
Impairment		
	CIDMS	The loss of future economic benefits or service potential of an asset over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.
	MSCOA	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. An undesired change in a system or device that reduced its ability to perform its intended function.
Impairment Loss		
	CIDMS	An impairment loss of a cash-generating asset or a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
Multicriteria Analysis Indicators		
	CIDMS	The criteria used to measure a broad range (e.g. financial, economic, social and environmental) outcomes of a project in a multicriteria analysis
Infill Development		
	CIDMS	New construction that "fills in the gaps" in an already urbanised area. This type of development has the potential to use existing infrastructure, increase density, limit urban sprawl and strengthen the existing economy.
Infrastructure / Infrastructure Assets		
	CIDMS	Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.
	FIDM	a) Immovable asset, which is acquired, constructed or results from construction operations; or b) Movable asset, which cannot function independently from purpose-built immovable asset(s).
	NSDF	The basic equipment, utilities, productive enterprises, installations, and services essential for the development, operation, and growth of human settlements and economic activities. Infrastructure includes items such as roads, utility lines for water, sanitation and electricity, drainage structures and communication technology. A distinction is often made between (1) engineering infrastructure, such as roads, electricity, sewerage, water, and (2) social infrastructure, which can broadly be defined as the construction and maintenance of facilities that support social services, such as health, education, community, welfare support, citizen registration and cultural facilities.
Infrastructure Delivery		
	CIDMS, FIDM	The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.
Infrastructure Procurement		
	CIDMS, FIDM	The procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Term	Source	Definition
Integrated Development Plan		
	CIDMS	An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
	MSCOA	The IDP is the strategic plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions, problems, challenges and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.
	SPLUMA	Means a plan adopted in terms of Chapter 5 of the Municipal Systems Act;
	MSA	Means a plan envisaged in section 25
	CSP	(Referring to the MSA Section 25 and 26): forms the policy framework and general basis on which annual budgets must be based, must reflect the municipal Council's vision for the long term development of the municipality, reflect the Council's development priorities and objectives for its elected term,
Integrated Planning		
	BEPP	Integrated planning refers to planning that enjoys the co-operation and contribution of different sector department, different spheres of government, state-owned entities and the private sector in order to programme and implement development that is geared towards achieving a shared set of development outcomes. In space, integrated planning is planning of the built environment that supports the performance of the built environment as a whole in an equitable manner balancing land uses and infrastructure requirements, optimising public access and creating liveable urban precincts
	IDP	Joint planning that ensures participation of all stakeholders and affected departments. Its objective is to examine all economic, social and environmental costs and benefits, in order to determine the most appropriate option and to plan a suitable course of action
Internal Rate Of Return		
	CIDMS	IRR is the discount rate that equates the present value of net cash inflows with the initial investment in the project, resulting in a NPV = R0. The IRR is the true yield of the investment, expressed as a rate of return.
Investment Costs		
	CIDMS	The initial capital investment plus any intermittent capital expenditure required to achieve the project outcomes
Key Performance Indicators (Kpi)		
	CIDMS	Set of quantifiable measures that an industry uses to gauge or compare performance in terms of meeting strategic and operational goals.
	GWME	a pre-determined signal that a specific point in a process has been reached or result achieved
	FMPPI	Identify specific numerical measurements that track progress towards achieving a goal
Land Assembly		
	CIDMS	The process of packaging land to the point that it can be used for its intended function. One of the most important steps in this process is ensuring that all necessary land rights are in place before development can commence.
Life		
	CIDMS	A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals etc. over which benefits are derived from the use or availability of an asset.
Life Cycle		
	CIDMS	The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.
	GIAMA	means the period during which a custodian or user expects to derive benefits from the control or use of an immovable asset;
Life Cycle Asset Management		
	CIDMS	Encompasses all asset management strategies and practices associated with an asset or group of assets that result in the lowest life cycle cost necessary to achieve stated service requirements within acceptable risk parameters.
Life Cycle Cost / Whole-Of-Life Cost		
	CIDMS	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.
	CLDG	Costs associated with a project or programme from the inception of the programme or project right through to the ongoing operations, maintenance, holding and management of the finished product.

Term	Source	Definition
Maintenance		
	CIDMS	All actions intended to ensure that an asset performs a required function to a specific performance standard(s) over its expected useful life by keeping it in as near as practicable to its original condition, including regular recurring activities to keep the asset operating, but specifically excluding renewal. Refer to Appendix A for a hierarchy of maintenance type, approach and actions. Note: Maintenance also specifically excludes restoring the condition or performance of an asset following a recognised impairment event, which would be classified as either renewal or upgrading, depending on the circumstances.
Maintenance Expenditure		
	CIDMS	Recurrent expenditure as required to ensure that the asset achieves its intended useful life. Maintenance is funded through the entity's operating budget, and such expenditure is expensed in the entity's Statement of Financial Performance.
Maintenance Objectives		
	CIDMS	Objectives for what maintenance has to achieve to ensure the assets are in the right condition to meet the needs of the entity. Maintenance performance measures and targets are the means of assessing whether the maintenance objectives are being met.
Maintenance Of Capital		
	CIDMS	Expenditure to ensure that the productive or operating capacity of the asset base is maintained over time. The value vested in capital assets is maintained when the entity has at least as much capital at the end of the period as it had at the beginning thereof.
Maintenance Plan		
	CIDMS	Describes the planned and unplanned maintenance actions for an asset, facility or portfolio of assets, with intended delivery methods and schedules, budget requirements and responsible parties.
Maintenance Standards		
	CIDMS	The standards set for the maintenance service, usually contained in preventive maintenance schedules, operation and maintenance manuals, codes of practice, estimating criteria, statutory regulations and mandatory requirements, in accordance with maintenance quality objectives
Maintenance Strategy		
	CIDMS	Interprets higher-order documents and formulates maintenance objectives and targets, establishes maintenance tactics, and defines maintenance roles and responsibilities
Major Capital Project		
	CIDMS	An infrastructure project or a series of interrelated infrastructure projects on a single site having an estimated cost, including those required for new facilities or systems to become fully operational, above a prescribed threshold
Monitoring		
	CIDMS	Determining the status of a system, a process or an activity.
	GWME	Collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management; providing provide managers, decision makers and other stakeholders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
	NEPF	Monitoring involves the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide managers with regular (and real-time) feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
Monocentric City		
	CIDMS	A city structure with one dominant core, typically the Central Business District (CBD), which is the hub of economic activity and employment in the city.
Multicriteria Analysis		
	CIDMS	An analysis technique that takes into account a range of qualitative and quantitative criteria reflecting the financial, economic, social and environment characteristics of the investment opportunity.
Net Benefits		
	CIDMS	The sum of annual benefits less annual costs in the year of the project/asset's life.
Net Present Value		
	CIDMS	The value of an asset to the entity in present money terms. It is the net amount of discounted cash inflows arising from the use and subsequent disposal of the asset, after deducting the value of the discounted total cash outflows.

Term	Source	Definition
Node		
	CIDMS	A centre of activity, economic or otherwise. These often occur at intersections of major corridors, but some just function as the centre of their neighbourhood.
	NSDF	Nodes are concentrations and clusters of activities of varying intensity and density, and can be either mixed-use or mono-functional (e.g. an office node).
Objective		
	CIDMS	Result to be achieved at strategic, tactical or operational level. Objectives can be set in a variety of domains or outcome areas (e.g. economic, social or environmental outcomes), or can relate to elements of the entity (e.g. corporate level or units in the entity), or can relate to processes, services, products, programmes and projects.
Obsolescence		
	CIDMS	The asset can no longer be maintained, or suffers a loss in value due to a decrease in the usefulness of the asset, caused by technological change, or changes in people's behavioural patterns or tastes, or environmental changes
Operation		
	CIDMS	Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Opportunity Cost		
	CIDMS	The cost of cash flows that could have been earned in the best alternative investment opportunity
Optimised Decision Making		
	CIDMS	Two definitions are: <ul style="list-style-type: none"> A formal process to identify and prioritise all potential solutions with consideration of financial viability, social and environmental responsibility and cultural outcomes An optimisation process for considering and prioritising all options to rectify existing or potential performance failure of assets. The process encompasses NPV analysis and risk assessment.
Outline Specifications		
	CIDMS	Preliminary set of specifications (generated during the early phases of a design process) on which detailed specifications are based.
Performance		
	CIDMS	Measurable result of either a quantitative or qualitative nature that can relate to the management of activities, processes, products or services, systems or entities.
Performance Measure		
	CIDMS	A qualitative or quantitative measure used to measure actual performance against a standard or other target. Performance measures are used to indicate how the entity is doing in relation to delivering levels of service
Performance Monitoring		
	CIDMS	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards
Polycentric System Or City		
	CIDMS	A city structure that typically has a weak, diffused core, and several competing primary nodes. Employment opportunities in a polycentric city are dispersed.
	NSDF	A functionally integrated system of settlements/nodes of varying size that co-exist and collaborate in mutually beneficial ways, and in doing so, enhance the resilience of the system and its constituent parts. The system allows the provision of a series of social and other services by (1) using the unique qualities of the various settlements/nodes in the system, and (2) harnessing the connections between them.
Portfolio		
	CIDMS	To be read in context, as follows: <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
	GIAMA	means the total extent of immovable assets controlled or used by a national or provincial department;
	CLDG	A collection of assets (property or investments, etc.) held by a person or organisation typically organised into collections of assets with similar attributes.

Term	Source	Definition
Preventative Maintenance		
	CIDMS	Maintenance carried out at predetermined intervals, or corresponding to prescribed criteria, and intended to reduce the probability of failure or the performance degradation of an item. Preventative maintenance is planned or carried out on opportunity.
Process		
	CIDMS	Set of interrelated or interacting activities, which transform inputs into outputs.
Procurement Strategy		
	CIDMS	Selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
	FIDM	The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
Programmes		
	CIDMS	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
	GWME	high-level, big-picture plans showing how strategies will be implemented.
Project		
	CIDMS	A project can be defined as: <ul style="list-style-type: none"> • an unique set of coordinated and controlled processes and activities; • undertaken to achieve a specific objective(s) according to specifications; • that consume resources (e.g. funds, labour, materials and equipment); and • is confined by a control budget.
	FIDM	A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective
	GWME	specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Property, Plant And Equipment		
	CIDMS	Property, plant and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
	MSCOA	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
Remaining Useful Life		
	CIDMS	The time remaining until an asset ceases to provide the required service level or economic usefulness.
	CIDMS	Expenditure on an existing asset that returns the service potential of the asset or expected useful life of the asset to that which it had originally. <p>Note 1: Renewal can include works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability.</p> <p>Note 2: Expenditure on renewals is funded through the entity's capital budget, and such expenditure is recognised in the entity's Statement of Financial Position.</p>
	CIDMS	Physical action taken to restore the required function of a faulty item.
Replacement Cash Flow Decision		
	CIDMS	Cash flows to be determined for the replacement of an existing asset, where the investment analyst must find the incremental cash outflows and inflows that will result from the replacement.
Residual Value		
	CIDMS	The estimated value of an asset at the end of its useful life, or the value that remains at the end of the analysis period where the asset useful life exceeds the analysis period. The residual value is considered as a benefit (cash inflow) in the final year of the analysis period.
	MSCOA	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.
Retention Sum		
	CIDMS	Sum retained for a certain period to offset costs which may arise from the contractor's failure to comply fully with the contract.
Risk		
	CIDMS	The effect of uncertainty on objectives. Risk events are events that may compromise the delivery of the entity's strategic objectives

Term	Source	Definition
Risk Controls		
	CIDMS	Measures to manage or mitigate identified risks.
Risk Exposure		
	CIDMS	The level of risk to which an entity is exposed. Risk exposure is a function of the probability of an occurrence times the impact of that occurrence.
Risk Management		
	CIDMS	The application of a formal process that identifies the exposure of an entity to service performance risk and determines appropriate responses.
Risk Register		
	CIDMS	A record of information that stipulates risks identified, the levels of risk exposure before and after implementation of risk controls, and details of appointed risk owners as a minimum.
Routine Maintenance		
	CIDMS	Day-to-day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative and periodic maintenance
Sensitivity Analysis		
	CIDMS	Testing of the variations in the outcome of an evaluation by altering the values of key factors about which there may be uncertainty.
Service Delivery Agreement		
	CIDMS	An agreement between two or more organs of state setting out the terms and conditions and roles and responsibilities regarding infrastructure delivery which promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination
	MFMA	has the meaning assigned to it in section 1 of the Municipal Systems Act;
	MSCOA	An agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.
	MSA	Means an agreement between a municipality and an institution or person mentioned in section 76 (b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality;
Service Level / Level Of Service		
	CIDMS	Levels of service statements describe the outputs or objectives an entity intends to deliver to customers.
	MIIF7	(Presence of infrastructure) The term 'service level' is taken here to mean the experience of the residential consumer (households) living in a particular dwelling with regard to the distance household members have to move to get access to the service, and the convenience with which the service can be used. This is associated with the physical presence of infrastructure at or near to the dwelling.
	MIIF7	(Quality of infrastructure) This is an expanded interpretation of the term 'service level' as it implies that the infrastructure must also be functioning in a sustainable way. One way of assessing this is through surveys of consumers of the service as this gives the fullest picture of whether the service associated with the infrastructure is fully operational and delivering satisfaction to the consumer.
Spatial Development Framework		
	CIDMS	A spatial development framework (SDF) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.
	SPLUMA, BEPP	Means a spatial development framework referred to in Chapter 4 of SPLUMA; *[A note: Chapter 4 of SPLUMA provides a comprehensive overview of what a Spatial Development Framework should entail, but does not provide a definition per se, therefore the reader is advised to refer to SPLUMA directly for more information.]
	IDP	A framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP

Term	Source	Definition
Spatial Planning		
	CIDMS	Spatial planning is a process of place shaping and delivery. It is about the management of space and development in order to create better places, responding to the needs of society, the economy and the environment. Spatial planning systems are the methods used by the public sector to influence the distribution of people and activities in spaces of various scales. Discrete professional disciplines, which involve spatial planning include land use, urban, regional, transport and environmental planning.
	NSDF	The process of making strategic decisions as to (1) how and for what purpose public, communal and private-owned land in an area (it could be a street, town, province, country or continent) is to be used and developed in an environmentally sustainable, economically viable and affordable way, and (2) how these land portions are to be connected to each other through road and rail networks and served with basic service infrastructure (water, electricity and sanitation) and communication networks (cellular, wi-fi and fibre).
Stage		
	CIDMS	A collection of logically related activities in the infrastructure delivery cycle that culminates in the completion of a major deliverable.
	FIDM	A collection of periodical and logically related activities in the Project Management Control Stages, that culminates in the completion of an end of stage deliverable.
Standard		
	GIAMA	means the minimum standard, process, procedure, method or system in relation to immovable asset management and the life cycle of immovable assets, issued in terms of section 19;
Statement Of Financial Performance		
	CIDMS	The Statement of Financial Performance, also known as an income statement, shows the revenue and expenses of an entity over a period of time.
Statement Of Financial Position		
	CIDMS	The Statement of Financial Position, also known as the balance sheet, presents the financial position of an entity at a given date. The statement comprises three main components, these being assets, liabilities and equity, and gives users of financial statements insight into the financial soundness of an entity in terms of liquidity risk, financial risk, credit risk and business risk.
Strategic Plan		
	GIAMA	means the strategic plan of a custodian or user as prescribed in terms of the Public Service Act, 1994 (Proclamation R103 of 1994) and the PFMA;
Sunk Costs		
	CIDMS	Cash outlays already made (past expenditures) that therefore have no effect on the cash flows relevant to the current investment decision. As a result sunk costs should be excluded from a project's incremental cash flows in a replacement cash flow investment decision
Surplus (Assets)		
	GIAMA	in relation to an immovable asset, means that the immovable asset no longer supports the service delivery objectives of a user;
Target Contract		
	CIDMS	A cost reimbursement contract in which a preliminary target cost is estimated and on completion of the work the difference between the target cost and the actual cost is apportioned between the parties to the contract on an agreed basis.
Unplanned Maintenance		
	CIDMS	Corrective work required in the short term to restore an asset to working condition so that it can continue to deliver the required service or to maintain its level of security and integrity.
Upgrading		
	CIDMS	The replacement of an asset or addition/ replacement of an asset component, which materially improves the original service potential of the asset.
Useful Life		
	CIDMS	The useful life of an asset is the period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.
	MSCOA	(a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.

Term	Source	Definition
User		
	GIAMA	means a national or provincial department that uses or intends to use an immovable asset in support of its service delivery objectives and includes a custodian in relation to an immovable asset that it occupies or intends to occupy, represented by the Minister of such national department, Premier of a province or MEC of such provincial department, so designated by the Premier of that province.
Valuation		
	CIDMS	Estimated asset value, which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.
Value For Money / Best Value For Money		
	CIDMS	The optimal use of resources to achieve intended
Outcomes.		
	GIAMA	means the optimisation of the return on investment in respect of an immovable asset in relation to functional, financial, economic and social return, wherever possible;
	CLDG	In relation to a public-private partnership agreement, means that the performance of a private party in terms of the agreement will result in a net benefit to the municipality in terms of cost, price, quality, quantity, risk transfer or any combination of those factors. (Municipal PPP Regulations)
Weighted Average Cost Of Capital (Wacc)		
	CIDMS	WACC is the combination of cost of debt capital, being the interest rates for borrowing short-term and long-term debt, and the opportunity cost of capital for equity, which is the risk-free interest rate for equity funds on deposit.

3. Budget, Fiscal & Financial Reforms

Introduction

The Budget, Fiscal and Financial Reforms part of the Urban Reforms agenda is underpinned by a strategy-led budgeting approach with a number of technical budget, fiscal and financial reforms that have evolved over the last 10-15 years.

The knowledge product on Strategy-led Budgeting produced in 2018 has been updated and forms part of the Urban Reforms Knowledge Series (2021) draws on the successful experiences of the BEPPs which is a new approach to budgeting that depends on a stronger and more direct relationship between strategic planning and budgeting.

The key technical reforms comprise, amongst others, the following: -

Budget Reforms

- Municipal Standard Chart of Accounts - mSCOA

Fiscal Reforms

- Local Government Grant Review

Financial Reforms

- National Strategy for Municipal Borrowing
- Development Charges
- Land Value Capture
- Long Term Financial Model & Strategies

All the technical reforms mentioned above are detailed in the Urban Reforms Knowledge Series (2021).

Source Documents

Key source documents in this category include:

Available at: (Click a link below to download the source document)	
MFMA	Municipal Finance Management Act (No. 56 of 2003)
PFMA	Public Finance Management Act (No. 1 of 1999 as amended by No.29 of 1999)
MSCOA	LG SCOA - Terminology List - 01 April 2014
MFPMA	Municipal Fiscal Powers and Functions Act
MIIF7	The Municipal Infrastructure Investment Framework (MIIF 7) for South Africa; Round 7 (2009 – 2010): A capital investment perspective (DBSA)
CEF	Guide to preparing a Capital Expenditure Framework (Draft; COGTA)
CPG	Capital Planning Guidelines, National Treasury, 2018
MFMA Circular 88	MFMA Circular No.88, 2017 and MFMA Circular No.88, 2020

Terminology

Term	Source	Definition
Accounting Basis		
	MSCOA	The accrual or cash basis of accounting.
Accounting Policies		
	MSCOA	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.
Accrual Basis		
	MSCOA	A basis of accounting under which transactions, other events and conditions are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions, other events or conditions are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.
Accumulated Surplus / Deficit		
	MSCOA	Retained earnings or accumulated deficit being the cumulative effect of differences between revenue and expenditure as per statement of financial performance.
Acquisition Cost		
	MSCOA	When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the standards of IFRS, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or at fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.
Advance Payment / Prepayment		
	CIDMS	Sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied.
	MSCOA	Pre-payments are payments in advance for goods and services to be received in future. The actual amount paid is known.
Allocation		
	MFMA	In relation to a municipality, means - (A) a municipality's share of the local government's equitable share referred to in section 214(1)(a) of the constitution; (B) an allocation of money to a municipality in terms of section 214(1)(c) of the constitution; (C) an allocation of money to a municipality in terms of a provincial budget; or (D) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;
Amortisation		
	MSCOA	Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life. The gradual write-off of an amount in an account by prorating such amount over a predetermined period, such as the life of the asset or liability to which it applies, or the period during which it is anticipated the benefit will be realised.
Annual Budget		
	MSCOA	Annual budget is an approved budget for one year. It does not include published forward estimates or projections for periods beyond the budget period.
Annual Report		
	MFMA	In relation to a municipality or municipal entity, means an annual report contemplated in section 121, which states that: the purpose of an annual report is— (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates; (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
Approved Budget		
	MFMA	Means an annual budget - (A) approved by a municipal council; or (B) approved by a provincial or the national executive following an intervention in terms of section 139 of the constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;
	MSCOA	The expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period.

Term	Source	Definition
Asset		
CIDMS		A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
MSCOA		Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
CLDG		An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
Bad Debts Written-Off		
MSCOA		The irrecoverable debts that are written off during the financial year as approved by council allocated according to the type of service provided to the customer.
Basic Level Of Service / Basic Municipal Service		
MFMA		Means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;
MSCOA		A basic municipal service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.
MSA		Means a municipal service that is necessary m ensure an acceptable and quality of life and, not provided, would endanger public health or safety or environment
MIIF7		This is the service level defined by individual sector departments which is determined to be acceptable in terms of the health and safety considerations for specific settlement conditions. This implies that a basic service level may require a higher level of technology in the urban core compared to other types of settlements.
Blended Finance		
OECD		The strategic use of development finance for the mobilization of additional finance towards sustainable development in developing countries.
Bonds		
MSCOA		Certificates of indebtedness representing long-term borrowing of capital funds, the terms of which contain an indenture pledging property as security for the loan and providing for the appointment of a trustee to represent the bondholders. If the lien of the mortgage is limited to specific property owned as the time the mortgage was created and to replacements thereof, the mortgage is described as "closed." If the lien extends to "after acquired" property which may be used as the basis for issuance of additional bonds under the terms and provisions of the indenture, the mortgage is referred to as an "open-end" mortgage.
Other		A debt instrument bought by investors; when buying a bond, an investor lends money to the borrowing entity (which can be government, a municipality or a corporate) for a defined period of time at a variable or fixed interest rate. Bonds, like concessionary loans, are typically longer in tenor than commercial loans, but carry higher transaction costs and a higher quantum of money, which can be barriers for entry for all but the largest borrowing entities.
Book Costs		
MSCOA		The amounts recorded on a company's accounting records at any given time, usually at the most recent closing date or at year end. These amounts may reflect accumulated provisions for depreciation, amortisation, or other purposes.
Book Value		
MSCOA		The value of a security or asset as shown by the accounting records of the holders. Frequently may be the acquisition cost or other figures that are different from market value
Borrowing		
MSCOA		This account is for recording non-current borrowing. Borrowing is money received with the implied or expressed intention of returning the same or an equivalent to the borrower with the same interest. Long and short term debt rose in accordance with section 46 of the mfma, act 56 of 2003 and to be used for capital expenditure on property, plant and equipment.
Borrowing Costs		
MSCOA		Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
Budget And Treasury Office		
MSCOA		The budget office is responsible for the annual compilation of the short and medium term budget with inputs from functional departments, monthly monitoring of actual performance against estimates and corrective action if required.

Term	Source	Definition
Budget Forum		
	MFMA	Has the meaning assigned in section 1 of the intergovernmental fiscal relations act, 1997 (act no. 97 Of 1997): the budget forum is a body in which the national government, the provincial governments and organised local government consult on— (a) any fiscal, budgetary or financial matter affecting the local sphere of government; (b) any proposed legislation or policy which has a financial implication for local government; (c) any matter concerning the financial management, or the monitoring of the finances, of local government; or (d) any other matter which the minister has referred to the forum
Budget Tagging		
	MTEF Technical Guidelines	It is a tool that identifies, classifies, weights and marks relevant expenditures in a government's budget system, enabling the estimation, monitoring and tracking of those expenditures by providing data on government's allocations or existing spending. Information gathered via tagging will be used to inform policy discussions.
Budgetary Basis		
	MSCOA	The accrual, cash or other basis of accounting adopted in the budget approved by the legislative body.
Budget-Related Policy		
	MFMA	Means a policy of a municipality affecting or affected by the annual budget of the municipality, including— (A) the tariffs policy which the municipality must adopt in terms of section 74 of the municipal systems act; (B) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or (C) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the municipal systems act;
Bulk Purchases		
	MSCOA	Bulk purchases of water (from water boards) and electricity from eskom.
By-Law		
	MSCOA	A by-law is legislation passed by the council of a municipality binding in the municipality on the persons to whom it applies.
	MSA	Means legislation passed by the council a municipality binding in the municipality on the persons to whom it applies
Capacity		
	CIDMS	Maximum output that can be produced or delivered using the existing network or infrastructure.
	MSCOA	In relation to a municipality, includes the administrative and financial management capacity and infrastructure that enables a municipality to collect revenue and to govern on its own initiative the local government affairs of its community.
Capital Expenditure Framework		
	DRAFT TSHWANE MSDF	A framework which coordinates the outcomes of a multitude of planning initiatives and documents within the municipality, in order to ensure that capital investment and project / programme implementation on the ground is guided by an over-arching long-term strategic, spatial, financial and socio-economic logic. Key informants to the cef national and provincial strategies and policies i.E. The national development plan of 2014 (ndp) and medium term strategic framework (mtsf), as well as the provincial spatial development framework or growth and development strategy (gds), as well as municipal-level policies and strategies, typically embodied by the municipal integrated development plan (idp), municipal spatial development framework (sdf) and other departmental sector plans. Collectively these plans have a spatial imperative that the city uses to guide investment and development in order to realise short, medium and longterm developmental and socio-economic goals. The cef serves as a legislated mechanism to strengthen the budgeting process currently institutionalised within the municipality, and to show how capital investment matures from planning to implementation through various stages of governance. In order to facilitate logical and rational based reporting.
Capital Investment		
	Other Sources	A capital investment is defined as a sum of cash acquired by a company to pursue its objectives, such as continuing or growing operations. It also can refer to a company's acquisition of permanent fixed assets such as property, plant and equipment (pp&e).
Capital Investment Framework		
	CEF(G)	It is list of all infrastructure that the municipality requires that is necessary to ensure sustainable development for the future based on own quantification using specific standards. It must also include all infrastructure plans prepared by provincial and national level departments and state owned entities. It is a comprehensive needs lists spread over a planning period of at least 10 years that support the urban growth and development of the municipality as per the sdf.

Term	Source	Definition
Capital Projects		
MSCOA		1) A municipality may spend money on a capital project only if (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2); (b) the project, including the total cost, has been approved by the council; (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and (d) the sources of funding have been considered, are available and have not been committed for other purposes. 2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the project, including municipal tax and tariff implications. 3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.
MFMA		A municipality may spend money on a capital project only if (A) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2) of the mfma; (B) the project, including the total cost, has been approved by the council; (C) section 33 has been complied with, to the extent that that section may be applicable to the project; and (D) the sources of funding have been considered, are available and have not been committed for other purposes. 2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider (A) the projected cost covering all financial years until the project is operational; and (B) the future operational costs and revenue on the project, including municipal tax and tariff implications. 3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.
Carrying Amount (Of Investment Property)		
MSCOA		The amount at which an asset is recognised in the statement of financial position.
Cash And Cash Equivalents		
MSCOA		Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.
Cash Backed Reserves		
MSCOA		Use of funds set-aside in a dedicated bank account for the replacement of assets, maintenance of assets, replace asset from the self-insurance reserve or funding claims from the coid-reserve, etc. These “cash-backed funds” need to be included as the “posting-level items”.
Cash Basis		
MSCOA		A basis of accounting that recognises transactions and other events only when cash is received or paid.
Cash Equivalents		
MSCOA		Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash Flow		
CIDMS		The stream of costs and/or benefits over time resulting from a project investment or ownership of an asset.
MSCOA		Inflows and outflows of cash and cash equivalents.
Cash On Hand		
MSCOA		Cash held for petty cash, cashier surplus, undeposited money, etc.
Class Of Service		
MSCOA		(Adapted) a group of customers with similar characteristics which is identified for the purpose of setting a rate for a service, and include: commercial, industrial, other (customers not elsewhere classified, service to public authorities, and interdepartmental services), residential, sales for resale”
Commercial Loans		
Other Sources		A loan extended by commercial banks or development agencies at commercial rates (i.e., Interest rates that reflect market conditions). Commercial loans are typically offered for a period shorter than bonds or concessionary loans offered by dfis, but have lower transaction costs than bonds and are generally quicker to close than dfi loans based on a lower threshold of conditions.
Community Service		
MSCOA		Community service is a service or activity that is performed by the municipality for the benefit of the public or its institutions.

Term	Source	Definition
Comparable Basis		
MSCOA		The actual amounts presented on the same accounting basis, same classification basis, for the same entities and for the same period as the approved budget.
Concessionary Loan		
MSCOA		A concessionary loan is a loan granted to or received by an entity on terms that are not market related.
Other Sources		A loan, typically extended by a development finance institution, at a sub-market rate with a longer term but also aligned with non-financial, developmental goals
Consolidated Financial Statements		
MSCOA		The financial statements of an economic entity presented as those of a single entity.
Construction Contract		
MSCOA		A contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Contingent Liability		
MSCOA		A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Contingent Asset		
MSCOA		A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Contractor		
CIDMS		Person or organisations who contract with the employer to provide goods or services or any combination thereof covered by the contract
MSCOA		An entity that performs construction work pursuant to a construction contract.
Core Functions		
MSCOA		Section 145(1) functions as per the constitution. Core functions as provided for in the constitution schedule 4 and 5 part b being aged care, home assistance, transport facilities, cemeteries and crematoriums, child care facilities, community halls and facilities, libraries and archives, museums and art galleries, animal care, literacy programmes, theatres, zoo's, etc.
Cost		
MSCOA		The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.
Cost Benefit Analysis (CBA)		
CIDMS		Discounted cash flow that takes into account the benefits and costs of an investment opportunity to the entity and/or the community it serves.
CPG		A cba seeks to establish whether a particular investment is the most efficient use of society's resources. It does this by identifying and monetising the costs and the benefits to society to enable comparison.
Cost Effectiveness Analysis		
CPG		Cost-effectiveness studies are appropriate where project options must be compared but assigning a monetary value to the desired outcome would not be appropriate. This usually applies to projects that do not represent an economic activity, such as social, health or human rights projects, and where a needs analysis has been informed by a defined social requirement.
Cost Of Removal		
MSCOA		Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.
Cost Of Service		
MSCOA		Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.
Cost Plus Or Cost Based Contract		
MSCOA		Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.
Cost Of Disposal / Cost To Sell		
MSCOA		Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Term	Source	Definition
Credit Enhancements		
Other Sources		Measures taken to improve an organization's access to debt and to enhance its creditworthiness, by providing reassurances that the borrower will honor the obligation, such as additional collateral, insurance, or a third-party guarantee. Credit enhancement reduces default risk, thereby increasing the overall credit rating and lowering interest rates on debt.
Credit Risk		
MSCOA		The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
Creditor		
MFMA		In relation to a municipality, means a person to whom money is owing by the municipality;
Currency Risk		
MSCOA		The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
Current Assets		
MSCOA		Current assets refers to assets which would recover in no more than 12 months after the reporting date or if the normal operating cycle is more than 12 months the longer period.
Current Liabilities		
MSCOA		Current liabilities comprise of all money owed by an entity which is due within one year after the reporting date.
Current Replacement Cost		
CIDMS		The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business, or the minimum it would cost to replace the existing asset with a new modern equivalent asset with the same economic benefits, allowing for any differences in the quantity and quality of output and in operating costs.
Debt		
MFMA		Means - (A) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or (B) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;
CLDG		A sum of money that is owed.
Deemed Cost		
MSCOA		A deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the standards of grap (measurement date).
Deferred Income		
MSCOA		Deferred income is money received for goods and services which have not as yet been delivered. According to revenue recognition principle, it is recorded as a liability until delivery is made, at which time it is converted into revenue.
Demand Analysis		
CPG		The first step is to confirm that there is demand for the goods and services that will be produced by the project. This is important because levels of current and forecasted demand should be sufficient to contribute to the viability of the project. Any factors that constraint demand need to be identified and factored into the demand forecasts.
Depreciable Amount		
MSCOA		The cost of an asset, or other amount substituted for cost, less its residual value.
Depreciation		
CIDMS		Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.
MSCOA		The systematic allocation of the depreciable amount of an asset over its useful life.
Derivative		
MSCOA		A financial instrument or other contract within the scope of the standard of grap on financial instruments (see paragraphs .02 To .12 Of the standard of grap on financial instruments) with all three of the following characteristics:
Development		
MSCOA		The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of production or use.

Term	Source	Definition
	MSA	Means sustainable development. And includes integrated social, economic, environmental, spatial, institutional, organisational and human resources upliftment of a community aimed improving the quality of life of its members with specific reference to the poor and other disadvantaged sections of the community; and ensuring that development serves present and future generations;
Development Finance Institutions (DFI)		
	Other Sources	Financial institutions that provides risk capital for economic development projects on non commercial basis, which are often established and owned by governments or charitable institutions to provide funds for projects that would otherwise not be able to get funds from commercial lenders
Direct Cost		
	MSCOA	Are costs that are specifically incurred on behalf of a specific entity with an identifiable casual relationship with a business unit, activity, process, product or service? Direct assignment is applied in the case of direct cost.
Distribution System		
	MSCOA	The network of wires and equipment that is dedicated to delivering electric energy from the transmission system to the customer's premises. Electric energy is carried at high voltages along transmission lines. For customers needing lower voltages, it is reduced in voltage at a substation and delivered over primary distribution lines extending throughout the area where the electricity is distributed. For users needing even lower voltages, the voltage is reduced once again by a distribution transformer or a line transformer. At this point it changes from primary to secondary distribution voltage.
Dwelling Unit		
	MIIF7	A structure, with perimeter walls and roof, used as a place in which a person or group of people live. This may be a single, free-standing unit, or a group of units attached to each other, referred to as attached dwelling units.
Economic Analysis		
	CPG	An economic analysis is different from a financial analysis in that it analyses the viability of a project based upon economic and social welfare improvements, and not financial bankability. An economic analysis thus takes non-monetary welfare impacts into account, such as improved health, reduced accident risks, congestion and pollution.
Economic Efficiency		
	MSCOA	The concept of obtaining the most consumer satisfaction from available resources. Conversely, a situation of practice is considered "inefficient" if exactly the same desired goals could be achieved with the use of fewer scarce resources. Two forms of efficiency are generally considered as part of economic efficiency, "production efficiency" and "allocative efficiency". Achieving efficient results is usually assumed to be predicated on consumers or users of a good or service being knowledgeable of the cost of the good or service and of comparable substitutes, and choosing between them to achieve the least cost.
Economic Impact Assessment		
	CPG	The assessment allows for the identification of the losers and the winners from the project and the judgement of whether these distributional impacts are aligned with government priorities. If the potential losers are identified as an already vulnerable group, this might require mitigation actions to be undertaken. The project's scope and financial structure must be aligned towards the findings in the impact assessment.
Economic Life		
	CIDMS	The period from acquiring the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life, however obsolescence will often ensure that the economic life is less than the physical life
	MSCOA	Either (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
Economies Of Scale		
	MSCOA	Economies of scale exist when, for a given level of technology and set of prices, relatively larger production facilities have lower unit costs than relatively smaller facilities. Economies of scale may exist for any of the phases of power production: generation, transmission or distribution. Economies of scale are often erroneously confused with short-run decreasing costs, which are the costs of productive capacity at a particular time.
Electric Power Generation		
	MSCOA	The large-scale production of electricity in a central plant. A power plant consists of one or more units. Each unit includes an individual turbine generator. Turbine generators (turbines directly connected to electric generators) use steam, wind, hot gas or falling water to generate power.
Electricity Distribution		
	MSCOA	Electricity distribution is the final stage in the delivery of electricity to end users. A distribution system's network carries electricity from the transmission system and delivers it to consumers. Typically, the network would include medium-voltage (less than 50 kv) power lines, substations and pole-mounted transformers, low-voltage (less than 1 kv) distribution wiring and sometimes meters.

Term	Source	Definition
Environmental Analysis		
CPG		Every project involving new construction or substantial rehabilitation of an existing structure will involve undertaking an environmental impact assessment (eia). In those instances where the institution is going to procure, by conventional means, the construction of a facility of its own design, the institution must undertake the eia and obtain all necessary environmental, zoning and town planning consents. The cost of so doing is one of the costs that must be identified early on and quantified when determining the feasibility of a particular project.
Environmental Health		
MSCOA		Environmental health comprises those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing factors in the environment that can adversely affect the health of present and future generations. Environmental health services are services that implement environmental health policies through monitoring and controlling, which improve environmental parameters and encourage the use of environmentally friendly and healthy technologies and behaviours. Controlling and monitoring also play a leading role in suggesting and developing new policy areas. (These definitions are in line with the definitions of the world health organization.).
Environmental Services And Protection		
MSCOA		Environmental services and protection refers to the various combinations of scientific, technical, and advisory activities (including modification processes, i.E., The influence of manmade and natural factors) required to acquire, produce, and supply information on the past, present, and future states of space, atmospheric, oceanographic, and terrestrial surroundings for use in decision-making processes, or to modify those surroundings to enhance operations.
Environmentally Sustainable		
MSCOA		In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that
MSA		In relation to the provision a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the risk of harm to the environment and to human health and safety is minimised to the extent reasonably possible under the circumstances, the potential benefits to the environment and to human health and safety are maximised to the extent reasonably possible under the circumstances: and legislation intended to protect the environment and human health and safety is complied with
Equitable Share		
MSCOA		Local government's equitable share of nationally raised revenue to enable municipalities to provide a basic level of services to low-income households in their areas of jurisdiction at an affordable cost.
Equity		
MSCOA		Equity provides for "ownership interest" in the entity.
Expenses		
MSCOA		Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.
Fair Value		
MSCOA		The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Finance Lease		
MSCOA		A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.
Financial Asset		
MSCOA		(A) cash; (b) a residual interest of another entity; or (c) a contractual right to: (i) receive cash or another financial asset from another entity; or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
Financial Cash Flow Analysis		
CPG		The objective of this analysis is to establish the financial viability of the option. The analysis is carried out in accordance with the discounted cash flow method. A financial model projecting the cash flows for the costs and any revenue generated from the project over its lifetime is developed. This analysis needs to be undertaken for each of the preferred options identified. If the institution lacks the capacity for developing such financial models, outsourcing this expertise should be considered. In order to preserve the outsourcing option for future capital expenditure undertakings, the institution should budget for such expenditures.
Financial Guarantee Contract		
MSCOA		A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Term	Source	Definition
Financial Instrument		
	MSCOA	Any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.
Financial Instrument At Cost		
	MSCOA	Investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.
Financial Instruments At Fair Value		
	MSCOA	Financial assets or financial liabilities that are: (a) derivatives; (b) combined instruments that are designated at fair value in accordance with paragraphs .20 Or .21 Of the standard of grap on financial instruments; (c) instruments held for trading. A financial instrument is held for trading if: (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking; (d) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition in accordance with paragraph .17 Of the standard of grap on financial instruments; and (e) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.
Financial Leveraging		
	Other Sources	Using an injection of finance to induce other contributions, thereby generating a multiple of the original amount; also, the ratio of loan finance to equity in a company's capital structure.
Financial Liability		
	MSCOA	Any liability that is a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.
Financial Recovery Plan		
	MFMA	Means a plan prepared in terms of section 141; financial statements, in relation to municipality or municipal entity, means statements consisting of at least - (A) a statement of financial position; (B) a statement of financial performance; (C) a cash-flow statement; (D) any other statements that may be prescribed; and (E) any notes to these statements;
Financial Statements		
	PFMA	Means statements consisting of at least— (a) a balance sheet; (b) an income statement; (c) a cash-flow statement; (d) any other statements that may be prescribed; and (e) any notes to these statements;
Financial Year		
	MFMA	Means a year ending on 30 june;
	PFMA	(A) means a year ending 31 march; or (b) in relation to a public entity that existed when this act took effect and that has a different financial year in terms of other legislation, means that financial year, provided the national treasury has approved that other financial year;
	MPPMR	Financial year of municipalities that ends on 30 june of each year
Financially Sustainable		
	MSCOA	In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of (a) the initial capital expenditure required for the service, (b) operating the service; and (c) maintaining, repairing and replacing the physical assets used in provision of the service.
	MSA	In relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs the initial capital expenditure required for the service and maintaining, repairing and replacing physical used in the provision of the service
Financing Agreement		
	MFMA	Includes any loan agreement, lease, instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time
Fixed Price Contract		
	MSCOA	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.
Fruitless And Wasteful Expenditure		
	MFMA	Means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

Term	Source	Definition
	PFMA	Means expenditure which was made in vain and would have been avoided had reasonable care been exercised;
Fully Allocated Cost		
	MSCOA	The total of all direct and indirect costs including cost of capital incurred in providing both regulated and non-regulated goods and or services.
Functional Area		
	BEPP	A functional area is a dense built up area that presents a concentration of people, activity, capital and buildings and is structured on major roads, railroads and terminals. It forms a system that functions by flows of people, goods, energy, information and money and includes a contiguous core of urban areas and commuters belts from which a fixed percentage of commuting to work is directed mainly within the functional area.
	CSP	A functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. The sum total of all the defined functional areas within the municipality must account for the total population (including growth per functional area) in the municipal area over a period of at least 10 years, and the total capex awarded for the 10 year period towards infrastructure investments that falls within the affordability envelope.
General Ledger		
	MSCOA	In modern accounting software or erp, the general ledger works as a central repository for accounting data transferred from all sub-ledgers or modules like accounts payable, accounts receivable, cash management, fixed assets, purchasing and projects. General ledger is the backbone of any accounting system which holds financial and non-financial data for an organization.
Heritage Asset		
	MSCOA	Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.
Household		
	MIIF7	Census 2001 uses the following: a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.
Housing		
	MSCOA	Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house, or some other kind of dwelling, lodging, or shelter.
Impairment		
	CIDMS	The loss of future economic benefits or service potential of an asset over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.
	MSCOA	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. An undesired change in a system or device that reduced its ability to perform its intended function.
Independent Power Producers (LPPS)		
	MSCOA	Power generators that are not affiliated with a vertically integrated utility.
Indirect Costs		
	MSCOA	Those costs which are not directly assignable to a product or service, not incurred by an entity or a business unit in producing the regulated product or service. This includes, but is not limited to, overhead costs, administrative and general costs, and taxes. Indirect costs are allocated based upon a methodology as set forth in the regulatory reporting manual.
Infrastructure Reporting Model		
	MSCOA	The infrastructure reporting model (irm) is a project level monitoring and reporting (m&r) tool, developed in ms excel and visual basic (vba). The model is used by provincial departments to report expenditure and performance progress on infrastructure projects.
Infrastructure Transfers		
	MSCOA	Include all "transfers" that directly relate to the infrastructure creation process and is a requirement in terms of the infrastructure reporting model. These "transfers" include "contributed assets" from national and provincial departments, district municipalities to local municipalities and any other entities to the municipality
In-Kind (Allocations In-Kind)		
	MSCOA	Goods in-kind are tangible assets transferred to the municipality in a non-exchange transaction, without charge, but may be subject to stipulations. External assistance provided by multilateral or bilateral development organisations often includes a component of goods in-kind.
Intangible Asset		
	MSCOA	An intangible asset is an asset that you cannot touch. Examples of intangible assets include copyrights, patents, mailing lists, trademarks, brand names, domain names, and so on.

Term	Source	Definition
Integrated Development Plan		
CIDMS		An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
MSCOA		The idp is the strategic plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions, problems, challenges and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.
SPLUMA		Means a plan adopted in terms of chapter 5 of the municipal systems act;
MSA		Means a plan envisaged in section 25
CSP		(Referring to the msa section 25 and 26): forms the policy framework and general basis on which annual budgets must be based, must reflect the municipal council's vision for the long term development of the municipality, reflect the council's development priorities and objectives for its elected term,
Integrated Development Planning		
IDP		The collective activities that constitute the standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Integrated Urban Development Framework		
IDP		The iudf sets out the policy framework for transforming and restructuring south africa's urban spaces, guided by the vision of creating "livable, safe, resource efficient cities and towns that are socially integrated, economically inclusive and globally competitive" as approved by cabinet in april 2016.
Integrated Urban Development Grant		
IDP		The iudg refers to a new grant that is the result of a restructuring exercise where various existing grants are being consolidated. This grant restructuring exercise is one of the initiatives flowing from the iudf to support spatial transformation and the grant is intended to support the spatial transformation process to the benefit of the urban poor.
Interest Charges		
MSCOA		Interest on long-term debt: this account should record the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in the account for "bonds and other long-term debt". This account should be so kept or supported as to show the interest accruals on each class and series of long-term debt.
Interest Rate Risk		
MSCOA		The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
Intermediate City Municipalities		
CEF(G) referring to IUDF Policy		The integrated urban development framework acknowledges that there is a spectrum of urban municipalities with metropolitan municipalities at one end and municipalities that are approaching a rural spatial form at the other. The term intermediate city municipalities has now been introduced to refer to the group of municipalities that sit adjacent to metropolitan municipalities on the urban spectrum. 39 Municipalities have been identified as intermediate city municipalities based on an assessment of population density and economic strength.
Investment		
MFMA		In relation to funds of a municipality, means - (A) the placing on deposit of funds of a municipality with a financial institution; or (B) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;
Investments		
MSCOA		Assets held primarily for the creation of wealth through receipt of distributions (such as interest, royalties, dividends and rentals), for capital appreciation.
Investor (In A Joint Venture)		
MSCOA		A party to a joint venture and does not have joint control over that joint venture.

Term	Source	Definition
Irregular Expenditure		
MFMA		In relation to a municipality or municipal entity, means - (A) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this act, and which has not been condoned in terms of section 170 (B) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the municipal systems act, and which has not been condoned in terms of that act (C) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the public office-bearers act, 1998 (act 30 no. 20 Of 1998); or (D) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure
PFMA		Means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including— (a) this act; or (b) the state tender board act, 1968 (act no. 86 Of 1968), or any regulations made in terms of that act; or (c) any provincial legislation providing for procurement procedures in that provincial government;
Joint Venture		
MSCOA		A binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.
Large Projects		
CPG		Large projects are those estimated to cost between r90 million and r400 million per year for a minimum of three years – totalling at least r250 million per year but less than r1 billion over the mtef. Large projects require a feasibility study for scrutiny by national treasury.
Legal And Regulatory Due Diligence		
CPG		A legal and regulatory due diligence study should confirm that the project will be able to comply with all regulatory requirements, identify any risks and obligations that could increase costs of or decrease benefits. The cost of compliance must be included in the financial and economic analysis.
Lender		
MFMA		In relation to a municipality, means a person who provides debt finance to a municipality
Liabilities		
MSCOA		Liabilities are future sacrifices of economic benefits that the municipality is presently obliged to make to other entities as a result of past transactions or other past events.
Liquidity Risk		
MSCOA		The risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
Load Management		
MSCOA		Economic reduction of electric energy demand during a utility's peak generating periods. Load management differs from conservation in that load management strategies are designed to either reduce or shift demand from on-peak times, while conservation strategies may primarily reduce usage over the entire 24 hour period. Motivations for initiating load management included the reduction of capital expenditure, circumvention of capacity limitations, provision for economic dispatch, cost of service reduction, system efficiency improvements, or system reliability improvements. Actions may take the form of normal or emergency procedures.
Loan Commitment		
MSCOA		A firm commitment to provide credit under pre-specified terms and conditions.
Loans Payable		
MSCOA		Loans payable are financial liabilities, other than short-term payables on normal credit terms.
Local Community		
MFMA		Has the meaning assigned to it in section 1 of the municipal systems act;
MSCOA		In relation to a municipality, means that body of persons comprising (a) the residents of the municipality, (b) the ratepayers of the municipality (c) any civil organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and (d) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.

Term	Source	Definition
	MSA	In relation to a municipality means that body of persons comprising - the residents of the municipality, the rate payers of the municipality, any civic organisation and non-governmental, private sector or labour organisations of bodies which are involved in local affairs within the municipality and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality and includes more specifically, the poor and other disadvantaged sections of such body of persons
	MFMA	Means debt repayable over a period exceeding one year
	MSCOA	Bonds & other long-term debt: this account should record in a separate subdivision for each class and series of bonds the face value of the actually issued and un-matured bonds which have not been retired or cancelled; also the face value of such bonds issued by others the payment of which has been assumed by the utility, as well as, until maturity, all long-term debt not otherwise provided for. Separate accounts should be maintained for each class of obligation, and records should be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.
Losses		
	MSCOA	Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.
Maintenance And Repair		
	MSCOA	Maintenance and repair (including overhaul) involves fixing any sort of mechanical or electrical device should it become defective or broken (known as repair, unscheduled or casualty maintenance). It also includes performing routine actions which keep the device in working order (known as scheduled maintenance) or prevents trouble from arising (preventive maintenance).
Management		
	MSCOA	Those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.
Market Risk		
	MSCOA	The prevailing rate of interest on loans determined by the demand and supply of credit and based on the duration (the longer the duration, the higher the rate) of loan and type of security offered (the higher the quality of security, the lower the rate).
Market Value		
	MSCOA	In relation to a property means the value of the property determined in accordance with section 46.
Medium Term Revenue And Expenditure Framework		
	CEF(G)	The mtef refers to annual, rolling three year-expenditure planning. It sets out the medium-term expenditure priorities and hard budget constraints against which sector plans can be developed and refined. Mtef also contains outcome criteria for the purpose of performance monitoring.
Mega Projects		
	CPG	Mega projects are those estimated to cost more than r400 million per year for a minimum of three years, or a total project cost of at least r1 billion. Most mega projects will customarily require a prefeasibility study and a comprehensive feasibility study for scrutiny by national treasury.
Multi-Year Budget		
	MSCOA	An approved budget for more than one year. It does not include published forward estimates or projections for periods beyond the budget period.
	MFPMA	Means the fees necessary to cover the actual cost associated with rendering a municipal service, and includes - (A) bulk purchasing costs in respect of water and electricity reticulation services, and other municipal services; (B) overhead, operation and maintenance costs; (C) capital costs; (D) a reasonable rate of return, if authorised by a regulator or of the minister responsible for that municipal service
Municipal Debt Instrument		
	MFMA	Means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;
Municipal Entity		
	MFMA	Has the meaning assigned to it in section 1 of the municipal systems act;
	MSA	Means a trust or corporate entity established in terms any applicable or provincial legislation and which operates under the ownership control one more municipalities and includes, in the case company under' such ownership any subsidiary (a company) or a service utility.

Term	Source	Definition
	MSCOA	Municipal entity means – (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation and which operates under the ownership control of one or more municipalities, and includes, in the case of a company under such ownership control, and subsidiary of that company; or
Municipal Financial Year		
	MFMA	Means a year ending on 30 june;
	MFPMA	Means the financial year of a municipality commencing on 1 july and ending on 30 june
Municipal Infrastructure		
	MIIF7	This is the physical facilities, comprising immovable assets which are required to provide a municipal service.
Municipal Service		
	MFMA	Has the meaning assigned to it in section 1 of the municipal systems act;
	MSA	Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and fees, charges or tariffs are levied in respect of such a service or not
	MIIF7	This is the service provided by municipalities in terms of their constitutional obligations, as experienced by the consumer of the service (households and businesses). The service requires infrastructure and the organisational arrangements required to provide, operate and maintain the infrastructure, including other equipment required (movable assets) and the interface between the municipality and the consumer.
Municipal Standard Chart Of Accounts		
	CEF(G)	The municipal standard chart of accounts makes provision for a uniform and standardised financial transaction classification framework as per the municipal regulations and standard chart of accounts as gazetted on 22 april 2014 (gazette no 37577).
Municipal Surcharge		
	MFPMA	Means a charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the constitution
Municipal Tariff		
	MFMA	Means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
Municipal Tax		
	MFMA	Means property rates or other taxes, levies or duties that a municipality may impose;
Needs Analysis		
	CPG	The needs analysis should demonstrate alignment with the institution's mandate and strategic objectives. The purpose of this analysis is to enable the institution to clearly identify a clear infrastructure need, specify outputs of the project and ascertain the extent of current and future demand for the service.
Net Assets		
	MSCOA	Retained earnings or accumulated deficit being the cumulative effect of differences between assets and liabilities as per statement of financial position.
Non-Core Functions		
	MSCOA	Section 145(4) functions as per the constitution. Non -core functions are commonly known as “agency services”. Non-core functions as provided for in the constitution schedule 4 and 5 part b being agricultural, animal control and diseases, archives, cultural matters, consumer protection, disaster management, education, indigenous and customary law, industrial promotion, language policy, libraries, media services, museums, population development, provincial cultural, traditional leadership, veterinary services and welfare services.
Non-Current Assets		
	MSCOA	Non-current assets refer to assets which would recover after 12 months or after the normal operating cycle of the municipality.
Non-Current Assets Held For Sale		
	MSCOA	Non-current assets are reclassified as current assets when they are held for sale. A non-current asset is regarded as 'held for sale' if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use.
Non-Current Liabilities		
	MSCOA	Non-current liabilities comprise of all money owed by an entity which is due more than one year after the reporting date.

Term	Source	Definition
Non-Infrastructure Assets		
MSCOA		Transactions of a capital nature relating to key projects as identified by management, e.G. Procurement of a new bus fleet for use as urban transport but not qualifying as “infrastructure assets” and thus provided for under “projects non-infrastructure”.
Onerous Contract		
MSCOA		A contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.
Operating Lease		
MSCOA		A lease other than a finance lease.
Operational Expense (Opex) / Operational Cost		
CIDMS		Opex is recurrent expenditure to provide services. Examples of opex include staff costs, administration costs, consumables, maintenance and repairs and feasibility studies
MSCOA		An operating expense is a day-to-day expense such as sales and administration, or research and development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Operational Expenditure Projects		
CIDMS		Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Operational Revenue		
MSCOA		Operational revenue refers to all other income not elsewhere classified such as administrative fees, bad debts recovered, breakages, commission, discounts and early settlements, etc.
Options Analysis		
CPG		The purpose of an options analysis is to undertake an analysis of all feasible options that can achieve the identified output specifications. This will assist in identifying the preferred solution.
Other Price Risk		
MSCOA		The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
Overspending		
MFMA		(A) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be; (B) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or (C) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;
PFMA		(A) in relation to a vote, means when expenditure under the vote exceeds the amount appropriated for that vote; or (b) in relation to a main division within a vote, means when expenditure under the main division exceeds the amount appropriated for that main division, subject to section 43;
Owner's Equity / Contributed Capital		
MSCOA		Common shares issued: this account should record the stated or assigned value of common shares of each class issued. When capital share is retired, this account should be charged with the amount at which such stock is carried herein. A separate ledger account should be maintained for each class and series of common shares. The supporting records should show the shares nominally issued, actually issued, and nominally outstanding.
Ownership Control		
PFMA		In relation to an entity, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities: (a) to appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body; (b) to appoint or remove that entity's chief executive officer; (c) to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or (d) to control all, or the majority of, the voting rights at a general meeting of that entity;
MSCOA		In relation to a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities: (a) to appoint or remove at least the majority of the board of directors or equivalent governing body; (b) to appoint or remove that entity's chief executive officer; (c) to cast at least the majority of the votes at meetings of the board of directors or equivalent governing body; (d) or to control at least the majority of the voting rights at a general meeting in the case of a company, co-operative or other body having members.

Term	Source	Definition
Planning And Development		
MSCOA		Planning and development describe the processes that determine community goals and aspirations in terms of community development. The outcome of comprehensive planning is the integrated development plan which dictates public policy in terms of transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.
Prescribe		
GIAMA		Means prescribe by regulation;
MFMA		Means prescribe by regulation in terms of section 168;
PFMA		Means prescribe by regulation or instruction in terms of section 76;
MSCOA		Prescribe by regulations or guidelines in terms of section 120, and prescribed has a corresponding meaning.
MSA		Means prescribe by regulation or guidelines in terms of section 120, and
Priority Development Areas		
CEF(G)		It refers to those current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.
Project Finance		
Other Sources		A method of raising medium to long-term debt based on cash flows solely generated by a specific development of a project. The loan is typically made to a separate company called a special purpose vehicle undertaking the project, while the business and balance sheet of the borrower are protected from the lender in the event of a default. Legal recourse in case of the project sponsor's default is limited to just this special purpose entity, although any lender will consider the past performance of the project sponsor in making a determination on the merits of the investment.
Property		
MSCOA		(A) immovable property, registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
MSA		Means -immovable property registered in the name of a person, and includes a unit as defined in section 1 of the sectional titles act, 1986 (act no. 95 Of 1986); or a right registered against immovable property in the name of a person;
Property Rates		
MSCOA		Property rates means a municipal rate on property envisaged in section 229 (1)(a) of the constitution. Rateable property means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17. [Local government municipal property rates act and regulation 6 of 2004]
Property, Plant And Equipment		
CIDMS		Property, plant and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
MSCOA		Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
Protected Area		
MSCOA		An area that is or has to be listed in the register referred to in section 10 of the protected areas act.
NSDF		An area of special natural, ecological, architectural or historic interest that is protected by law. The protected areas referred to in this nsdf are those areas that are officially classified as such in terms of the national environmental management act, 1998.
Provision		
MSCOA		Provision is a liability of uncertain timing or amount.
Provision For Deferred (Future) Income Tax		
MSCOA		Charges against income (with corresponding credits to a special liability account) representing the tax deferrals resulting from the use of accelerated amortisation and/or liberalised depreciation in federal and/or state income tax returns, when the deductions for such rapid depreciation and amortisation (applied to any vintage year's property) exceeded the allowance that would have been taken if straight line depreciation had been used for tax return as well as for book purposes. Many companies net in this account the feedback of prior year's provisions for deferred taxes.
Public Finance		
Other Sources		Government finance which comprises expenditures of public entities including the central bank, taxes, public debt and borrowing at the national, regional and local level (districts and municipalities).

Term	Source	Definition
Public Safety		
MSCOA		Public safety involves the prevention of and protection from events that could endanger the safety of the general public from significant danger, injury/harm, or damage, such as crimes or disasters (natural or man-made).
Public Service Infrastructure		
MSCOA		Publicly controlled infrastructure of the following kinds: (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatments plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) railway lines forming part of a national railway system; (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (g) runways or aprons at national or provincial airports; (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; (i) any other publicly controlled infrastructure as may be prescribed; or (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).
Public-Private Partnership		
CIDMS		<p>A commercial transaction between an organ of state and a private party in terms of which the private party:</p> <ul style="list-style-type: none"> • Performs an institutional function on behalf of the organ of state or acquires the use of state property for its own commercial purposes; and • Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function or use of state property; and • Receives a benefit for performing the institutional function or from utilising the state property, either by way of: • Consideration to be paid by the organ of state which derives from a revenue fund or, where an organ of state is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or • Charges or fees to be collected by the private party from users or customers of a service provided to them; or • A combination of such consideration and such charges or fees.
Other Sources		A contractual agreement between a government entity and one or more private sector companies to jointly finance and operate a public service. The private companies usually assume substantial financial, technical or operation risk in the project's success. Ppps are also referred to as p3 or p3.
Rateable Property		
MSCOA		Property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17.
Ratepayer		
MSCOA		In relation to a municipality, means a person who is liable to the municipality for the payment of
MSA		In relation to a municipality, means a person who is liable to the municipality for the payment of-rates on property in the municipality; any other tax, duty or levy imposed by the municipality; or fees for services provided either by the municipality or in terms of a service delivery agreement;
Rebate		
MSCOA		In relation to a rate payable on a property, means a discount granted in terms of section 15 of the rate payable on the property.
Recoverable Amount (Of An Asset Or A Cash-Generating Unit)		
MSCOA		<p>The higher of its fair value less costs to sell and its value in use.</p> <p>The higher of a cash-generating asset's net selling price and its value in use.</p>
Recoverable Service Amount		
MSCOA		The higher of a non-cash-generating asset's fair value less costs to sell and its value in use.
Rehabilitation And Refurbishment		
MSCOA		Includes activities that are required due to neglect or unsatisfactory maintenance or degeneration of an asset. The action implies that the asset is restored to its original condition, enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. The budget reporting format refers to refurbishment/maintenance to an asset that will restore or maintain the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life to be achieved.
Repayable Finance		
Other Sources		Concessional or private/commercial finance that must be repaid. Refers to sources of finance that ultimately need to be repaid, such as loans, microfinance, bonds or equity.

Term	Source	Definition
Reserves And Funds		
MSCOA		An account set-aside to meet planned and unexpected costs that may arise in the future
Residual Interest		
MSCOA		Any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
Residual Value		
CIDMS		The estimated value of an asset at the end of its useful life, or the value that remains at the end of the analysis period where the asset useful life exceeds the analysis period. The residual value is considered as a benefit (cash inflow) in the final year of the analysis period.
MSCOA		The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.
Revenue		
MSCOA		The gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.
MSCOA		Sources of funding for general use to execute the functions and powers allocated to municipality. This category includes major tariff services, fines, penalties and forfeits, taxes, returns-on-investments (interest and dividends), equitable shares, administrative and registration fees. Sale of assets could also fall within this category.
Revenue Foregone		
MSCOA		Revenue foregone is reflected as “income” on the revenue side and “expenditure” on the expenditure side. Revenue foregone consists of section 15 of the municipal property rates act, exemptions, reductions and rebates and excludes section 17 “other impermissible rates” and section 21 “compulsory phasing-in of certain rates”.
Revolving Fund		
Other Sources		A revolving fund mechanism is one where funds are recirculated through a system to ensure that funds are used more than once after fund capitalization (i.E., Loan repayments and interest earned are used to provide new loans). The interest covers administrative costs and helps prevent the fund from being depleted as a result of such factors as inflation, non-payments and the cost to the lender of getting outside finance.
Risk Assessment		
CPG		A risk assessment looks at all risks related to a project and assesses the impact of these risks and if mitigating actions are possible. For certain projects where uncertainty is significant and involves large financial risks, presenting a risk-adjusted costing model is crucial. Costing for risks is then undertaken by identifying all the risks, approximating the financial impact they will have on project costs and revenues and estimating the probability of occurrence of the risk event.
Security		
MFMA		Means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2), which lists: <p>(A) giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral; (b) undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, but this form of security may not affect compliance with section 8(2); (c) undertaking to deposit funds with the lender, investor or third party as security; (d) agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures; (e) ceding as security any category of revenue or rights to future revenue; (f) undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms; (g) undertaking to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations; (h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest; (i) agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and (j) agreeing to such other arrangements as the municipality may consider necessary and prudent.</p>
Service Charges		
MSCOA		This group of accounts provides for the fees charged to cover services related to the primary product or service being purchased, being electricity, waste management, water and waste water.
Service Delivery Agreement		
CIDMS		An agreement between two or more organs of state setting out the terms and conditions and roles and responsibilities regarding infrastructure delivery which promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination
MFMA		Has the meaning assigned to it in section 1 of the municipal systems act;

Term	Source	Definition
MSCOA		An agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.
MSA		Means an agreement between a municipality and an institution or person mentioned in section 76 (b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality;
Service Delivery And Budget Implementation Plan (Sdbip)		
MFMA		Means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate - (A) projections for each month of— (I) revenue to be collected, by source; and (Ii) operational and capital expenditure, by vote; (B) service delivery targets and performance indicators for each quarter; and (C) any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c);
IDP		A detailed plan approved by the executive mayor for implementing the municipality's delivery of municipal services and its annual budget. Essentially a business plan, the sdbip is an integral part of the financial planning process
Service Level / Level Of Service		
CIDMS		Levels of service statements describe the outputs or objectives an entity intends to deliver to customers.
MIIF7		The term 'service level' is taken here to mean the experience of the residential consumer (households) living in a particular dwelling with regard to the distance household members have to move to get access to the service, and the convenience with which the service can be used. This is associated with the physical presence of infrastructure at or near to the dwelling.
MIIF7		This is an expanded interpretation of the term 'service level' as it implies that the infrastructure must also be functioning in a sustainable way. One way of assessing this is through surveys of consumers of the service as this gives the fullest picture of whether the service associated with the infrastructure is fully operational and delivering satisfaction to the consumer.
Service Utility		
MFMA		Has the meaning assigned to it in section 1 of the municipal systems act;
MSCOA		A municipal entity established in terms of the municipal systems act.
MSA		Means a body established in terms of section 86h;
Short-Term Debt		
MFMA		Means debt repayable over a period not exceeding one year;
Small Projects		
CPG		Small projects are those estimated to cost less than r90 million per year and not more than r250 million over the mtef. Small projects with the same outputs should be grouped together in a programme for evaluation. Small projects will not be subject to detailed appraisal as required above but they should illustrate that they have been properly planned and meet the identified need and objectives of the institution.
Social Services		
MSCOA		Social services seeks to improve the quality of life and wellbeing of an individual, group, or community by intervening through research, policy, community organising, direct practice, and teaching on behalf of those afflicted with poverty or any real or perceived social injustices and violations of their human rights. Research is often focused on areas such as human development, social policy, public administration, psychotherapy, program evaluation, and international and community development.
Socio-Economic Analysis		
CPG		Many services infrastructure projects provide potential economic benefits to black economic empowerment (bee) and small medium and micro-sized enterprises (smme) as well as the community in general. The implementation of a project can result in an increase in land values or in an increase in demand for affordable housing. The use of local labour and materials in a major infrastructure project also provides significant benefits to communities affected by the infrastructure project. There may also be costs not easily realisable such as those resulting from congestion in the city caused by the implementation of the project. All these will need to be translated into economic costs and benefits.
Special Rating Areas		
MSCOA		Special rating areas as determined by the local government: municipal property rates act, section 22 special rating areas.
Specified Public Benefit Activity		
MSCOA		An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of part 1 of the ninth schedule to the income tax act.

Term	Source	Definition
Sport And Recreation		
MSCOA		In a development context the definition of sport usually includes a broad and inclusive spectrum of activities in which people of all ages and abilities can participate, with an emphasis on the positive values of sport. In 2008, the un inter-agency task force on sport for development and peace defined sport, for the purposes of development, as 'all forms of physical activity that contribute to physical fitness, mental well-being and social interaction, such as play, recreation, organised or competitive sport, and indigenous sports and games'.
Standards Of Generally Recognised Accounting Practice (Grap)		
MFMA		Means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of chapter 11 of the public finance management act;
PFMA		Means an accounting practice complying in material respects with standards issued by the accounting standards board;
MSCOA		Standards, interpretations and directives issued by the accounting standards board.
Taxes		
MSCOA		Economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.
Technical Engineering Analysis		
CPG		This is an important step that determines the scale, the design, location and technology that will be adopted by the proposed project. The input parameters necessary for the construction, operation and maintenance of the project are identified, quantified and the cost approximated over the life of the project. To be able to do this it is necessary to come up with an implementation schedule that sets the output levels. The most cost effective procurement procedures are also considered at this stage.
Trading Services		
MSCOA		Providing a service to customers at a tariff determined to "recover cost".
Transaction Costs		
MSCOA		Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see appendix a paragraph ag57 of the standard of grap on financial instruments). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.
Transfers And Subsidies		
MSCOA		Transfers include all unrequited payments made by the municipality to another institutions, businesses and individuals; it does not constitute final expenditure by the municipality. A payment is unrequited provided that the municipality does not receive anything directly in return for the transfer to the other party. Subsidies are unrequited payments that municipality's makes to public corporations and private enterprises, these payments usually have a direct policy outcome, either by subsidising the price of goods and services or by influencing the level of production.
Unauthorised Expenditure		
MFMA		In relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes - (A) overspending of the total amount appropriated in the municipality's approved budget; (B) overspending of the total amount appropriated for a vote in the approved budget; (C) expenditure from a vote unrelated to the department or functional area covered by the vote; (D) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose; (E) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or (F) a grant by the municipality otherwise than in accordance with this act;
PFMA		Means— (a) overspending of a vote or a main division within a vote; (b) expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division;
Upgrade And Additions		
MSCOA		Upgrades and additions relating to other non-infrastructure capital assets – includes activities aimed at improving the capacity and effectiveness of an asset above that of the intended purpose. The decision to renovate, reconstruct or enlarge an asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather in response to a change in demand and or change in service requirements. [The budget reporting format refers to enhancements/rehabilitation is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential for example, remaining useful life, capacity, quality and functionality.]
Useful Life		
CIDMS		The useful life of an asset is the period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.

Term	Source	Definition
	MSCOA	(A) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.
Utility Plant		
	MSCOA	All equipment used for the generation, transmission and distribution of electricity or an account in which record is kept of this equipment. Includes plant in service, purchased or sold, in process of reclassification, leased to others, held for future use, under construction and acquisition, adjustments and adjustment accounts without deduction of accumulated provision for depreciation and amortisation.
Value In Use Of A Cash-Generating Asset		
	MSCOA	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.
Value In Use Of A Non-Cash-Generating Asset		
	MSCOA	The present value of the asset's remaining service potential.
Vote		
	MFMA	Means - (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.
	PFMA	Means one of the main segments into which an appropriation act is divided and which— (a) specifies the total amount which is usually appropriated per department in an appropriation act; and (b) is separately approved by parliament or a provincial legislature, as may be appropriate, before it approves the relevant draft appropriation act as such.
	MSCOA	The term “vote” is used to divide the budget into segments and the council then approves the budget according to the votes by means of a council resolution. The definition requires “votes” to be defined at the departmental or functional level; reason being municipalities are structured around departments, which in most instances tend to be linked to specific functions.
Waste (Refuse, Rubbish, Etc.) Management		
	MSCOA	The collection, transportation, and disposal of garbage, sewage, and other waste products. Waste management encompasses management of all processes and resources for proper handling of waste materials, from maintenance of waste transport trucks and dumping facilities to compliance with health codes and environmental regulations.
Waste Water Management		
	MSCOA	Wastewater management encompasses a broad range of efforts that promote effective and responsible water use, treatment, and disposal and encourage the protection and restoration watersheds.
Water Management		
	MSCOA	Water resource management is the activity of planning, developing, distributing and managing the optimum use of water resources. It is a sub-set of water cycle management. Water resource management planning has regard to all the competing demands for water and seeks to allocate water on an equitable basis to satisfy all uses and demands.

4. Reporting Reforms

Introduction

The Reporting Reforms initiative has been informed by a performance reporting reform initiative undertaken by National Treasury, in collaboration with the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, Statistics South Africa and in consultation with the Auditor-General of South Africa, amongst others. The intention of this reform is to rationalise the reporting requirements of metropolitan municipalities. It was identified early on in this reform initiative that rationalising the reporting requirements of metropolitan municipalities necessitates clarification and resolution of inconsistencies in the statutory requirements of the IDP, SDBIP and the performance information component of the Annual Report. The initiative is institutionalised into municipal planning, budgeting and reporting processes through [MFMA C88 2017](#) and subsequent updates of this Circular. To date as at June 2021 there have been two updates 2019 and 2020 – [MFMA C88 Addendum 2019](#) and [MFMA C88 Addendum 2020](#).

The reporting reforms initiative aims to support the alignment of planning and reporting instruments for a prescribed set of municipal performance indicators. The Municipal Systems Act (MSA) and the MFMA require alignment between planning and reporting instruments such as the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the Annual Report. However, there has been some confusion as to the results level that indicators in the SDBIP occupy, particularly in component 3. Quarterly projections of service delivery targets and performance indicators for each vote. This is particularly in relation to the goals and objectives set out over the medium term in the IDP, and how they are measured. This initiative aims to clarify this matter by prescribing municipal performance indicators for metropolitan municipalities. In providing guidance and conceptual clarity and alignment between the IDP, SDBIP and the performance part of the Annual Report, the initiative has provided conceptual benefit for all municipalities and in [MFMA C88 Addendum 2020](#) expanded the application of a sub-set of the indicators to the remainder of municipalities as part of a pilot for 2021/22.

Source Documents

Key source documents in this category include:

Available at: <i>(Click a link below to download the source document)</i>	
GWME	Policy Framework for the Government-wide Monitoring and Evaluation System, Nov 2007
NEPF	National Evaluation Policy Framework, Nov 2019
FMPPI	Framework for Managing Programme Performance Information, May 2007

Terminology

Term	Source	Definition
Accessibility Indicators		
FMPPi		Explore whether the intended beneficiaries are able to access services or outputs
Accountability Documents		
FMPPi		Documents that executive authorities use to give 'full and regular' reports on the matters under their control to Parliament and the provincial legislatures in terms of the Constitution. They include plans, budgets, in-year reports and annual reports.
Activities		
CSP		The process or actions that use a range of inputs to produce the desired outputs and ultimately outcomes.
FMPPi		What we do. The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes.
Adequacy Indicators		
FMPPi		The quantity of input or output relative to the need or demand
Alignment And Integration		
GLTPI		<ul style="list-style-type: none"> - Alignment between long-term strategies and plans - Alignment between long-term strategies and term-of-office plan - Planning, budgeting and reporting alignment between municipalities and other government stakeholders (implementation agencies)
Backlog		
MIIF7		This is the number of dwellings (premises in which the consumers are living, regardless of whether these dwellings are formal or informal) which do not have access to a basic service level.
Baseline		
GWME		A description of the status quo, usually statistically stated, that provides a point of comparison for future performance
FMPPi		The current performance levels that an institution aims to improve when setting performance targets
CSP		Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Basic Level Of Service / Basic Municipal Service		
MFMA		Means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;
MSCOA		A basic municipal service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.
MSA		Means a municipal service that is necessary to ensure an acceptable and quality of life and, not provided, would endanger public health or safety or environment
MIIF7		This is the service level defined by individual sector departments which is determined to be acceptable in terms of the health and safety considerations for specific settlement conditions. This implies that a basic service level may require a higher level of technology in the urban core compared to other types of settlements.
Coherence		
NEPF		The compatibility of the intervention with other interventions in a country, sector or institution. The extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa.
Collaborative Learning Through Sectoral Reviews		
NEPF		Collaborative learning is emerging as an important learning method in the field of Evaluation. Sectoral Reviews in South Africa are conducted by Ministers of Departments, utilising expert panels in a collaborative approach. From a strategic perspective DPME aims to incorporate Sectoral Review report findings and leverage on other processes followed in producing Sectoral Reviews to inform and strengthen the focus areas of evaluations in the Nation Evaluation Plan.
Cost Indicators		
FMPPi		The overall cost (or expenditure) of producing a specified quantity of outputs
Data		
GWME		Any fact or figure

Term	Source	Definition
Design Evaluation		
	NEPF	Used to analyse the theory of change, internal logic and consistency of the programme, either before a programme starts, or during implementation to see whether the theory of change appears to be relevant and working. This is quick to do and uses only secondary information and should be used for all new programmes. It also assesses the quality of the indicators and the assumptions underpinning the theory of change.
Diagnostic Evaluation		
	NEPF	This is preparatory research (often called ex-ante evaluation) to ascertain the current situation prior to an intervention and to inform intervention design. It identifies what is already known about the issues at hand, the problems and opportunities to be addressed, causes and consequence, including those that the intervention is unlikely to deliver, and the likely effectiveness of different policy options. This enables the drawing up of the theory of change before the intervention is designed.
Distribution Indicators		
	FMPPi	The distribution of capacity to deliver services
Economic Evaluation		
	NEPF	Economic evaluation considers whether the costs of a policy or programme are commensurate with the benefits (value add). Types of economic evaluation include: Cost-effectiveness analysis, which values the costs of implementing and delivering the policy, and relates this amount to the total quantity of outcome generated, to produce a "cost per unit of outcome" estimate (e.g. cost per additional individual placed in employment); and Cost-benefit analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment)
Economy Indicators		
	FMPPi	Explore whether specific inputs are acquired at the lowest cost and at the right time, and whether production is economical
Effectiveness		
	NEPF	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Analysis of effectiveness involves taking account of the relative importance of the objectives or results.
Effectiveness Indicators		
	FMPPi	Explore how well the outputs of an institution achieve the desired outcomes
Efficiency		
	NEPF	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. "Economic" is understood as the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, out-comes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context.
Efficiency Indicators		
	FMPPi	Explore how productively inputs are translated into outputs
Equity Indicators		
	FMPPi	Explore the degree of equity and fairness with which services are provided
Evaluation		
	GWME	A time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision making by staff, managers and policy makers; assess relevance, efficiency, effectiveness, impact and sustainability
	NEPF	The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organizations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and recommend ways forward
Evaluation Synthesis		
	NEPF	Synthesising the results of a range of evaluations to generalise findings across government or within a particular sector, e.g. a function such as supply chain management, a sector, or a cross-cutting issue such as capacity. The DPME will undertake evaluation synthesis based on evaluations already undertaken in previous national evaluation plan.
Evidence-Based Decision-Making		
	GWME	Systematic application of the best available evidence to the evaluation of options and to decision making in management and policy settings

Term	Source	Definition
Framework For Managing Programme Performance Information		
	FMPPi	A framework developed by the National Treasury that provides guidance on managing performance to national, provincial and local government
Government-Wide Monitoring And Evaluation System		
	FMPPi	A system developed by the Presidency that describes monitoring and evaluation in government
Impacts		
	CIDMS	Impacts are effects that either positively contribute to an outcome or strategic objective, such as increased revenue, or that reduce risks such as environmental disasters, workplace injuries, loss of property, or damage to the reputation or image of the organisation
	FMPPi	The results of achieving specific outcomes, such as reducing poverty or creating jobs
	CSP	What we aim to change. The long term developmental result at a societal that is the logical consequence of achieving specific outcomes.
	MFMA CIRCULAR 88	The results of achieving specific outcomes, such as reducing poverty or creating jobs
Impact Evaluation		
	NEPF	Seeks to measure changes in outcomes (and the wellbeing of the target population) that are attributable to a specific intervention. Its purpose is to inform stakeholders regarding the extent to which an intervention should be continued or not, and if there are any potential modifications needed. This kind of evaluation is implemented at the end of or after programme closure.
Implementation Evaluation		
	NEPF	Aims to evaluate whether an intervention's operational mechanisms support achievement of the objectives or not and understand why. Looks at activities, outputs, and outcomes, use of resources and the causal links. It builds on existing monitoring systems and is applied during programme operation to improve the efficiency and efficacy of operational processes. It also assesses the quality of the indicators and assumptions. This can be rapid, primarily using secondary data, or in-depth with extensive field work.
Information/Knowledge		
	GWME	Information consists of data presented in a context so that it can be applied or used; information becomes knowledge when connections and links to other information items are analysed to facilitate critical thinking and reasoning
Input Indicator		
	MPPMR	Indicator that measures costs, resources, and time used to produce an output
Inputs		
	FMPPi	The resources that contribute to production and delivery of outputs
	CSP	What we use to do the work. The resources that contribute to the production and delivery of outputs.
Key Performance Indicators (KPI)		
	CIDMS	Set of quantifiable measures that an industry uses to gauge or compare performance in terms of meeting strategic and operational goals.
	GWME	A pre-determined signal that a specific point in a process has been reached or result achieved
	FMPPi	Identify specific numerical measurements that track progress towards achieving a goal
Monitoring		
	CIDMS	Determining the status of a system, a process or an activity.
	GWME	Collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management; providing provide managers, decision makers and other stakeholders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
	NEPF	Monitoring involves the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide managers with regular (and real-time) feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
Outcome Evaluation		
	NEPF	Should measure the degree to which the program is having an effect on the target population's wellbeing and/or behaviours. Outcome evaluations help determine whether or not the intended benefits of a programme are actually achieved (i.e. whether or not the programme is able to meet its intended purpose).

Term	Source	Definition
Outcome Indicator		
	MPPMR	Indicator that measures the quality and or impact of an output on achieving a particular objective
Outcomes		
	FMPPi	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
	IDP	Refer to a changed state of being. Outcomes describe the effects, benefits or consequences that occur due to the outputs of programmes, processes or activities. The realisation of the outcomes has a time factor and can be in either the medium or long-term.
	CSP	What we wish to achieve. The medium - term results for specific beneficiaries that are a logical consequence of achieving specific outputs.
	MFMA CIRCULAR 88	The medium-term results for specific beneficiaries Outcomes are the impacts on, or the consequences for, the community from the outputs or activities of government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions.
Output		
	FMPPi	The final products, goods or services produced for delivery
Output Indicator		
	MPPMR	Indicator that measures the results of activities, processes and strategies of a program or a municipality
Performance Standards		
	FMPPi	Express the minimum acceptable level of performance, or the level of performance that is generally expected
Performance Targets		
	FMPPi	Express a specific level of performance that the institution, programme or individual aims to achieve within a given period
Policies		
	GWME	Statements of what government seeks to achieve through its work and why
Price Indicators		
	FMPPi	The nominal or real prices of individual inputs
Programmes		
	CIDMS	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
	GWME	High-level, big-picture plans showing how strategies will be implemented.
Project		
	CIDMS	A project can be defined as: <ul style="list-style-type: none"> · an unique set of coordinated and controlled processes and activities; · undertaken to achieve a specific objective(s) according to specifications; · within a defined timeframe (start and end dates); · that consume resources (e.g. funds, labour, materials and equipment); and · is confined by a control budget.
	FIDM	A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective
	GWME	Specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Quality Indicators		
	FMPPi	The quality of the input or output measured against predetermined standards
Quantity Indicators		
	FMPPi	The number of inputs, activities or outputs
Rapid Evaluation		
	NEPF	Quick evaluations are conducted during emergencies or as part of preliminary analysis to help determine priorities, identify emerging problems and trends, and enable decision-making to either support a full-scale evaluation or project adjustments to meet the needs or project objectives. The implementation of this type of evaluation is usually faster, more dynamic and complete.

Term	Source	Definition
Relevance		
	NEPF	The extent to which the intervention objectives and design respond to the needs of beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
Start And End Times		
	FMPPi	When an activity is to begin and end (the delivery date)
Strategies		
	GWME	Sequentially structured descriptions of how these policies will be enacted
Strategy-Led Budgeting		
	GLTPI	<ul style="list-style-type: none"> - Budget (and by definition the term-of-office plan) must be driven by a long-term development strategy - Clearly mapped-out path that links implementation with outcomes (and impacts) - Must be supported by a long-term financial strategy
	IDP	Budgeting that relies on a long-term vision with outcomes-led planning that draws from and is informed by sustained strategy, policy and resource alignment. The resource alignment is the budgeting that is led by strategic, desired outcomes.
Sustainability		
	NEPF	The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long-term.
Timeline Indicators		
	FMPPi	Indicate whether activities and outputs are on time
Transversal Evaluations		
	NEPF	Crosscutting themes have gained importance with respect to the objectives of achieving a developmental agenda in the country. These crosscutting themes include work that centres of government such as National Treasury, CoGTA and DPSA are mainly responsible for as well as ensuring that issues relating to gender, youth and persons with disability are integrated into the National Evaluation System. Accordingly, one of the objectives of the NEP is to implement an evaluation agenda that is transversal in order to put greater emphasis on evidence-based decision-making process-es that are concise and relevant.
Utilisation-Focused Approach		
	NEPF	Judges an evaluation intervention by its value and how its findings and recommendations are translated into practice

Journey 2: Terms By Topic

Journey 2 takes the reader through terms which have been grouped by the following topics, for ease of use:

1.	Sustainable Development
2.	Service Delivery Objectives
3.	Spatial Transformation
4.	Development Finance and the Financing of Infrastructure
5.	Infrastructure Value Chain
6.	Infrastructure Asset Management
7.	Contracting Modalities and Considerations

1. Terms Related To Sustainable Development

Term	Source	Definition
Climate Adaptation		
	BEPP	The process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.
Climate Mitigation		
	BEPP	A human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs). This includes human interventions to reduce the sources of other substances which may contribute directly or indirectly to limiting climate change.
Climate Resilience		
	BEPP	Defined as per the Intergovernmental Panel on Climate Change (IPCC, 2014): The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.
Climate Responsive		
	BEPP	Being climate responsive embraces climate change adaptation and mitigation actions, building resilience, and disaster risk reduction, while also recognizing the complexity of rapidly growing urban areas in the context of the uncertainty associated with what climate change will actually mean in any given region.
Data		
	GWME	Any fact or figure
Design Evaluation		
	NEPF	Used to analyse the theory of change, internal logic and consistency of the programme, either before a programme starts, or during implementation to see whether the theory of change appears to be relevant and working. This is quick to do and uses only secondary information and should be used for all new programmes. It also assesses the quality of the indicators and the assumptions underpinning the theory of change.
Development		
	MSCOA	The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of production or use.
	MSA	Means sustainable development. and includes integrated social, economic, environmental, spatial, institutional, organisational and human resources upliftment of a community aimed improving the quality of life of its members with specific reference to the poor and other disadvantaged sections of the community; and ensuring that development serves present and future generations;
Diagnostic Evaluation		
	NEPF	This is preparatory research (often called ex-ante evaluation) to ascertain the current situation prior to an intervention and to inform intervention design. It identifies what is already known about the issues at hand, the problems and opportunities to be addressed, causes and consequence, including those that the intervention is unlikely to deliver, and the likely effectiveness of different policy options. This enables the drawing up of the theory of change before the intervention is designed.
Distribution Indicators		
	FMPPI	The distribution of capacity to deliver services

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Contracting Modalities & Considerations

Term	Source	Definition
Diversification		
	NSDF	The process of introducing and/or allowing a greater mix of land uses in an area, to (1) boost local people-to-people service economies, stimulate co-production of knowledge innovation and create jobs, (2) reduce the need for travel and travel distances, (3) bring more vibrancy and life to an area; (4) enhance social interaction and cohesion, and (5) make better use of available land
Ecological Footprint		
	NSDF	A measure of the ‘load’ imposed by a given population on natural systems. The bigger the footprint, the greater the impact.
Ecological Infrastructure		
	NSDF	Ecological infrastructure refers to naturally functioning ecosystems that generate or deliver valuable services to people, e.g. water catchments, wetlands, riparian zones, coastal dunes, kelp beds or spawning grounds. Ecological infra-structure consists of a network of interconnected structural elements in the landscape and seascape
Economic Analysis		
	CPG	An economic analysis is different from a financial analysis in that it analyses the viability of a project based upon economic and social welfare improvements, and not financial bankability. An economic analysis thus takes non-monetary welfare impacts into account, such as improved health, reduced accident risks, congestion and pollution.
Economic Efficiency		
	MSCOA	The concept of obtaining the most consumer satisfaction from available resources. Conversely, a situation of practice is considered “inefficient” if exactly the same desired goals could be achieved with the use of fewer scarce resources. Two forms of efficiency are generally considered as part of economic efficiency, “production efficiency” and “allocative efficiency”. Achieving efficient results is usually assumed to be predicated on consumers or users of a good or service being knowledgeable of the cost of the good or service and of comparable substitutes, and choosing between them to achieve the least cost.
Economic Evaluation		
	NEPF	Economic evaluation considers whether the costs of a policy or programme are commensurate with the benefits (value add). Types of economic evaluation include: Cost-effectiveness analysis, which values the costs of implementing and delivering the policy, and relates this amount to the total quantity of outcome generated, to produce a “cost per unit of outcome” estimate (e.g. cost per additional individual placed in employment); and Cost-benefit analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment)
Economic Impact Assessment		
	CPG	The assessment allows for the identification of the losers and the winners from the project and the judgement of whether these distributional impacts are aligned with government priorities. If the potential losers are identified as an already vulnerable group, this might require mitigation actions to be undertaken. The project’s scope and financial structure must be aligned towards the findings in the impact assessment.
Economic Sectors		
	NSDF	A description of the kind of economic activities in a country, or the activities in which the population of a country are active/working. The following five categories/sectors of economic activity are generally used in this regard: (1) the primary sector, which includes agriculture, mining and other natural resource-based industries; (2) the secondary sector, which entails manufacturing, engineering and construction; (3) the tertiary sector, meaning the service industries; (4) the quaternary sector, which refers to intellectual activities involving education and research; and (5) the quinary sector, which is reserved for the economic activities of high-level decision makers in government and industry. In some instances, including this NSDF, the last two sectors are included in the definition of the tertiary sector.
Economy Indicators		
	FMPPI	Explore whether specific inputs are acquired at the lowest cost and at the right time, and whether production is economical
Ecosystem		
	NSDF	The dynamic and complex interplay of animal, plant, and micro-organism communities and their non-living environment (soil, water, climate and atmosphere) as a functional unit.
Ecosystem Services		
	NSDF	The beneficial services that nature provide to people. Ecosystem services are typically grouped into four broad categories: (1) provisioning, including the production of food and water; (2) regulating, including the control of climate and disease; (3) supporting, including nutrient cycles and oxygen production; and (4) cultural, including spiritual and recreational benefits.
	NEPF	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Analysis of effectiveness involves taking account of the relative importance of the objectives or results.
	FMPPI	Explore how well the outputs of an institution achieve the desired outcomes
Efficiency		
	NEPF	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.“Economic” is understood as the conversion of inputs (funds, expertise, natural resources, time, etc.) into out-puts, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the con-text. “Timely” delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context.

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Term	Source	Definition
Efficiency Indicators		
FMPPI		Explore how productively inputs are translated into outputs
CPG		Every project involving new construction or substantial rehabilitation of an existing structure will involve undertaking an Environmental Impact Assessment (EIA). In those instances where the institution is going to procure, by conventional means, the construction of a facility of its own design, the institution must undertake the EIA and obtain all necessary environmental, zoning and town planning consents. The cost of so doing is one of the costs that must be identified early on and quantified when determining the feasibility of a particular project.
MSCOA		Environmental health comprises those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing factors in the environment that can adversely affect the health of present and future generations. Environmental health services are services that implement environmental health policies through monitoring and controlling, which improve environmental parameters and encourage the use of environmentally friendly and healthy technologies and behaviours. Controlling and monitoring also play a leading role in suggesting and developing new policy areas. (These definitions are in line with the definitions of the World Health Organization.).
CIDMS		An assessment of the environmental consequences (positive and negative) of a plan, policy, programme, or project prior to the decision to move forward with the proposed action.
SPLUMA		Means the National Environmental Management 40 Act, 1998 (Act No. 107 of 1998), and any other legislation that regulates a specific aspect of the environment;
MSCOA		Environmental Services and Protection refers to the various combinations of scientific, technical, and advisory activities (including modification processes, i.e., the influence of man-made and natural factors) required to acquire, pro-duce, and supply information on the past, present, and future states of space, atmospheric, oceanographic, and terrestrial surroundings for use in decision-making processes, or to modify those surroundings to enhance operations.
MSCOA		In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that
MSA		In relation to the provision a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the risk of harm to the environment and to human health and safety is minimised to the extent reason-ably possible under the circumstances, the potential benefits to the environment and to human health and safety are maximised to the extent reasonably possible under the circumstances: and legislation intended to protect the environment and human health and safety is complied with
Equity Indicators		
FMPPI		Explore the degree of equity and fairness with which services are provided
Evaluation		
GWME		A time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision making by staff, managers and policy makers; assess relevance, efficiency, effectiveness, impact and sustainability
NEPF		The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organizations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and recommend ways forward.
Evaluation Synthesis		
NEPF		Synthesising the results of a range of evaluations to generalise findings across government or within a particular sec-tor, e.g. a function such as supply chain management, a sector, or a cross-cutting issue such as capacity. The DPME will undertake evaluation synthesis based on evaluations already undertaken in previous national evaluation plan.
Evidence-Based Decision-Making		
GWME		Systematic application of the best available evidence to the evaluation of options and to decision making in management and policy settings
Failure Modes		
CIDMS		Ways in which an asset can fail in relation to required levels and standards of service that trigger asset management planning and potentially investment decision making: <ul style="list-style-type: none"> · Capacity · Condition · Cost of operation · Performance
Criticality Analysis		
CIDMS		A systematic, logical risk-based maintenance approach aimed at maximising the reliability of plant and equipment assets.

Term	Source	Definition
Financial Cash Flow Analysis		
CPG		The objective of this analysis is to establish the financial viability of the option. The analysis is carried out in accordance with the discounted cash flow method. A financial model projecting the cash flows for the costs and any revenue generated from the project over its lifetime is developed. This analysis needs to be undertaken for each of the preferred options identified. If the institution lacks the capacity for developing such financial models, outsourcing this expertise should be considered. In order to preserve the outsourcing option for future capital expenditure undertakings, the institution should budget for such expenditures.
Financially Sustainable		
MSCOA		In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of (a) the initial capital expenditure required for the service, (b) operating the service; and (c) maintaining, repairing and replacing the physical assets used in provision of the service.
MSA		In relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs the initial capital expenditure required for the service and maintaining, repairing and replacing physical used in the provision of the service
Food Security		
NSDF		A condition of having reliable access to a sufficient quantity of affordable and nutritious food, through locally-grown produce and/or imports.
Framework For Managing Programme Performance Information		
FMPPI		A framework developed by the National Treasury that provides guidance on managing performance to national, provincial and local government
Government-Wide Monitoring And Evaluation System		
FMPPI		A system developed by the Presidency that describes monitoring and evaluation in government
Green Drop Report		
CIDMS		An incentive-based regulation as a means to identify, reward, ensure and encourage excellence in wastewater management.
Greenfields Development		
CIDMS		Development that is unconstrained by existing fixed structures.
Highest And Best Use		
CLDG		The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Hinterland		
NSDF		The sparsely populated areas close to an urban settlement or node in which people farm or depend on natural re-sources for their livelihood, including the villages and small towns that are dispersed throughout these areas.
Household		
MIIF7		Census 2001 uses the following: A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.
Human Settlement		
BEPP		The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cultural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
NSDF		A place where people live, work, study and relax. A settlement can range in size from a small number of dwellings grouped together to a large city or groups/conglomerations of cities tied together through dense transport and communication networks.
Impacts		
CIDMS		Impacts are effects that either positively contribute to an outcome or strategic objective, such as increased revenue, or that reduce risks such as environmental disasters, workplace injuries, loss of property, or damage to the reputation or image of the organisation
FMPPI		The results of achieving specific outcomes, such as reducing poverty or creating jobs
CSP		What we aim to change. The long term developmental result at a societal that is the logical consequence of achieving specific outcomes.

Term	Source	Definition
	MFMA CIRCULAR 88	The results of achieving specific outcomes, such as reducing poverty or creating jobs
Impact Evaluation		
	NEPF	Seeks to measure changes in outcomes (and the wellbeing of the target population) that are attributable to a specific intervention. Its purpose is to inform stakeholders regarding the extent to which an intervention should be continued or not, and if there are any potential modifications needed. This kind of evaluation is implemented at the end of or after programme closure.
	NEPF	Aims to evaluate whether an intervention's operational mechanisms support achievement of the objectives or not and understand why. Looks at activities, outputs, and outcomes, use of resources and the causal links. It builds on existing monitoring systems and is applied during programme operation to improve the efficiency and efficacy of operational processes. It also assesses the quality of the indicators and assumptions. This can be rapid, primarily using secondary data, or in-depth with extensive field work.
Incremental Upgrading Of Informal Use		
	SPLUMA	Means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure;
Multicriteria Analysis Indicators		
	CIDMS	The criteria used to measure a broad range (e.g. financial, economic, social and environmental) outcomes of a project in a multicriteria analysis
Indicators		
	CSP	Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Information/Knowledge		
	GWME	Information consists of data presented in a context so that it can be applied or used; information becomes knowledge when connections and links to other information items are analysed to facilitate critical thinking and reasoning
	CIDMS, FIDM	The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.
Input Indicator		
	MPPMR	Indicator that measures costs, resources, and time used to produce an output
Key Performance Indicators (KPI)		
	CIDMS	Set of quantifiable measures that an industry uses to gauge or compare performance in terms of meeting strategic and operational goals.
	GWME	A predetermined signal that a specific point in a process has been reached or result achieved
	FMPPI	Identify specific numerical measurements that track progress towards achieving a goal
Life		
	CIDMS	A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals etc. Over which benefits are derived from the use or availability of an asset.
Life Cycle Cost / Whole-Of-Life Cost		
	CIDMS	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.
	CLDG	Costs associated with a project or programme from the inception of the programme or project right through to the ongoing operations, maintenance, holding and management of the finished product.
Market Demand		
	CLDG	Market demand is the 'aggregate of the demands of all potential customers (market participants) for a specific product over a specific period in a specific market' (Business Dictionary, 2018: s.v. market demand.) In the context of land development, the location of the product is also a key factor for demand. Drivers of demand can be understood to include the number, income, tastes and preferences of consumers; expenditure allocation of consumers; the availability of credit to consumers and the price of substitutes (alternatives) (McGaffin, 2017).
Monitoring		
	CIDMS	Determining the status of a system, a process or an activity.
	GWME	Collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management; providing provide managers, decision makers and other stake-holders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected

Term	Source	Definition
	NEPF	Monitoring involves the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide managers with regular (and real-time) feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
Multicriteria Analysis		
	CIDMS	An analysis technique that takes into account a range of qualitative and quantitative criteria reflecting the financial, economic, social and environment characteristics of the investment opportunity.
Multi-Variate Tools		
	CLDG	Tools used to undertake options assessment using multiple variables; such as economic, social, environmental and financial variables.
National Development Paradigm		
	NSDF	The overarching set of ideas and beliefs and its associated legal and policy framework, setting out how (1) a country should be developed, (2) its economic relations should be structured, (3) the benefits of its economic system should be shared, and (4) its natural resources should be used and managed
National Spatial Development Framework		
	NSDF	A long-term national spatial planning instrument with a long-term horizon that (1) is mandated by the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), (2) has to be aligned with the National Development Plan (NDP), and (3) is adopted by Cabinet as official national spatial development policy for implementation throughout the country. As such it provides (1) an overarching spatial development framework including a set of principle-driven spatial investment and development directives for all three spheres and sectors of government, meaning 'where, when, what type, and how much to invest and spend throughout the country'; and (2) a set of strategic spatial areas of national importance from an ecological, social, economic and/or ICT or movement infrastructure perspective, to be targeted by both government and the private sector in the pursuit of strategic national development objectives, or to avert national crises.
National Spatial Development Logic		
	NSDF	The approach to, and the way in which national space is used and managed in pursuit of the objectives of the prevailing national development paradigm.
National Spatial Development Pattern		
	NSDF	The outcomes of the national spatial development logic of a country in national space. As such, it entails (1) where, how and for whom settlements are built, (2) the land tenure types and land-use patterns in these settlements, and (3) the type, mix, density, intensity and distribution of land-uses in these settlements.
Optimised Decision Making		
	CIDMS	Two definitions are: <ul style="list-style-type: none"> A formal process to identify and prioritise all potential solutions with consideration of financial viability, social and environmental responsibility and cultural outcomes an optimisation process for considering and prioritising all options to rectify existing or potential performance failure of assets. The process encompasses NPV analysis and risk assessment.
Outcome Evaluation		
	NEPF	Should measure the degree to which the program is having an effect on the target population's wellbeing and/or behaviours. Outcome evaluations help determine whether or not the intended benefits of a programme are actually achieved (i.e. whether or not the programme is able to meet its intended purpose).
Outcome Indicator		
	MPPMR	Indicator that measures the quality and or impact of an output on achieving a particular objective
Outcomes		
	FMPPI	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs · A formal process to identify and prioritise all potential solutions with consideration of financial viability, social and environmental responsibility and cultural outcomes <ul style="list-style-type: none"> an optimisation process for considering and prioritising all options to rectify existing or potential performance failure of assets. The process encompasses NPV analysis and risk assessment.
	IDP	Refer to a changed state of being. Outcomes describe the effects, benefits or consequences that occur due to the outputs of programmes, processes or activities. The realisation of the outcomes has a time factor and can be in either the medium or long-term. Outcomes are the impacts on, or the consequences for, the community from the outputs or activities of government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions.
	CSP	What we wish to achieve. The medium - term results for specific beneficiaries that are a logical consequence of achieving specific outputs.

Term	Source	Definition
	MFMA CIRCU- LAR 88	The medium-term results for specific beneficiaries
Outcomes-Led Planning		
	CLDG	An activity defined and shaped in its purpose and process by what the ultimate intended desired result or impact is or the need the activity is seeking to address.
	GLTPI	Outcomes-led planning: clear articulation of desired outcomes and impacts Practical measurement indices and coherent reporting A Theory of Change pathway
	CSP	Outcomes planning means planning backwards from the outcome we need to achieve to work out how best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities.
Output		
	FMPPI	The final products, goods or services produced for delivery
	MFMA CIRCU- LAR 88	The final products, goods or services produced for delivery
Output Indicator		
	MPPMR	Indicator that measures the results of activities, processes and strategies of a program or a municipality
Output-Based		
	IDP	Immediate and intermediate. These are the direct products and services generated through processes or activities without specific reference to their ultimate purpose.
Performance Monitoring		
	CIDMS	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards
Performance Standards		
	FMPPI	Express the minimum acceptable level of performance, or the level of performance that is generally expected
Performance Targets		
	FMPPI	Express a specific level of performance that the institution, programme or individual aims to achieve within a given period
Planning Approach		
	CSP	Planning Approach: The planning approach is outcomes-led, using predetermined outcomes that can be measure the performance of the built environment, to inform the planning process. Transit-oriented development and spatial targeting are key planning concepts that drive the outcomes-led approach and inform the budgeting process.
Planning Process		
	IDP, CSP	Planning Process: The planning process is the collective activities that constitute the Built Environment Value Chain (BEVC), a standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Policies		
	GWME	Statements of what government seeks to achieve through its work and why
Portfolio		
	CIDMS	To be read in context, as follows: <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
	GIAMA	means the total extent of immovable assets controlled or used by a national or provincial department;
	CLDG	A collection of assets (property or investments, etc.) held by a person or organisation typically organised into collections of assets with similar attributes.
Positive Feedback Loop		
	CLDG	A positive feedback loop is a situation where two events are mutually reinforcing. With this situation a small change in one input can cause a bigger final increase in both the initial input and the secondary effect. (Pettinger, 2016)

Term	Source	Definition
Price Indicators		
	FMPPI	The nominal or real prices of individual inputs
Priority Development Areas		
	Other	<p>It refers to those current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.</p> <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
Programmes		
	CIDMS	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
	GWME	high-level, big-picture plans showing how strategies will be implemented.
Project		
	CIDMS	<p>A project can be defined as:</p> <ul style="list-style-type: none"> · an unique set of coordinated and controlled processes and activities; · undertaken to achieve a specific objective(s) according to specifications; · within a defined timeframe (start and end dates); · that consume resources (e.g. funds, labour, materials and equipment); and · is confined by a control budget.
	FIDM	A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective
	GWME	specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Protected Area		
	MSCOA	An area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act.
	NSDF	An area of special natural, ecological, architectural or historic interest that is protected by law. The protected areas referred to in this NSDF are those areas that are officially classified as such in terms of the National Environmental Management Act, 1998.
Quality Indicators		
	FMPPI	The quality of the input or output measured against predetermined standards
Quantity Indicators		
	FMPPI	The number of inputs, activities or outputs
Rapid Evaluation		
	NEPF	Quick evaluations are conducted during emergencies or as part of preliminary analysis to help determine priorities, identify emerging problems and trends, and enable decision-making to either support a full-scale evaluation or project adjustments to meet the needs or project objectives. The implementation of this type of evaluation is usually faster, more dynamic and complete.
Relevance		
	NEPF	The extent to which the intervention objectives and design respond to the needs of beneficiaries, global, country, and partner/ institution needs, policies, and priorities, and continue to do so if circumstances change.
Service Level / Level Of Service		
	CIDMS	Levels of service statements describe the outputs or objectives an entity intends to deliver to customers.
	MIIF7	(Presence of infrastructure) The term 'service level' is taken here to mean the experience of the residential consumer (households) living in a particular dwelling with regard to the distance household members have to move to get access to the service, and the convenience with which the service can be used. This is associated with the physical presence of infrastructure at or near to the dwelling.
	MIIF7	(Quality of infrastructure) This is an expanded interpretation of the term 'service level' as it implies that the infrastructure must also be functioning in a sustainable way. One way of assessing this is through surveys of consumers of the service as this gives the fullest picture of whether the service associated with the infrastructure is fully operational and delivering satisfaction to the consumer.

Term	Source	Definition
Socio-Economic Analysis		
CPG		Many services infrastructure projects provide potential economic benefits to Black Economic Empowerment (BEE) and Small Medium and Micro-sized Enterprises (SMME) as well as the community in general. The implementation of a project can result in an increase in land values or in an increase in demand for affordable housing. The use of local labour and materials in a major infrastructure project also provides significant benefits to communities affected by the infrastructure project. There may also be costs not easily realisable such as those resulting from congestion in the city caused by the implementation of the project. All these will need to be translated into economic costs and benefits.
Socio-Economic Impact Assessment System (Seias)		
NSDF		A recently introduced government instrument that seeks to enhance the process of formulating policies, Acts and regulations by ensuring (1) alignment of such interventions with national priorities, (2) mitigation of risks, (3) anticipation of unintended onsequences, and (4) minimisation of costs and maximisation of benefits.
Stakeholder Mapping		
CLDG		The process of identifying a stakeholder and the nature and extent of interest, influence or impact of an activity on the stakeholder, or on the activity from the stakeholder, as well as identifying how this may differ across the different steps or stages of undertaking an activity.
Start And End Times		
FMPPI		When an activity is to begin and end (the delivery date)
Strategies		
GWME		Sequentially structured descriptions of how these policies will be enacted
NEPF		The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long-term.
Sustainable Development		
NSDF		Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition of sustainable development usually refers to social, economic and institutional components.
Theory Of Change		
NSDF		A story of how things, settings or situations can and will be changed through a well-planned and sequenced set of actions and interventions, to bring about a desired goal, situation or state of affairs.
Timeline Indicators		
FMPPI		Indicate whether activities and outputs are on time
Transversal Evaluations		
NEPF		Crosscutting themes have gained importance with respect to the objectives of achieving a developmental agenda in the country. These crosscutting themes include work that centres of government such as National Treasury, CoGTA and DPSA are mainly responsible for as well as ensuring that issues relating to gender, youth and persons with disability are integrated into the National Evaluation System. Accordingly, one of the objectives of the NEP is to implement an evaluation agenda that is transversal in order to put greater emphasis on evidence-based decision-making process-es that are concise and relevant.
Transversal Technical Management Structure		
CLDG		An organisational committee comprised of suitably-qualified professionals from a broad spectrum of relevant and/or affected sectors or departments that exercises oversight or supervision over an initiative
Urban Management		
CLDG		The day-to-day operations in a precinct, such as cleaning, waste removal, traffic, transport, land use management, informal trader management and security services. It can extend to place-making, marketing and social services. The management of localised public transport operations and facilities is also an important urban management function.
Utilisation-Focused Approach		
NEPF		judgets an evaluation intervention by its value and how its findings and recommendations are translated into practice
Water Scarce Regions		
NSDF		This construct refers to (1) the 'climate capability' of a region, which is a function of the moisture supply, climate constraints and physiological capacity of a region, and (2) the impact of climatic factors on the capability to grow an agricultural crop in a region within a growth season. For the purposes of the NSDF, areas described as 'Water Scarce Regions' fall within the 'low to low-moderate' climate capability ranges.

2. Terms Related To Developmental Service Delivery Objectives

Term	Source	Definition
Accessibility Indicators		
FMPPi		Explore whether the intended beneficiaries are able to access services or outputs
Activities		
CSP		The process or actions that use a range of inputs to produce the desired outputs and ultimately outcomes.
FMPPi		What we do. The processes or actions that use a range of inputs to produce the desired outputs and ultimately out-comes.
Adequacy Indicators		
FMPPi		The quantity of input or output relative to the need or demand
Alignment And Integration		
GLTPI		Alignment between long-term strategies and plans Alignment between long-term strategies and term-of-office plan Planning, budgeting and reporting alignment between municipalities and other government stakeholders (implementation agencies)
Audit		
CIDMS		Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to de-termined the extent to which the audit criteria are fulfilled.
Backlog		
MIIF7		This is the number of dwellings (premises in which the consumers are living, regardless of whether these dwellings are formal or informal) which do not have access to a basic service level.
Baseline		
GWME		A description of the status quo, usually statistically stated, that provides a point of comparison for future performance
FMPPi		The current performance levels that an institution aims to improve when setting performance targets
CSP		Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Basic Level Of Service / Basic Municipal Service		
MFMA		means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;
MSCOA		A basic municipal service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.
MSA		Means a municipal service that is necessary to ensure an acceptable and quality of life and, not provided, would endanger public health or safety or environment
MIIF7		This is the service level defined by individual sector departments which is determined to be acceptable in terms of the health and safety considerations for specific settlement conditions. This implies that a basic service level may require a higher level of technology in the urban core compared to other types of settlements.
Best Practice		
GIAMA		means a desirable and appropriate standard, process, procedure, method or system in relation to immovable asset management;
Built Environment Performance Planning		
IDP		A built environment investment prioritization approach where specific areas are prioritized for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes.
Built Environment Value Chain		
BEPP		The BEVC is an intergovernmental process or set of activities aimed at achieving the identified set of built environment outcomes in cities. The BEVC activities are linked together in a logical sequence, and form part of an iterative process rather than a linear process.
Capacity		
CIDMS		Maximum output that can be produced or delivered using the existing network or infrastructure.
MSCOA		In relation to a municipality, includes the administrative and financial management capacity and infrastructure that enables a municipality to collect revenue and to govern on its own initiative the local government affairs of its community.

Term	Source	Definition
Catalytic Land Development Programmes		
BEPP		<p>Catalytic urban development programmes are urban development programmes and associated projects that:-</p> <ul style="list-style-type: none"> a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders <p>Catalytic development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [Public Private Partnerships, Special Purpose Vehicles, and pure private development] projects) needed to be implemented within a specific spatial targeted area and from which the total intergovernmental project pipe-line is updated for all public sector projects in the programme.</p> <p>The catalytic programme development process delivers a series of built environment projects to be implemented by either national, provincial, municipal or private sector which will progressively put cities on the path to achieving compact cities and transformed urban spaces and are therefore outcomes led. The public sector projects must demonstrate how they leverage private and household investment</p>
CSP		<p>Catalytic land development programmes are specifically defined as programmes that: a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders.</p> <p>Catalytic land development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [PPPs, SPVs, and pure private development] projects) needing to be implemented within a priority precinct of a specific spatial targeted area and from which the total intergovernmental project pipeline is identified and updated for all public sector projects in the programme.</p>
Catalytic Programmes		
CSP		Multi-sectoral, mixed-use programmes that require a mix of funding that are thus inevitably complex.
Cities' Infrastructure Delivery And Management System		
IDP		A management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes which transform inputs into outputs.
Climate Resilience		
BEPP		Defined as per the Intergovernmental Panel on Climate Change (IPCC, 2014): The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.
		TBC
Community Service		
MSCOA		Community service is a service or activity that is performed by the municipality for the benefit of the public or its institutions.
Cost Benefit Analysis (Cba)		
CIDMS		Discounted cash flow that takes into account the benefits and costs of an investment opportunity to the entity AND/OR THE COMMUNITY IT SERVES.
CPG		A CBA seeks to establish whether a particular investment is the most efficient use of society's resources. It does this by identifying and monetising the costs and the benefits to society to enable comparison.
Cost Effectiveness Analysis		
CPG		Cost-effectiveness studies are appropriate where project options must be compared but assigning a monetary value to the desired outcome would not be appropriate. This usually applies to projects that do not represent an economic activity, such as social, health or human rights projects, and where a needs analysis has been informed by a defined social requirement.
Cost Indicators		
FMPPi		The overall cost (or expenditure) of producing a specified quantity of outputs
Data		
GWME		Any fact or figure

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Demand Analysis		
	CPG	The first step is to confirm that there is demand for the goods and services that will be produced by the project. This is important because levels of current and forecasted demand should be sufficient to contribute to the viability of the project. Any factors that constraint demand need to be identified and factored into the demand forecasts.
Design Evaluation		
	NEPF	Used to analyse the theory of change, internal logic and consistency of the programme, either before a programme starts, or during implementation to see whether the theory of change appears to be relevant and working. This is quick to do and uses only secondary information and should be used for all new programmes. It also assesses the quality of the indicators and the assumptions underpinning the theory of change.
Development		
	MSCOA	The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of production or use.
	MSA	Means sustainable development and includes integrated social, economic, environmental, spatial, institutional, organisational and human resources upliftment of a community aimed improving the quality of life of its members with specific reference to the poor and other disadvantaged sections of the community; and ensuring that development serves present and future generations;
Diagnostic Evaluation		
	NEPF	This is preparatory research (often called ex-ante evaluation) to ascertain the current situation prior to an intervention and to inform intervention design. It identifies what is already known about the issues at hand, the problems and opportunities to be addressed, causes and consequence, including those that the intervention is unlikely to deliver, and the likely effectiveness of different policy options. This enables the drawing up of the theory of change before the intervention is designed.
Distribution Indicators		
	FMPPi	The distribution of capacity to deliver services
Distribution System		
	MSCOA	The network of wires and equipment that is dedicated to delivering electric energy from the transmission system to the customer's premises. Electric energy is carried at high voltages along transmission lines. For customers needing lower voltages, it is reduced in voltage at a substation and delivered over primary distribution lines extending throughout the area where the electricity is distributed. For users needing even lower voltages, the voltage is reduced once again by a distribution transformer or a line transformer. At this point it changes from primary to secondary distribution voltage.
District Development Model		
	IDP	A planning model for cooperative governance that seeks to be an integrated, district- or metro-based, service delivery approach aimed at fast-tracking service delivery and ensure that municipalities are adequately supported and resourced to carry out their mandate. It aims to accelerate, align and integrate service delivery under a single development plan per district or metro that is developed jointly by national, provincial and local government as well as business, labour and community in each district.
Economic Evaluation		
	NEPF	Economic evaluation considers whether the costs of a policy or programme are commensurate with the benefits (value add). Types of economic evaluation include: Cost-effectiveness analysis, which values the costs of implementing and delivering the policy, and relates this amount to the total quantity of outcome generated, to produce a “cost per unit of outcome” estimate (e.g. cost per additional individual placed in employment); and Cost-benefit analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment)
Economy Indicators		
	FMPPi	Explore whether specific inputs are acquired at the lowest cost and at the right time, and whether production is economical
Effectiveness		
	NEPF	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Analysis of effectiveness involves taking account of the relative importance of the objectives or results.
Effectiveness Indicators		
	FMPPi	Explore how well the outputs of an institution achieve the desired outcomes
Efficiency		
	NEPF	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.“Economic” is understood as the conversion of inputs (funds, expertise, natural resources, time, etc.) into out-puts, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the con-text. “Timely” delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context.
Efficiency Indicators		
	FMPPi	Explore how productively inputs are translated into outputs

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Term	Source	Definition
Environmentally Sustainable		
	MSCOA	In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that
	MSA	In relation to the provision a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the risk of harm to the environment and to human health and safety is minimised to the extent reasonably possible under the circumstances, the potential benefits to the environment and to human health and safety are maximised to the extent reasonably possible under the circumstances: and legislation intended to protect the environment and human health and safety is complied with
Equity Indicators		
	FMPPi	Explore the degree of equity and fairness with which services are provided
Evaluation		
	GWME	a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision making by staff, managers and policy makers; assess relevance, efficiency, effectiveness, impact and sustainability
	NEPF	The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organizations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and recommend ways forward
Evaluation Synthesis		
	NEPF	Synthesising the results of a range of evaluations to generalise findings across government or within a particular sector, e.g. a function such as supply chain management, a sector, or a cross-cutting issue such as capacity. The DPME will undertake evaluation synthesis based on evaluations already undertaken in previous national evaluation plan.
Evidence-Based Decision-Making		
	GWME	systematic application of the best available evidence to the evaluation of options and to decision making in management and policy settings
Financially Sustainable		
	MSCOA	In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of (a) the initial capital expenditure required for the service, (b) operating the service; and (c) maintaining, repairing and replacing the physical assets used in provision of the service.
	MSA	In relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs the initial capital expenditure required for the service and maintaining, repairing and replacing physical used in the provision of the service
Five-Year Term Of Office		
	IDP	The period of time between local government elections, for which a municipal council sits and for which an Integrated Development Plan is prepared.
Framework For Managing Programme Performance Information		
	FMPPi	A framework developed by the National Treasury that provides guidance on managing performance to national, provincial and local government
Government-Wide Monitoring And Evaluation System		
	FMPPi	A system developed by the Presidency that describes monitoring and evaluation in government
Greenfields Development		
	CIDMS	Development that is unconstrained by existing fixed structures.
Highest And Best Use		
	CLDG	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Housing		
	MSCOA	Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house, or some other kind of dwelling, lodging, or shelter.
Household		
	MIIF7	Census 2001 uses the following: A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

Term	Source	Definition
Human Settlement		
	BEPP	The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cultural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
	NSDF	A place where people live, work, study and relax. A settlement can range in size from a small number of dwellings grouped together to a large city or groups/conglomerations of cities tied together through dense transport and communication networks.
Impacts		
	CIDMS	Impacts are effects that either positively contribute to an outcome or strategic objective, such as increased revenue, or that reduce risks such as environmental disasters, workplace injuries, loss of property, or damage to the reputation or image of the organisation
	FMPI	The results of achieving specific outcomes, such as reducing poverty or creating jobs
	CSP	What we aim to change. The long term developmental result at a societal that is the logical consequence of achieving specific outcomes.
	MFMA CIRCU-LAR 88	the results of achieving specific outcomes, such as reducing poverty or creating jobs
Impact Evaluation		
	NEPF	Seeks to measure changes in outcomes (and the wellbeing of the target population) that are attributable to a specific intervention. Its purpose is to inform stakeholders regarding the extent to which an intervention should be continued or not, and if there are any potential modifications needed. This kind of evaluation is implemented at the end of or after programme closure.
Implementation Evaluation		
	NEPF	Aims to evaluate whether an intervention's operational mechanisms support achievement of the objectives or not and understand why. Looks at activities, outputs, and outcomes, use of resources and the causal links. It builds on existing monitoring systems and is applied during programme operation to improve the efficiency and efficacy of operational processes. It also assesses the quality of the indicators and assumptions. This can be rapid, primarily using secondary data, or in-depth with extensive field work.
Incremental Upgrading Of Informal Use		
	SPLUMA	Means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure;
Multicriteria Analysis Indicators		
	CIDMS	The criteria used to measure a broad range (e.g. financial, economic, social and environmental) outcomes of a project in a multicriteria analysis
Indicators		
	CSP	Indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable.
Informal Settlement		
	BEPP	<p>The National Upgrading of Informal Settlements Programme refers to two UN-Habitat definitions of Informal Settlements.</p> <p>An 'Informal Settlement' exists where housing has been created in an urban or periurban location without official approval. Informal settlements may contain a few dwellings or thousands of them, and are generally characterised by inadequate infrastructure, poor access to basic services, unsuitable environments, uncontrolled and unhealthy population densities, inadequate dwellings, poor access to health and education facilities and lack of effective administration by the municipality. (NUSP 2013, taken from UISP Consolidation Document-2014).</p> <p>Another definition in use which is similar to the above is: "Residential areas where 1) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing, 2) the neighbourhoods usually lack, or are cut off from, basic services and city infrastructure and 3) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas". The UN-Habitat (2015).</p>

Term	Source	Definition
Information/Knowledge		
	GWME	Information consists of data presented in a context so that it can be applied or used; information becomes knowledge when connections and links to other information items are analysed to facilitate critical thinking and reasoning
Infrastructure Delivery		
	CIDMS, FIDM	The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.
Infrastructure Procurement		
	CIDMS, FIDM	The procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure
Input Indicator		
	MPPMR	indicator that measures costs, resources, and time used to produce an output
Inputs		
	FMPPPI	The resources that contribute to production and delivery of outputs
	CSP	What we use to do the work. The resources that contribute to the production and delivery of outputs.
Institutional Arrangements		
	IDP	Agreements on the division of the respective responsibilities of and within organs of state, role players and stake-holders that are involved in the process.
Institutionalisation		
	CSP	"Institutionalisation" in the context of the BEPPs refers to using the BEPP planning content, process, practice and approaches from the Planning Reforms project to strengthen the relevant city frameworks, strategies and plans, and especially the SDF and IDP noting that there are plethora of frameworks, strategies and plans.
Integrated Development Plan		
	CIDMS	An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
	MSCOA	The IDP is the strategic plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions, problems, challenges and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.
	SPLUMA	Means a plan adopted in terms of Chapter 5 of the Municipal Systems Act;
	MSA	Means a plan envisaged in section 25
	CSP	(Referring to the MSA Section 25 and 26): forms the policy framework and general basis on which annual budgets must be based, must reflect the municipal Council's vision for the long term development of the municipality, reflect the Council's development priorities and objectives for its elected term,
Integrated Development Planning		
	IDP	The collective activities that constitute the standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact City that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Integrated Planning		
	BEPP	Integrated planning refers to planning that enjoys the co-operation and contribution of different sector department, different spheres of government, state-owned entities and the private sector in order to programme and implement development that is geared towards achieving a shared set of development outcomes. In space, integrated planning is planning of the built environment that supports the performance of the built environment as a whole in an equitable manner balancing land uses and infrastructure requirements, optimising public access and creating liveable urban precincts
	IDP	Joint planning that ensures participation of all stakeholders and affected departments. Its objective is to examine all economic, social and environmental costs and benefits, in order to determine the most appropriate option and to plan a suitable course of action
Integrated Urban Development Framework		
	IDP	The IUDF sets out the policy framework for transforming and restructuring South Africa's urban spaces, guided by the vision of creating "livable, safe, resource efficient cities and towns that are socially integrated, economically inclusive and globally competitive" as approved by Cabinet in April 2016.

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Term	Source	Definition
Inter-Governmental		
IDP		Between two or more governments, or between different spheres of the same government
Intermediate City Municipalities		
Other		<p>The Integrated Urban Development Framework acknowledges that there is a spectrum of urban municipalities with metropolitan municipalities at one end and municipalities that are approaching a rural spatial form at the other. The term Intermediate City Municipalities has now been introduced to refer to the group of municipalities that sit adjacent to metropolitan municipalities on the urban spectrum.</p> <p>39 municipalities have been identified as Intermediate City Municipalities based on an assessment of population density and economic strength.</p>
Intervention Logic		
IDP		Defines the project objectives and expected results. A clear statement of the assumption of what results must be achieved through the interventions to achieve the outcome
CSP		A clear statement on the assumptions about what results must be achieved to achieve the outcome, how they will be achieved and what resources will be necessary. The outcomes approach involves a move away from statements of intention to statements which stress measurable results. This chain of logic will enable us to track progress and test whether the outputs are actually a necessary and sufficient condition to achieve the outcome.
Key Performance Indicators (KPI)		
CIDMS		Set of quantifiable measures that an industry uses to gauge or compare performance in terms of meeting strategic and operational goals.
GWME		a predetermined signal that a specific point in a process has been reached or result achieved
FMPPI		Identify specific numerical measurements that track progress towards achieving a goal
Land Assembly		
CIDMS		The process of packaging land to the point that it can be used for its intended function. One of the most important steps in this process is ensuring that all necessary land rights are in place before development can commence.
Land Reform		
NSDF		The process of correcting the historical imbalances in (1) ownership of land, and (2) access to land. It entails three types of intervention by the State, viz. (1) land restitution, meaning the redress of wrongs committed during the colonial and Apartheid eras; (2) land redistribution, meaning The provision of land for residential and economic purposes to those who do not have the means to access land); and (3) tenure reform, meaning the provision of security of tenure.
Local Community		
MFMA		has the meaning assigned to it in section 1 of the Municipal Systems Act;
MSCOA		in relation to a municipality, means that body of persons comprising (a) the residents of the municipality, (b) the ratepayers of the municipality (c) any civil organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and (d) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.
MSA		In relation to a municipality means that body of persons comprising - the residents of the municipality, the rate payers of the municipality , any civic organisation and non-governmental, private sector or labour organisations of bodies which are involved in local affairs within the municipality and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality and includes more specifically, the poor and other disadvantaged sections of such body of persons
Logic Model		
IDP		Hypothesized descriptions of the chain of causes and effects leading to an outcome of interest. It links inputs, activities, outputs, outcomes and impacts. This can be in a narrative or graphic form.
Long Term Growth And Development Strategy		
IDP		A story of a City's future beyond the limitations of the medium-term focus of the IDP, SDF and the electoral cycle. It is a vision of the future built up from present and past experiences. It defines strategies and/or approaches that can be implemented through projects defined in medium-term plans such as the IDP and the SDF and realised in annual budgets. It is meant to be cross-cutting and integrate the key aspects of integrated sustainable urban development, as well as reflect the strategic development priorities of the City.
Maintenance And Repair		
MSCOA		Maintenance and Repair (including overhaul) involves fixing any sort of mechanical or electrical device should it become defective or broken (known as repair, unscheduled or casualty maintenance). It also includes performing routine actions which keep the device in working order (known as scheduled maintenance) or prevents trouble from arising (preventive maintenance).
Marginalised Areas		
CSP		Informal settlements, townships and inner city areas (Noting that this term would benefit from clearer definition)

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Term	Source	Definition
Marginalised Residential Areas		
	BEPP	<p>Marginalised areas are areas, primarily residential in purpose with related land uses, which are in decline and/or where people are deprived. They are typically informal settlements and dormitory residential townships in need of redress.</p> <p>These are areas that do not tend to be the focus of the private sector developers and will thus require some kind of intervention or support from government to start with if it they are to flourish as liveable neighbourhoods with high accessibility to the broader urban network</p>
Monitoring		
	CIDMS	Determining the status of a system, a process or an activity.
	GWME	collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management; providing provide managers, decision makers and other stake-holders with regular feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
	NEPF	Monitoring involves the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide managers with regular (and real-time) feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected
Multicriteria Analysis		
	CIDMS	An analysis technique that takes into account a range of qualitative and quantitative criteria reflecting the financial, economic, social and environment characteristics of the investment opportunity.
Multi-Variate Tools		
	CLDG	Tools used to undertake options assessment using multiple variables; such as economic, social, environmental and financial variables.
Municipal Service		
	MFMA	has the meaning assigned to it in section 1 of the Municipal Systems Act;
	MSA	Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and fees, charges or tariffs are levied in respect of such a service or not
	MIIF7	This is the service provided by municipalities in terms of their constitutional obligations, as experienced by the consumer of the service (households and businesses). The service requires infrastructure and the organisational arrangements required to provide, operate and maintain the infrastructure, including other equipment required (movable assets) and the interface between the municipality and the consumer.
Needs Analysis		
	CPG	The needs analysis should demonstrate alignment with the institution's mandate and strategic objectives. The purpose of this analysis is to enable the institution to clearly identify a clear infrastructure need, specify outputs of the project and ascertain the extent of current and future demand for the service.
Net Benefits		
	CIDMS	The sum of annual benefits less annual costs in the year of the project/asset's life.
Non-Core Functions		
	MSCOA	Section 145(4) functions as per the Constitution. Non -core functions are commonly known as "agency services". Non-core functions as provided for in the Constitution Schedule 4 and 5 Part B being agricultural, animal control and diseases, archives, cultural matters, consumer protection, disaster management, education, indigenous and customary law, industrial promotion, language policy, libraries, media services, museums, population development, provincial cultural, traditional leadership, veterinary services and welfare services.
Objective		
	CIDMS	Result to be achieved at strategic, tactical or operational level. Objectives can be set in a variety of domains or out-come areas (e.g. economic, social or environmental outcomes), or can relate to elements of the entity (e.g. corporate level or units in the entity), or can relate to processes, services, products, programmes and projects.
Opportunity Cost		
	CIDMS	The cost of cash flows that could have been earned in the best alternative investment opportunity
Optimised Decision Making		
	CIDMS	<p>Two definitions are:</p> <ul style="list-style-type: none"> A formal process to identify and prioritise all potential solutions with consideration of financial viability, social and environmental responsibility and cultural outcomes an optimisation process for considering and prioritising all options to rectify existing or potential performance failure of assets. The process encompasses NPV analysis and risk assessment.

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Term	Source	Definition
Options Analysis		
	CPG	The purpose of an options analysis is to undertake an analysis of all feasible options that can achieve the identified output specifications. This will assist in identifying the preferred solution.
Outcome Evaluation		
	NEPF	Should measure the degree to which the program is having an effect on the target population's wellbeing and/or behaviours. Outcome evaluations help determine whether or not the intended benefits of a programme are actually achieved (i.e. whether or not the programme is able to meet its intended purpose).
Outcome Indicator		
	MPPMR	indicator that measures the quality and or impact of an output on achieving a particular objective
Outcomes		
	FMPPI	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
	IDP	Refer to a changed state of being. Outcomes describe the effects, benefits or consequences that occur due to the outputs of programmes, processes or activities. The realisation of the outcomes has a time factor and can be in either the medium or long-term.
		Outcomes are the impacts on, or the consequences for, the community from the outputs or activities of government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for go-ernment interventions.
	CSP	What we wish to achieve. The medium - term results for specific beneficiaries that are a logical consequence of achieving specific outputs.
	MFMA CIRCULAR 88	the medium-term results for specific beneficiaries
Outcomes-Led Planning		
	CLDG	An activity defined and shaped in its purpose and process by what the ultimate intended desired result or impact is or the need the activity is seeking to address.
	GLTPI	Outcomes-led planning: clear articulation of desired outcomes and impacts Practical Measurement Indices And Coherent Reporting A Theory Of Change Pathway
	CSP	Outcomes planning means planning backwards from the outcome we need to achieve to work out how best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities.
Outcomes Approach		
	CSP	The outcomes approach consists of the following: Focuses on results, Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed, Links activities to out-puts and outcome and to test what works and what doesn't, Ensures expectations are as clear and as unambiguous as possible, Provides a clear basis for discussion, debate and negotiation about what should be done and how it should be done, Enables learning and regularly revising and improving policy strategy and plans through experience, Make co-ordination and alignment easier. Going beyond the work we do to interrogate the impact it has, this approach involves management using a logic model which links inputs, activities, outputs, outcomes and impacts.
Output		
	FMPPI	The final products, goods or services produced for delivery
	MFMA CIRCULAR 88	The final products, goods or services produced for delivery
Output Indicator		
	MPPMR	Indicator that measures the results of activities, processess and strategies of a program or a municipality
Output-Based		
	IDP	Immediate and intermediate. These are the direct products and services generated through processes or activities without specific reference to their ultimate purpose.
Performance		
	CIDMS	Measurable result of either a quantitative or qualitative nature that can relate to the management of activities, processes, products or services, systems or entities.
Performance Measure		
	CIDMS	A qualitative or quantitative measure used to measure actual performance against a standard or other target. Performance measures are used to indicate how the entity is doing in relation to delivering levels of service

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Term	Source	Definition
Performance Monitoring		
	CIDMS	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards
Performance Standards		
	FMPPi	Express the minimum acceptable level of performance, or the level of performance that is generally expected
Performance Targets		
	FMPPi	Express a specific level of performance that the institution, programme or individual aims to achieve within a given period
Planning And Development		
	MSCOA	Planning and development describe the processes that determine community goals and aspirations in terms of community development. The outcome of comprehensive planning is the Integrated Development Plan which dictates public policy in terms of transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.
Planning Approach		
	CSP	Planning Approach: The planning approach is outcomes-led, using predetermined outcomes that can be measure the performance of the built environment, to inform the planning process. Transit-oriented development and spatial targeting are key planning concepts that drive the outcomes-led approach and inform the budgeting process.
Planning Content		
	IDP	The substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
	CSP	Planning Content: The planning content is the substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
Planning Practice		
	IDP	The professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
	CSP	Planning Practice: Planning practice is about the professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
Planning Process		
	IDP, CSP	Planning Process: The planning process is the collective activities that constitute the Built Environment Value Chain (BEVC), a standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustaina-ble and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Policies		
	GWME	Statements of what government seeks to achieve through its work and why
Portfolio		
	CIDMS	To be read in context, as follows: <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
	GIAMA	Means the total extent of immovable assets controlled or used by a national or provincial department;
	CLDG	A collection of assets (property or investments, etc.) held by a person or organisation typically organised into collections of assets with similar attributes.
Price Indicators		
	FMPPi	The nominal or real prices of individual inputs
Priority Development Areas		
	Other	It refers to those current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.

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Term	Source	Definition
Problem Analysis		
	CSP	Developing a clear understanding of the problem, to ensure that the plan is relevant and focuses on root causes. If our assumptions about causes and their relationships to effects are explicit, we can test and amend them in later cycles of planning based on our experiences and M&E. It is usually important to ensure that the problem is under-stood from the point of view of the needs and concerns of the intended beneficiaries as well as possible. This will help us ensure that the intervention planned is relevant. Analytical tools such as problem tress can assist with prob-lem analysis.
Programmes		
	CIDMS	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
	GWME	high-level, big-picture plansshowing how strategies will be implemented.
Project		
	CIDMS	<div>A project can be defined as:</div> <ul style="list-style-type: none"> an unique set of coordinated and controlled processes and activities; undertaken to achieve a specific objective(s) according to specifications; within a defined timeframe (start and end dates); that consume resources (e.g. funds, labour, materials and equipment); and is confined by a control budget.
	FIDM	A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective
	GWME	specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Public Safety		
	MSCOA	Public safety involves the prevention of and protection from events that could endanger the safety of the general public from significant danger, injury/harm, or damage, such as crimes or disasters (natural or man-made).
Public Service Infrastructure		
	MSCOA	Publically controlled infrastructure of the following kinds: (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatments plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) railway lines forming part of a national railway system; (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (g) runways or aprons at national or provincial airports; (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; (i) any other publicly controlled infrastructure as may be prescribed; or (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).
Quality Indicators		
	FMPPI	The quality of the input or output measured against predetermined standards
Quantity Indicators		
	FMPPI	The number of inputs, activities or outputs
Rapid Evaluation		
	NEPF	Quick evaluations are conducted during emergencies or as part of preliminary analysis to help determine priorities, identify emerging problems and trends, and enable decision-making to either support a full-scale evaluation or project adjustments to meet the needs or project objectives. The implementation of this type of evaluation is usually faster, more dynamic and complete.
Rehabilitation And Refurbishment		
	MSCOA	Includes activities that are required due to neglect or unsatisfactory maintenance or degeneration of an asset. The action implies that the asset is restored to its original condition, enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. The Budget Reporting Format refers to refurbishment/ maintenance to an asset that will restore or maintain the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life to be achieved.
Relevance		
	NEPF	The extent to which the intervention objectives and design respond to the needs of beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.

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Term	Source	Definition
Renewal		
	CIDMS	Expenditure on an existing asset that returns the service potential of the asset or expected useful life of the asset to that which it had originally.
		Note 1: Renewal can include works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability.
		Note 2: Expenditure on renewals is funded through the entity's capital budget, and such expenditure is recognised in the entity's Statement of Financial Position.
Results-Chain		
	IDP	A simplified picture of a program, initiative or intervention that is a response to a given situation and includes the logical relationship among the resources that are invested, the activities that take place, and the sequence of changes that result
Risk Assessment		
	CPG	A risk assessment looks at all risks related to a project and assesses the impact of these risks and if mitigating actions are possible. For certain projects where uncertainty is significant and involves large financial risks, presenting a risk-adjusted costing model is crucial. Costing for risks is then undertaken by identifying all the risks, approximating the financial impact they will have on project costs and revenues and estimating the probability of occurrence of the risk event.
Rural Development		
	NSDF	The process of improving the quality of life and economic well-being of people living in a rural area, by planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infra-structure and social services, and (3) the type and intensity of economic activities.
Service Charges		
	MSCOA	This group of accounts provides for the fees charged to cover services related to the primary product or service being purchased, being electricity, waste management, water and waste water.
Service Delivery Agreement		
	CIDMS	An agreement between two or more organs of state setting out the terms and conditions and roles and responsibilities regarding infrastructure delivery which promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination
	MFMA	has the meaning assigned to it in section 1 of the Municipal Systems Act;
	MSCOA	An agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.
	MSA	Means an agreement between a municipality and an institution or person mentioned in section 76 (b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality;
Service Level / Level Of Service		
	CIDMS	Levels of service statements describe the outputs or objectives an entity intends to deliver to customers.
	MIIF7	(Presence of infrastructure) The term 'service level' is taken here to mean the experience of the residential consumer (households) living in a particular dwelling with regard to the distance household members have to move to get access to the service, and the convenience with which the service can be used. This is associated with the physical presence of infrastructure at or near to the dwelling.
	MIIF7	(Quality of infrastructure) This is an expanded interpretation of the term 'service level' as it implies that the infra-structure must also be functioning in a sustainable way. One way of assessing this is through surveys of consumers of the service as this gives the fullest picture of whether the service associated with the infrastructure is fully operational and delivering satisfaction to the consumer.
Social Services		
	MSCOA	Social services seeks to improve the quality of life and wellbeing of an individual, group, or community by intervening through research, policy, community organising, direct practice, and teaching on behalf of those afflicted with poverty or any real or perceived social injustices and violations of their human rights. Research is often focused on areas such as human development, social policy, public administration, psychotherapy, program evaluation, and international and community development.
Socio-Economic Analysis		
	CPG	Many services infrastructure projects provide potential economic benefits to Black Economic Empowerment (BEE) and Small Medium and Micro-sized Enterprises (SMME) as well as the community in general. The implementation of a project can result in an increase in land values or in an increase in demand for affordable housing. The use of local labour and materials in a major infrastructure project also provides significant benefits to communities affected by the infrastructure project. There may also be costs not easily realisable such as those resulting from congestion in the city caused by the implementation of the project. All these will need to be translated into economic costs and benefits.
Spatial Development Framework		
	CIDMS	A spatial development framework (SDF) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.

Term	Source	Definition
	SPLUMA, BEPP	Means a spatial development framework referred to in Chapter 4 of SPLUMA; *[A note: Chapter 4 of SPLUMA provides a comprehensive overview of what a Spatial Development Framework should entail, but does not provide a definition per say, therefore the reader is advised to refer to SPLUMA directly for more information.]
	IDP	A framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP
Spatial Planning		
	CIDMS	Spatial planning is a process of place shaping and delivery. It is about the management of space and development in order to create better places, responding to the needs of society, the economy and the environment. Spatial planning systems are the methods used by the public sector to influence the distribution of people and activities in spaces of various scales. Discrete professional disciplines, which involve spatial planning include land use, urban, regional, transport and environmental planning.
	NSDF	The process of making strategic decisions as to (1) how and for what purpose public, communal and private-owned land in an area (it could be a street, town, province, country or continent) is to be used and developed in an environmentally sustainable, economically viable and affordable way, and (2) how these land portions are to be connect-ed to each other through road and rail networks and served with basic service infrastructure (water, electricity and sanitation) and communication networks (cellular, wi-fi and fibre).
Spatial Transformation		
	NSDF	The carefully-planned and well-managed process of placing infrastructure, social services and economic activities in settlements in such a way that (1) the segregated spatial patterns inherited from colonial and Apartheid times are broken down, and (2) the inefficiencies, injustices and inequalities in access to opportunities resulting from these past patterns are corrected
	CLDG	The legacy of apartheid – communities segregated from one another based on race (and class) – as well as the impacts of the legacy of the modernist trend of city building based on the automobile and functional separation of land use - have left South Africa with cities that are inefficient, inequitably developed and expensive – environmentally, socially and fiscally - to live in and to manage. The NDP states that a national focus on the spatial transformation of our cities should, by 2030, ensure that a larger proportion of the population should live closer to places of work and travel distances and costs should be reduced, especially for poor households. Urban systems – hard (physical structures and networks) and soft (such governance systems including urban management and land use management) that facilitate and enable compact cities and transformed urban spaces of social and economic inclusion on an equitable basis are key levers to overcome the debilitating impact of distance and separation on the fortunes of the individual, house-hold, business and the state, as well as the environment and the resilience of the system as a whole. The equitable redistribution of resources within cities, as well as building systems that facilitate affordable and safe access to the full ambit of resources that makes urban living productive are critical to spatial transformation.
Sport And Recreation		
	MSCOA	In a development context the definition of sport usually includes a broad and inclusive spectrum of activities in which people of all ages and abilities can participate, with an emphasis on the positive values of sport. In 2008, the UN Inter-Agency Task Force on Sport for Development and Peace defined sport, for the purposes of development, as 'all forms of physical activity that contribute to physical fitness, mental well-being and social interaction, such as play, recreation, organised or competitive sport, and indigenous sports and games'.
Strategic Plan		
	GIAMA	means the strategic plan of a custodian or user as prescribed in terms of the Public Service Act, 1994 (Proclamation R103 of 1994) and the PFMA;
Strategies		
	GWME	Sequentially structured descriptions of how these policies will be enacted
Sustainability		
	NEPF	The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long-term.
Sustainable Development		
	NSDF	Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition of sustainable development usually refers to social, economic and institutional components.
Swot Analysis		
	IDP	A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats

Term	Source	Definition
Target Contract		
	CIDMS	A cost reimbursement contract in which a preliminary target cost is estimated and on completion of the work the difference between the target cost and the actual cost is apportioned between the parties to the contract on an agreed basis.
Time-Based Demand Forecasts		
	CLDG	A projection of demand based on a series of time intervals or for a specific time period.
Timeline Indicators		
	FMPP	Indicate whether activities and outputs are on time
Transversal Evaluations		
	NEPF	Crosscutting themes have gained importance with respect to the objectives of achieving a developmental agenda in the country. These crosscutting themes include work that centres of government such as National Treasury, CoGTA and DPSA are mainly responsible for as well as ensuring that issues relating to gender, youth and persons with disability are integrated into the National Evaluation System. Accordingly, one of the objectives of the NEP is to implement an evaluation agenda that is transversal in order to put greater emphasis on evidence-based decision-making process-es that are concise and relevant.
Urban Development		
	NSDF	The process of improving the quality of life and economic well-being of people living in an urban area through planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infrastructure and social services, and (3) the type and intensity of economic activities.
Urbanisation		
	NSDF	The process by which an increasing percentage of a country's population (1) moves to live in large towns and cities with the intention of staying there or in a similar urban area, and not returning to the countryside, and (2) is born in an urban area.
User		
	GIAMA	Means a national or provincial department that uses or intends to use an immovable asset in support of its service delivery objectives and includes a custodian in relation to an immovable asset that it occupies or intends to occupy, represented by the Minister of such national department, Premier of a province or MEC of such provincial department, so designated by the Premier of that province.
Utilisation-Focused Approach		
	NEPF	Judges an evaluation intervention by its value and how its findings and recommendations are translated into practice
Value For Money / Best Value For Money		
	CIDMS	The optimal use of resources to achieve intended outcomes.
	GIAMA	Means the optimisation of the return on investment in respect of an immovable asset in relation to functional, financial, economic and social return, wherever possible;
	CLDG	In relation to a public-private partnership agreement, means that the performance of a private party in terms of the agreement will result in a net benefit to the municipality in terms of cost, price, quality, quantity, risk transfer or any combination of those factors. (Municipal PPP Regulations)
Value Proposition		
	CLDG	The value a proposed activity intends to realise and contribute towards a specific interest or objective.
Vote		
	MFMA	Means - (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.
	PFMA, MSCOA	Means one of the main segments into which an appropriation Act is divided and which - (a) specifies the total amount which is usually appropriated per department in an appropriation Act; and (b) is separately approved by Parliament or a provincial legislature, as may be appropriate, before it approves the relevant draft appropriation Act as such.
	MSCOA	The term "vote" is used to divide the budget into segments and the council then approves the budget according to the votes by means of a council resolution. The definition requires "votes" to be defined at the departmental or functional level; reason being municipalities are structured around departments, which in most instances tend to be linked to specific functions.

3. Terms Related To Spatial Transformation

Term	Source	Definition
Accessibility Indicators		
FMPPI		Explore whether the intended beneficiaries are able to access services or outputs
Apartheid		
NSDF		A political system and its laws and policies directed towards the separation of different ethnic or racial groups. Spatially, apartheid involved the physical separation of the four racial groups according to the Population Registration Act of 1950 into so-called "Group Areas" according to the Group Areas Act of 1950. A system of ethnically-based "Bantu-stans" for Black South Africans was also established.
Bantustan		
NSDF		Areas reserved for African occupation under the Apartheid government. Approximately 13% of the total area of South Africa was divided into ten such Bantustans and were given some degree of self-rule, but always subject to the wishes and needs of the Apartheid government. While these areas were incorporated back into South Africa at the dawn of democracy in 1994, they still suffer the consequences of long-term neglect, isolation and poverty.
Catalytic Land Development Programmes		
BEPP		<p>Catalytic urban development programmes are urban development programmes and associated projects that:-</p> <ul style="list-style-type: none"> a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders <p>Catalytic development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [Public Private Partnerships, Special Purpose Vehicles, and pure private development] projects) needed to be implemented within a specific spatial targeted area and from which the total intergovernmental project pipe-line is updated for all public sector projects in the programme.</p> <p>The catalytic programme development process delivers a series of built environment projects to be implemented by either national, provincial, municipal or private sector which will progressively put cities on the path to achieving compact cities and transformed urban spaces and are therefore outcomes led. The public sector projects must demonstrate how they leverage private and household investment</p>
CSP		<p>Catalytic land development programmes are specifically defined as programmes that: a) Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems; b) Are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity. c) Involve major infrastructure investment; d) Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment; e) Require specific skills across a number of professions and have multiple stakeholders.</p> <p>Catalytic land development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [PPPs, SPVs, and pure private development] projects) needing to be implemented within a priority precinct of a specific spatial targeted area and from which the total intergovernmental project pipeline is identified and updated for all public sector projects in the programme.</p>
Catalytic Programmes		
CSP		Multi-sectoral, mixed-use programmes that require a mix of funding that are thus inevitably complex.
City		
NSDF		A human settlement characterised by (1) large and generally diverse communities of people living at high residential densities, (2) a variety of employment opportunities, and (3) high-intensity business and commercial areas.
City Transformation Outcomes		
CSP		Also commonly referred to as BEPP outcomes or integrated outcomes, with the outcomes being the results, and the indicators being some of the multiple possible measurements of those results. The indicators are designed to measure spatial transformation at the outcome level. Metros spent two years reporting on these outcome indicators and after analysis of the reporting it was concluded that annual statutory reporting was not the best way to report on outcomes – spatial transformations outcomes could be better reported on through an evaluation. This experiment and conclusion is well documented in MFMA C88 Addendum 2020 and there is a dedicated part in the module on Reporting Reforms in the Urban Reforms Knowledge Series (2021).

Term	Source	Definition
Concentration		
NSDF		Concentration of people and activities refers to (1) a higher density of people, and (2) a higher intensity and mix of activities in a specific place, area or region. Generally, such concentration supports the development and sustenance of agglomeration economies. This can take the form of urbanisation economies (where cost decreases as total output of an urban area increases) or localisation economies (where costs decrease as firms in a specific industry increase output).
Cost Benefit Analysis (CBA)		
CIDMS		Discounted cash flow that takes into account the benefits and costs of an investment opportunity to the entity AND/OR THE COMMUNITY IT SERVES.
CPG		A CBA seeks to establish whether a particular investment is the most efficient use of society's resources. It does this by identifying and monetising the costs and the benefits to society to enable comparison.
Critical Biodiversity Areas And Ecological Support Areas		
NSDF		Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs), are natural areas of critical importance for ecological sustainability, and should be kept in their natural, or at least semi-natural, state. Critical Biodiversity Areas (CBAs) are divided into two sub-categories: CBA1 and CBA2. CBA1s are irreplaceable, which means that there are no other places in the landscape where the conservation and ecological objectives associated with those CBAs can be met. In CBA2s, there may be some options for meeting the conservation and ecological objectives associated with those CBAs in other parts of the landscape. However, this can only be done at the cost of losing some of the spatial efficiency of the network of CBAs. If a CBA2 is lost and an alternative natural area elsewhere is identified to become part of the CBA network, the alternative area is likely to be larger, increasing the size of the CBA-network as a whole. Areas identified as ESAs should be kept in at least semi-natural condition, i.e. with their basic ecological functioning still intact.
Deep Periphery		
IUDF		Very marginal local economies with outputs of less than R0.4-billion per year(e.g. Jansenville, Tarkastad, Boshof, Harding, Poffader, Warrenton).
Densification		
BEPP		Increased use of space, both horizontally and vertically, within existing areas/properties and new developments, accompanied by an increased number of units and/or population threshold
Density		
CIDMS		Measurement of the population of a defined urban area, excluding non-urban land uses. Non-urban uses include regional open space, agriculture and water bodies. Density can be measured using any of the following means, depending on the purpose of the measurement: <ul style="list-style-type: none"> Floor area ratio (FAR) the total floor area of buildings divided by land area of the lot on which they are built Residential density the number of dwelling units in a given area Population density the number of people in a given area Employment density the number of jobs in a given area Gross density any density figure for a given area of land that includes uses not necessarily directly relevant to the figure (normally roads, typically accounting for about 20 per cent the land cover of a settlement) Net density a density figure for a given area of land that excludes land not directly related to the figure
Development Corridor		
NSDF		Integrated linear networks of infrastructure and economic activity. Development corridors typically fulfil a variety of multiple, complex functions, such as (1) the movement of people and freight, (2) facilitating trade between areas, (3) flows of information, (4) flows of services such as water and gas, and (5) facilitating tourism. Supportive functions may be located in corridors, e.g. logistics. Development corridors often also include a human settlement and/or economic activity component, e.g. higher-density transit-oriented mixed-use development or industrial development adjacent to, or along the main transport routes.
Development Patterns		
CSP		Development patterns play a key role in driving municipal finances – capital and operating costs, maintaining the balance between these costs and generating the income to pay for these costs. For example, if the projections suggest that indigent households will be greater than rate paying households in the future, how are projects housing these households located to enhance the efficiency of existing services rather than extend the operating burden of the municipality? Also, allowing the municipality to increase spending on repairs and maintenance as opposed to new capital investments. Or perhaps, what kind of value generating investments could be located within settlements that could realise their potential to become rate paying areas? Another example is the need to reduce pressure on municipal own revenue to subsidise public transport by directing investment to promote densification, and land use mix that enhances public transport operational efficiencies.
Development Rights		
SPLUMA		Means any approval granted to a land development application;

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District Development Model		
IDP		A planning model for cooperative governance that seeks to be an integrated, district- or metro-based, service delivery approach aimed at fast-tracking service delivery and ensure that municipalities are adequately supported and resourced to carry out their mandate. It aims to accelerate, align and integrate service delivery under a single development plan per district or metro that is developed jointly by national, provincial and local government as well as business, labour and community in each district.
Diversification		
NSDF		The process of introducing and/or allowing a greater mix of land uses in an area, to (1) boost local people-to-people service economies, stimulate co-production of knowledge innovation and create jobs, (2) reduce the need for travel and travel distances, (3) bring more vibrancy and life to an area; (4) enhance social interaction and cohesion, and (5) make better use of available land
Ecological Footprint		
NSDF		A measure of the ‘load’ imposed by a given population on natural systems. The bigger the footprint, the greater the impact.
Ecological Infrastructure		
NSDF		Ecological infrastructure refers to naturally functioning ecosystems that generate or deliver valuable services to people, e.g. water catchments, wetlands, riparian zones, coastal dunes, kelp beds or spawning grounds. Ecological infra-structure consists of a network of interconnected structural elements in the landscape and seascape
Economic Sectors		
NSDF		A description of the kind of economic activities in a country, or the activities in which the population of a country are active/ working. The following five categories/sectors of economic activity are generally used in this regard: (1) the primary sector, which includes agriculture, mining and other natural resource-based industries; (2) the secondary sector, which entails manufacturing, engineering and construction; (3) the tertiary sector, meaning the service industries; (4) the quaternary sector, which refers to intellectual activities involving education and research; and (5) the quinary sector, which is reserved for the economic activities of high-level decision makers in government and industry. In some instances, including this NSDF, the last two sectors are included in the definition of the tertiary sector.
Economic / Employment Node		
BEPP		Employment or economic nodes are localised urban agglomeration economies with the highest number of jobs per unit of area (job densities). They are the primary urban destinations and therefore are mostly located on major transit routes and accessible via a variety of transport modes. In terms of land use, employment nodes can either be mixed – a cluster of office, retail, industrial, community and residential land uses; or uniform - homogenous land uses such as industrial or office complexes. Building heights and land coverage in economic nodes are much higher compared to average urban places. In terms of life cycle stage, they can be segmented into emerging (township nodes or urban hubs), established (decentralised commercial nodes) and declining nodes (CBDs). Size and catchment area of economic nodes are characterised into a descending hierarchy, e.g. Regional, CBD, Metropolitan, Suburban and Neighbour-hood
Ecosystem		
NSDF		The dynamic and complex interplay of animal, plant, and micro-organism communities and their non-living environ-ment (soil, water, climate and atmosphere) as a functional unit.
Ecosystem Services		
NSDF		The beneficial services that nature provide to people. Ecosystem services are typically grouped into four broad categories: (1) provisioning, including the production of food and water; (2) regulating, including the control of climate and disease; (3) supporting, including nutrient cycles and oxygen production; and (4) cultural, including spiritual and recreational benefits.
Environmental Impact Assessment		
CIDMS		An assessment of the environmental consequences (positive and negative) of a plan, policy, programme, or project prior to the decision to move forward with the proposed action.
Functional Area		
BEPP		A functional area is a dense built up area that presents a concentration of people, activity, capital and buildings and is structured on major roads, railroads and terminals. It forms a system that functions by flows of people, goods, energy, information and money and includes a contiguous core of urban areas and commuters belts from which a fixed percentage of commuting to work is directed mainly within the functional area.
CSP		A functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. The sum total of all the defined Functional areas within the municipality must account for the total population (including growth per functional area) in the municipal area over a period of at least 10 years, and the total CAPEX awarded for the 10 year period towards infrastructure investments that falls within the affordability envelope.
Geographic Information System (GIS)		
CIDMS		Software that provides a means of spatially viewing, searching, manipulating and analysing an electronic database.
Green Drop Report		
CIDMS		An incentive-based regulation as a means to identify, reward, ensure and encourage excellence in wastewater management.

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Term	Source	Definition
Growth Nodes		
	CSP	Commercial and industrial nodes (Noting that this term would benefit from clearer definition)
Hinterland		
	NSDF	The sparsely populated areas close to an urban settlement or node in which people farm or depend on natural re-sources for their livelihood, including the villages and small towns that are dispersed throughout these areas.
Housing		
	MSCOA	Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house, or some other kind of dwelling, lodging, or shelter.
Human Settlement		
	BEPP	The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cultural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
	NSDF	A place where people live, work, study and relax. A settlement can range in size from a small number of dwellings grouped together to a large city or groups/conglomerations of cities tied together through dense transport and communication networks.
Incremental Upgrading Of Informal Use		
	SPLUMA	Means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure;
Infill Development		
	CIDMS	New construction that “fills in the gaps” in an already urbanised area. This type of development has the potential to use existing infrastructure, increase density, limit urban sprawl and strengthen the existing economy.
Informal Settlement		
	BEPP	<p>The National Upgrading of Informal Settlements Programme refers to two UN-Habitat definitions of Informal Settlements.</p> <p>An ‘Informal Settlement’ exists where housing has been created in an urban or peri-urban location without official approval. Informal settlements may contain a few dwellings or thousands of them, and are generally characterised by inadequate infrastructure, poor access to basic services, unsuitable environments, uncontrolled and unhealthy population densities, inadequate dwellings, poor access to health and education facilities and lack of effective administration by the municipality. (NUSP 2013, taken from UISP Consolidation Document-2014).</p> <p>Another definition in use which is similar to the above is: “Residential areas where 1) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing, 2) the neighbourhoods usually lack, or are cut off from, basic services and city infrastructure and 3) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas”. The UN-Habitat (2015).</p>
Inner Core		
	IUDF	The Gauteng City-region, Western Cape Urban Agglomeration, KwaZulu-Natal Coastal Urban Agglomeration, Nelson Mandela Bay, Mangaung, Buffalo City, Msunduzi, Polokwane, Free State Goldfields, Mbombela, Sol Plaatje, Cape South Coast Tourism Belt
Institutionalisation		
	CSP	“Institutionalisation” in the context of the BEPPs refers to using the BEPP planning content, process, practice and approaches from the Planning Reforms project to strengthen the relevant city frameworks, strategies and plans, and especially the SDF and IDP noting that there are plethora of frameworks, strategies and plans.
Integrated Development Plan		
	CIDMS	An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
	MSCOA	The IDP is the strategic plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions, problems, challenges and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.
	SPLUMA	Means a plan adopted in terms of Chapter 5 of the Municipal Systems Act;
	MSA	Means a plan envisaged in section 25

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Term	Source	Definition
	CSP	(Referring to the MSA Section 25 and 26): forms the policy framework and general basis on which annual budgets must be based, must reflect the municipal Council's vision for the long term development of the municipality, reflect the Council's development priorities and objectives for its elected term,
Integrated Development Planning		
	IDP	The collective activities that constitute the standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact City that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Integrated Planning		
	BEPP	Integrated planning refers to planning that enjoys the co-operation and contribution of different sector department, different spheres of government, state-owned entities and the private sector in order to programme and implement development that is geared towards achieving a shared set of development outcomes. In space, integrated planning is planning of the built environment that supports the performance of the built environment as a whole in an equitable manner balancing land uses and infrastructure requirements, optimising public access and creating liveable urban precincts
	IDP	Joint planning that ensures participation of all stakeholders and affected departments. Its objective is to examine all economic, social and environmental costs and benefits, in order to determine the most appropriate option and to plan a suitable course of action
Integrated Urban Development Framework		
	IDP	The IUDF sets out the policy framework for transforming and restructuring South Africa's urban spaces, guided by the vision of creating "livable, safe, resource efficient cities and towns that are socially integrated, economically inclusive and globally competitive" as approved by Cabinet in April 2016.
Integration Zone (IZ)		
	BEPP	The Urban Network consists of a number of Integration Zones. Each zone is a part of a city or city region-wide TOD network. An integration zone is a spatial planning element facilitating spatial targeting of investment aimed at spatial transformation. Each zone consists of a transit spine connecting two anchors via mass public transport (rail/bus), e.g. the CBD and an "urban hub" (township node with the best investment potential). It can also comprise of the CBD and another primary metropolitan business node. Between the two Integration Zone anchors are a limited number of Integration Zone intermediate nodes that are strategically located at key intersections connecting to marginalised residential areas (townships and informal settlements) and economic nodes (commercial and industrial nodes) via feeder routes. The Urban Hub connects to secondary townships nodes within the marginalised peripheral township. The Integration Zone includes a hierarchy of TOD precincts located and prioritised within the structure of nodes described above
Intensification / Mixed Land Use		
	BEPP	Achieving a greater spectrum of compatible land uses (commercial, industrial, residential or social) through the increased use of space, both horizontally and vertically, within existing areas or properties and new developments within a TOD precinct, resulting in increased population thresholds that support public transport ridership, walkability, economic development and inclusivity
Inter-Governmental		
	IDP	Between two or more governments, or between different spheres of the same government
Intermediate City Municipalities		
	Other	The Integrated Urban Development Framework acknowledges that there is a spectrum of urban municipalities with metropolitan municipalities at one end and municipalities that are approaching a rural spatial form at the other. The term Intermediate City Municipalities has now been introduced to refer to the group of municipalities that sit adjacent to metropolitan municipalities on the urban spectrum. 39 municipalities have been identified as Intermediate City Municipalities based on an assessment of population density and economic strength.
Land		
	SPLUMA, BEPP	Means any ERF, agricultural holding or farm portion, and includes any improvement or building on the land and any real right in land
Land Assembly		
	CIDMS	The process of packaging land to the point that it can be used for its intended function. One of the most important steps in this process is ensuring that all necessary land rights are in place before development can commence.
Land Development		
	SPLUMA, BEPP	Means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme

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Term	Source	Definition
Land Reform		
	NSDF	The process of correcting the historical imbalances in (1) ownership of land, and (2) access to land. It entails three types of intervention by the State, viz. (1) land restitution, meaning the redress of wrongs committed during the colonial and Apartheid eras; (2) land redistribution, meaning The provision of land for residential and economic purposes to those who do not have the means to access land); and (3) tenure reform, meaning the provision of security of tenure.
Land Use		
	SPLUMA, BEPP	Means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes
		Means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes
Land Use Management System		
	SPLUMA, BEPP	Means the system of regulating and managing land use and conferring land use rights through the use of schemes and land development procedures;
Land Use Scheme		
	SPLUMA	Means the documents referred to in Chapter 5 for the regulation of land use;
Land-Use Pattern		
	NSDF	The land-use pattern is a general description of how land is occupied or used, and how land-uses tend to be distributed across a specific geographic area. In the context of the NSDF, the national land-use pattern is a high-level description of how the (1) population, (2) settlements, (3) economic activities, and (4) natural areas are distributed and systemically-related within the country as a whole.
Logic Model		
	IDP	Hypothesized descriptions of the chain of causes and effects leading to an outcome of interest. It links inputs, activities, outputs, outcomes and impacts. This can be in a narrative or graphic form.
Long Term Growth And Development Strategy		
	IDP	A story of a City's future beyond the limitations of the medium-term focus of the IDP, SDF and the electoral cycle. It is a vision of the future built up from present and past experiences. It defines strategies and/or approaches that can be implemented through projects defined in medium-term plans such as the IDP and the SDF and realised in annual budgets. It is meant to be cross-cutting and integrate the key aspects of integrated sustainable urban development, as well as reflect the strategic development priorities of the City.
Marginalised Areas		
	CSP	Informal settlements, townships and inner city areas (Noting that this term would benefit from clearer definition)
Marginalised Residential Areas		
	BEPP	Marginalised areas are areas, primarily residential in purpose with related land uses, which are in decline and/or where people are deprived. They are typically informal settlements and dormitory residential townships in need of redress.
		These are areas that do not tend to be the focus of the private sector developers and will thus require some kind of intervention or support from government to start with if it they are to flourish as liveable neighbourhoods with high accessibility to the broader urban network
Monocentric City		
	CIDMS	A city structure with one dominant core, typically the Central Business District (CBD), which is the hub of economic activity and employment in the city.
Municipal Planning Tribunal		
	MSCOA	Means a Municipal Planning Tribunal referred to in Chapter 6;
National Development Paradigm		
	NSDF	The overarching set of ideas and beliefs and its associated legal and policy framework, setting out how (1) a country should be developed, (2) its economic relations should be structured, (3) the benefits of its economic system should be shared, and (4) its natural resources should be used and managed
National Spatial Development Framework		
	NSDF	A long-term national spatial planning instrument with a long-term horizon that (1) is mandated by the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), (2) has to be aligned with the National Development Plan (NDP), and (3) is adopted by Cabinet as official national spatial development policy for implementation throughout the country. As such it provides (1) an overarching spatial development framework including a set of principle-driven spatial investment and development directives for all three spheres and sectors of government, meaning 'where, when, what type, and how much to invest and spend throughout the country'; and (2) a set of strategic spatial areas of national importance from an ecological, social, economic and/or ICT or movement infrastructure perspective, to be targeted by both government and the private sector in the pursuit of strategic national development objectives, or to avert national crises.

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Term	Source	Definition
National Spatial Development Logic		
NSDF		The approach to, and the way in which national space is used and managed in pursuit of the objectives of the prevailing national development paradigm.
National Spatial Development Pattern		
NSDF		The outcomes of the national spatial development logic of a country in national space. As such, it entails (1) where, how and for whom settlements are built, (2) the land tenure types and land-use patterns in these settlements, and (3) the type, mix, density, intensity and distribution of land-uses in these settlements.
Node		
CIDMS		A centre of activity, economic or otherwise. These often occur at intersections of major corridors, but some just function as the centre of their neighbourhood.
NSDF		Nodes are concentrations and clusters of activities of varying intensity and density, and can be either mixed-use or mono-functional (e.g. an office node).
Objective		
CIDMS		Result to be achieved at strategic, tactical or operational level. Objectives can be set in a variety of domains or out-come areas (e.g. economic, social or environmental outcomes), or can relate to elements of the entity (e.g. corporate level or units in the entity), or can relate to processes, services, products, programmes and projects.
Outcomes		
FMPPI		The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs
IDP		Refer to a changed state of being. Outcomes describe the effects, benefits or consequences that occur due to the outputs of programmes, processes or activities. The realisation of the outcomes has a time factor and can be in either the medium or long-term. Outcomes are the impacts on, or the consequences for, the community from the outputs or activities of government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions.
CSP		What we wish to achieve. The medium - term results for specific beneficiaries that are a logical consequence of achieving specific outputs.
MFMA CIRCULAR 88		The medium-term results for specific beneficiaries
Output-Based		
IDP		Immediate and intermediate. These are the direct products and services generated through processes or activities without specific reference to their ultimate purpose.
Periphery		
IUDF		Small service centres with established infrastructure, small mining economies and previous Bantustan economies with output of between R0.4 – R1-billion per year (e.g. Calvinia, Dannhauser).
Planning And Development		
MSCOA		Planning and development describe the processes that determine community goals and aspirations in terms of community development. The outcome of comprehensive planning is the Integrated Development Plan which dictates public policy in terms of transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.
Planning Approach		
CSP		Planning Approach: The planning approach is outcomes-led, using predetermined outcomes that can be measure the performance of the built environment, to inform the planning process. Transit-oriented development and spatial targeting are key planning concepts that drive the outcomes-led approach and inform the budgeting process.
Planning Content		
IDP		The substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
CSP		Planning Content: The planning content is the substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
Planning Practice		
IDP		The professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
CSP		Planning Practice: Planning practice is about the professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.

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Term	Source	Definition
Planning Process		
IDP, CSP		Planning Process: The planning process is the collective activities that constitute the Built Environment Value Chain (BEVC), a standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Polycentric System Or City		
CIDMS		A city structure that typically has a weak, diffused core, and several competing primary nodes. Employment opportunities in a polycentric city are dispersed.
NSDF		A functionally integrated system of settlements/nodes of varying size that co-exist and collaborate in mutually beneficial ways, and in doing so, enhance the resilience of the system and its constituent parts. The system allows the pro-vision of a series of social and other services by (1) using the unique qualities of the various settlements/nodes in the system, and (2) harnessing the connections between them.
Priority Development Areas		
Other		It refers to those current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic nodes where public and private investment will be prioritized and facilitated.
Property		
MSCOA		(a) Immovable property, registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
MSA		Means -immovable property registered in the name of a person, and includes a unit as defined in section 1 of the Sectional Titles Act, 1986 (Act No. 95 of 1986); or a right registered against immovable property in the name of a person;
Property Rates		
MSCOA		Property Rates means a municipal rate on property envisaged in section 229 (1)(a) of the Constitution. Rateable property means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17. [Local Government Municipal Property Rates Act and Regulation 6 of 2004]
Protected Area		
MSCOA		An area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act.
NSDF		An area of special natural, ecological, architectural or historic interest that is protected by law. The protected areas referred to in this NSDF are those areas that are officially classified as such in terms of the National Environmental Management Act, 1998.
Rateable Property		
MSCOA		Property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17.
Results-Chain		
IDP		A simplified picture of a program, initiative or intervention that is a response to a given situation and includes the logical relationship among the resources that are invested, the activities that take place, and the sequence of changes that result
Rural Development		
NSDF		The process of improving the quality of life and economic well-being of people living in a rural area, by planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infrastructure and social services, and (3) the type and intensity of economic activities.
Rural Edge		
NSDF		A line that is used to delineate a systemically-integrated area/region that has distinct rural qualities that need to be protected from 'intruding' uses that may disrupt or destroy these qualities. Typically, the delineation would be accompanied by (1) a description of the kinds of activities that are permitted within the area/region, and (2) the procedures to apply for uses that are not specified as such. The line may have coordinates and be statutory, meaning it has binding legal power, or be seen as a soft or 'fuzzy line', meaning its exact coordinates are not defined, and it is to be used in a planning and policy sense and not as hard, impenetrable physical line
Rural		
NSDF		Generally regarded as areas outside cities and towns. Economic activity in these areas is in most cases intrinsically tied to natural resource use and/or beneficiation, and consists of agriculture, fishing, forestry, nature conservation, ecotourism and mining. In South Africa, there are rural areas that are densely populated, but without (1) the distinct and diverse nodal areas of dense economic activity in the secondary and the tertiary sectors, or (2) the amenities typically associated with urban areas. These areas are a remnant of colonial and Apartheid spatial planning and the creation of Bantustans.

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Term	Source	Definition
Ruralisation		
NSDF		The process by which (1) people choose to remain in rural areas because there are viable economic opportunities, move back to towns and villages in rural areas from urban areas, and/or build/renovate houses in these areas as 'homes' for their current needs, or with a view to retirement, and (2) the State plans for the development of rural areas in a systemic and holistic way as economically viable, ecologically-significant, productive quality living spaces, as opposed to colonial and Apartheid times in which the little investment that was made in these areas was focused on advancing white economic interests in urban areas, and/or the lives and life chances of white people living in rural towns.
Semi-Periphery		
IUDF		Medium-sized towns with an established infrastructure, secondary mining outliers and the more densely settled parts of the previous Bantustans,with local economies producing more than R1-billion per year (e.g. Vryheid, Kuruman, Springbok).
Social Services		
MSCOA		Social services seeks to improve the quality of life and wellbeing of an individual, group, or community by intervening through research, policy, community organising, direct practice, and teaching on behalf of those afflicted with poverty or any real or perceived social injustices and violations of their human rights. Research is often focused on areas such as human development, social policy, public administration, psychotherapy, program evaluation, and international and community development.
Space Economy		
NSDF		The spatial drivers and spatial manifestations and outcomes of the economic interactions and transactions that (1) are generated in 'earth/terra-based space', (2) take place in that space, and/or (3) flow through that space. The size, nature, scale and scope of the space economy of a place/area is related to (1) its unique locational, spatial, ecological, economic, social, institutional, infrastructural, mineral, soils and topographical attributes, culture, and history, and (2) its level of connectedness to, and relations with other places/areas, and the unique attributes and space economies of those places it is connected to, or transacts with.
Spatial Development Framework		
CIDMS		A spatial development framework (SDF) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.
SPLUMA, BEPP		Means a spatial development framework referred to in Chapter 4 of SPLUMA; *[A note: Chapter 4 of SPLUMA provides a comprehensive overview of what a Spatial Development Framework should entail, but does not provide a definition per say, therefore the reader is advised to refer to SPLUMA directly for more information.]
IDP		A framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of the municipal IDP
Spatial Planning		
CIDMS		Spatial planning is a process of place shaping and delivery. It is about the management of space and development in order to create better places, responding to the needs of society, the economy and the environment. Spatial planning systems are the methods used by the public sector to influence the distribution of people and activities in spaces of various scales. Discrete professional disciplines, which involve spatial planning include land use, urban, regional, transport and environmental planning.
NSDF		The process of making strategic decisions as to (1) how and for what purpose public, communal and private-owned land in an area (it could be a street, town, province, country or continent) is to be used and developed in an environmentally sustainable, economically viable and affordable way, and (2) how these land portions are to be connect-ed to each other through road and rail networks and served with basic service infrastructure (water, electricity and sanitation) and communication networks (cellular, wi-fi and fibre).
Spatial Targeting		
SPLUMA		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes. Spatial targeting is an approach recommended by the National Development Plan.
BEPP		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes. Spatial targeting is an approach recommended by the National Development Plan.
CLDG		A built environment investment prioritisation approach where specific areas are prioritised for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes.
GLTPI		Deliberate focus of particular actions on a particular geographic area. - Objective is spatial transformation - Urban Network Strategy - Focus for intergovernmental investment

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Term	Source	Definition
Spatial Transformation		
NSDF		The carefully-planned and well-managed process of placing infrastructure, social services and economic activities in settlements in such a way that (1) the segregated spatial patterns inherited from colonial and Apartheid times are broken down, and (2) the inefficiencies, injustices and inequalities in access to opportunities resulting from these past patterns are corrected
CLDG		The legacy of apartheid – communities segregated from one another based on race (and class) – as well as the impacts of the legacy of the modernist trend of city building based on the automobile and functional separation of land use - have left South Africa with cities that are inefficient, inequitably developed and expensive – environmentally, socially and fiscally - to live in and to manage. The NDP states that a national focus on the spatial transformation of our cities should, by 2030, ensure that a larger proportion of the population should live closer to places of work and travel distances and costs should be reduced, especially for poor households. Urban systems – hard (physical structures and networks) and soft (such governance systems including urban management and land use management) that facilitate and enable compact cities and transformed urban spaces of social and economic inclusion on an equitable basis are key levers to overcome the debilitating impact of distance and separation on the fortunes of the individual, house-hold, business and the state, as well as the environment and the resilience of the system as a whole. The equitable redistribution of resources within cities, as well as building systems that facilitate affordable and safe access to the full ambit of resources that makes urban living productive are critical to spatial transformation.
Special Rating Areas		
MSCOA		Special rating areas as determined by the Local Government: Municipal Property Rates Act, Section 22 Special Rating Areas.
Sport And Recreation		
MSCOA		In a development context the definition of sport usually includes a broad and inclusive spectrum of activities in which people of all ages and abilities can participate, with an emphasis on the positive values of sport. In 2008, the UN Inter-Agency Task Force on Sport for Development and Peace defined sport, for the purposes of development, as ‘all forms of physical activity that contribute to physical fitness, mental well-being and social interaction, such as play, recreation, organised or competitive sport, and indigenous sports and games’.
Swot Analysis		
IDP		A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats
Theory Of Change		
NSDF		A story of how things, settings or situations can and will be changed through a well-planned and sequenced set of actions and interventions, to bring about a desired goal, situation or state of affairs.
Town		
NSDF		A place where people and services are geographically concentrated in a distinct and identifiable area. While towns can vary in size, they tend to have a smaller population, lower residential densities, fewer employment opportunities and fewer and/or smaller economic activities than cities
Township		
SPLUMA		Means an area of land divided into even, and may include public places and roads indicated as such on a general plan; and
NSDF		This term has two meanings in the South African context. Firstly, it is a colloquial name given to residential townships which were established during the colonial and Apartheid eras for temporary occupation by Black South Africans on the outskirts of towns and cities, and where only the most basic of amenities and infrastructure were provided. During colonial times, these townships were called “locations”, and sometimes still are, albeit increasingly less so. Secondly, it is the legal name given to new human settlements and extensions to existing settlements in planning legislation, e.g. “Sunnyside Extension 3”, dating back to the first Town Planning Ordinances passed in the early 1900s, and also appearing in the more recent Spatial Planning and Land Use Management Act (2013) (SPLUMA)
CSP		Another definition that you might want to consider: The term “township” has no formal definition but is commonly understood to refer to the underdeveloped, usually (but not only) urban, residential areas that during Apartheid were reserved for non-whites (Africans, Coloured and Indian) who lived near or worked in areas that were designated ‘white only’ (under the Black Communities Development Act (Section 33) and Proclamation R293 of 1962, Proclamation R154 of 1983 and GN R1886 of 1990 in Trust Areas, National Home lands and Independent States). Although formal segregation ended with the new democracy, many of these township areas as well as other low-income housing areas (such as informal settlements and low-income housing estates) have seen rapid growth. Consequently target areas include the following: •Townships that were originally created as separate areas for black people (or Coloured or Indian), generally located on the periphery of towns and cities •Low-income housing estates, which are generally not fully functional neighbourhoods •Informal settlements All these areas are characterized by low levels of community facilities and commercial investment, high unemployment, low household incomes and poverty.

HOME

NAVIGATION MENU

Planning Reforms

Infra. Delivery Management Reforms

Budget, Fiscal & Financial Reforms

Reporting Reforms

Sustainable Development

Service Delivery Objectives

Spatial Transformation

Dev. Finance & Financing of Infra

Built Environment Value Chain

Infrastructure Asset Management

Contracting Modalities & Considerations

Term	Source	Definition
Transit-Oriented Development (TOD)		
	SPLUMA, BEPP, CLDG	TOD is a planning concept that directs public and private investment to areas of maximum public transport access in a city, doing it in a way that creates liveable environments. TOD is designed to maximize access to rapid/frequent public transport, encourage public transport ridership and walkable precincts. The symbiotic relationship between land use, built form and public transport lies at its core. From a transport perspective TOD is focussed on promoting sustainable public transport while minimising the travel mode share of private motor vehicles and the negative external-ities of this mode including reduced rates of private car parking and carbon emissions. From a spatial development perspective the focus is on creating an inclusive network of well-designed precincts of mixed land use and increased residential densities in an improved public environment (high quality public spaces and streets, which are pedestrian and cyclist friendly) with high pedestrian accessibility within 500 – 800m metres of transit stations
	NSDF	A planned intervention that promotes higher density and mixed-use land development close to significant transit routes. TODs aim to (1) make the best use of land located along such routes, (2) increase ridership/use of public transport on the routes, and (3) promote sustainable urban development.
Urban Development		
	NSDF	The process of improving the quality of life and economic well-being of people living in an urban area through planned interventions in the area in (1) the ownership and use of land, (2) the provision, maintenance and upgrading of infrastructure and social services, and (3) the type and intensity of economic activities.
Urban Edge		
	NSDF	A line that is used as a border to distinguish between (1) an area/region that is regarded as part of a city or town, and (2) its surrounding natural or rural area. Its primary purpose is to ‘contain the urban’ and as such, (1) no urban development is permitted, and (2) no municipal services are to be provided outside/beyond the line. As in the case of a rural edge, the line may have coordinates and be statutory, meaning it has binding legal power, or be seen as a ‘fuzzy/soft line’, meaning its exact coordinates are not defined, and it is to be used in a planning and policy sense and not as a hard, impenetrable physical line.
Urban Hub		
	CSP	Is a precinct within the marginalized peripheral township that is at the point of maximum connectivity, clustered around a transport hub. These are envisaged to serve as town centres to the townships in which they are located.
Urban Management		
	CLDG	The day-to-day operations in a precinct, such as cleaning, waste removal, traffic, transport, land use management, informal trader management and security services. It can extend to place-making, marketing and social services. The management of localised public transport operations and facilities is also an important urban management function.
Urban Network Approach		
	CSP	This approach is one “based in spatial planning and investment prioritisation techniques. It involves identifying defined elements within an urban network and then prioritising these in order to focus planning, investment and management to achieve spatial transformation”
Urban Network Strategy		
	CSP	A spatial targeting and TOD [transit-oriented development] approach aimed at spatial transformation of South African cities.
Urban		
	NSDF	A term that refers to a city, being in a city, or ‘of a city’. Urban areas are characterised by (1) large communities living at high residential densities, (2) a variety of employment opportunities, and (3) high-intensity business and commercial areas. The ‘urban-rural distinction’ between cities and towns varies from country to country, and is most often based on a combination of factors related to population size, level of economic output and development density. Generally, large towns are considered as ‘urban’, whereas small towns are most often regarded as ‘rural’. ‘Urban regions’ in the context of the NSDF refer to large and growing, functionally integrated, built-up regions, that are characterised by areas of high residential density and economic intensity where the population exceeds more than two million inhabitants.
Urbanisation		
	NSDF	The process by which an increasing percentage of a country’s population (1) moves to live in large towns and cities with the intention of staying there or in a similar urban area, and not returning to the countryside, and (2) is born in an urban area.

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Term	Source	Definition
Zone		
SPLUMA		<p>Means a defined category of land use which is shown on the zoning map of a land use scheme. (not the same as Integration Zone as in UNS) The spatial planning system consists of the following components:</p> <p>(a) Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;</p> <p>(b) Development principles, norms and standards that must guide spatial planning, land use management and land development;</p> <p>(c) The management and facilitation of land use contemplated in Chapter 5 of SPLUMA through the mechanism of land use schemes; and</p> <p>(d) Procedures and processes for the preparation, submission and consideration of land development applications and related processes as provided for in Chapter 6 of SPLUMA and provincial legislation.</p> <p>A municipal spatial development framework must assist in integrating, coordinating, aligning and expressing development policies and plans emanating from the various sectors of the spheres of government as they apply within the municipal area. Spatial development frameworks must outline specific arrangements for prioritising, mobilising, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in spatial development frameworks</p>
BEPP		<p>The process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.</p>

4. Terms Related To Development Finance And The Financing Of Infrastructure

Term	Source	Definition
Accounting Basis		
	MSCOA	The accrual or cash basis of accounting.
Accounting Policies		
	MSCOA	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.
Accrual Basis		
	MSCOA	A basis of accounting under which transactions, other events and conditions are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions, other events or conditions are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.
Accumulated Surplus / Deficit		
	MSCOA	Retained earnings or accumulated deficit being the cumulative effect of differences between revenue and expenditure as per statement of financial performance.
Acquisition Cost		
	MSCOA	When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or at fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.
Advance Payment / Prepayment		
	CIDMS	Sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied.
	MSCOA	Pre-payments are payments in advance for goods and services to be received in future. The actual amount paid is known.
Allocation		
	MFMA	In relation to a municipality, means - (a) a municipality's share of the local government's equitable share referred to in section 214(1)(a) of the Constitution; (b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution; (c) an allocation of money to a municipality in terms of a provincial budget; or (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;
Amortisation		
	MSCOA	Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life. The gradual write-off of an amount in an account by prorating such amount over a predetermined period, such as the life of the asset or liability to which it applies, or the period during which it is anticipated the benefit will be realised.
Annual Budget		
	MSCOA	Annual budget is an approved budget for one year. It does not include published forward estimates or projections for periods beyond the budget period.
Annual Report		
	MFMA	In relation to a municipality or municipal entity, means an annual report contemplated in section 121, which states that: The purpose of an annual report is— (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates; (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
Approved Budget		
	MFMA	Means an annual budget - (a) approved by a municipal council; or (b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;
	MSCOA	The expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period.

Term	Source	Definition
Asset		
	CIDMS	A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
	MSCOA	Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
	CLDG	An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
Bad Debts Written-Off		
	MSCOA	The irrecoverable debts that are written off during the financial year as approved by council allocated according to the type of service provided to the customer.
Bankable		
	CLDG	Where a programme or project has 'sufficient collateral, future cashflow, and high probability of success, to be acceptable to institutional lenders for financing'. (www.businessdictionary.com/definition/bankable.html).
Blended Finance		
	OECD	The strategic use of development finance for the mobilization of additional finance towards sustainable development in developing countries.
Bonds		
	MSCOA	Certificates of indebtedness representing long-term borrowing of capital funds, the terms of which contain an indenture pledging property as security for the loan and providing for the appointment of a trustee to represent the bondholders. If the lien of the mortgage is limited to specific property owned as the time the mortgage was created and to replacements thereof, the mortgage is described as "closed." If the lien extends to "after acquired" property which may be used as the basis for issuance of additional bonds under the terms and provisions of the indenture, the mortgage is referred to as an "open-end" mortgage.
	Other Sources	A debt instrument bought by investors; when buying a bond, an investor lends money to the borrowing entity (which can be government, a municipality or a corporate) for a defined period of time at a variable or fixed interest rate. Bonds, like concessionary loans, are typically longer in tenor than commercial loans, but carry higher transaction costs and a higher quantum of money, which can be barriers for entry for all but the largest borrowing entities.
Book Costs		
	MSCOA	The amounts recorded on a company's accounting records at any given time, usually at the most recent closing date or at year end. These amounts may reflect accumulated provisions for depreciation, amortisation, or other purposes.
Book Value		
	MSCOA	The value of a security or asset as shown by the accounting records of the holders. Frequently may be the acquisition cost or other figures that are different from market value
Borrowing		
	MSCOA	This account is for recording non-current borrowing. Borrowing is money received with the implied or expressed intention of returning the same or an equivalent to the borrower with the same interest. Long and short term debt rose in accordance with Section 46 of the MFMA, Act 56 of 2003 and to be used for capital expenditure on property, plant and equipment.
Borrowing Costs		
	MSCOA	Borrowing costs are Interest and other costs that an entity incurs in connection with the borrowing of funds.
Budget And Treasury Office		
	MSCOA	The Budget office is responsible for the annual compilation of the short and medium term budget with inputs from functional departments, monthly monitoring of actual performance against estimates and corrective action if re-quired.
Budget Forum		
	MFMA	Has the meaning assigned in section 1 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997): The Budget Forum is a body in which the national government, the provincial governments and organised local government consult on— (a) any fiscal, budgetary or financial matter affecting the local sphere of government; (b) any pro-posed legislation or policy which has a financial implication for local government; (c) any matter concerning the financial management, or the monitoring of the finances, of local government; or (d) any other matter which the Minister has referred to the Forum
Budget Tagging		
	Other	It is a tool that identifies, classifies, weights and marks relevant expenditures in a government's budget system, enabling the estimation, monitoring and tracking of those expenditures by providing data on government's allocations or existing spending. Information gathered via tagging will be used to inform policy discussions.
Budgetary Basis		
	MSCOA	The accrual, cash or other basis of accounting adopted in the budget approved by the legislative body.

Term	Source	Definition
Budget-Related Policy		
MFMA		Means a policy of a municipality affecting or affected by the annual budget of the municipality, including - (a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act; (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or (c) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
Capacity		
CIDMS		Maximum output that can be produced or delivered using the existing network or infrastructure.
MSCOA		In relation to a municipality, includes the administrative and financial management capacity and infrastructure that enables a municipality to collect revenue and to govern on its own initiative the local government affairs of its community.
Capital (Financial Concept Of)		
CIDMS		Net assets of an entity.
Capital (Physical Concept Thereof)		
CIDMS		The productive capacity of an entity as measured by the optimised depreciated replacement cost method.
Capital Expenditure (CAPEX)		
CIDMS		Expenditure used to create new assets, increase the capacity of existing assets beyond their original design capacity or service potential, or to return the service potential of the asset or expected useful life of the asset to that which it had originally. CAPEX increases the value of capital asset stock.
Capital Expenditure Framework		
Other Sources		A framework which coordinates the outcomes of a multitude of planning initiatives and documents within the municipality, in order to ensure that capital investment and project / programme implementation on the ground is guided by an over-arching long-term strategic, spatial, financial and socio-economic logic. Key informants to the CEF national and provincial strategies and policies i.e. the National Development Plan of 2014 (NDP) and Medium Term Strategic Framework (MTSF), as well as the Provincial Spatial Development Framework or Growth and Development Strategy (GDS), as well as municipal-level policies and strategies, typically embodied by the Municipal Integrated Development Plan (IDP), Municipal Spatial Development Framework (SDF) and other departmental sector plans. Collectively these plans have a spatial imperative that the city uses to guide investment and development in order to realise short, medium and longterm developmental and socio-economic goals. The CEF serves as a legislated mechanism to strengthen the budgeting process currently institutionalised within the municipality, and to show how capital in-vestment matures from planning to implementation through various stages of governance. In order to facilitate logical and rational based reporting.
Capital Investment		
Other Sources		A capital investment is defined as a sum of cash acquired by a company to pursue its objectives, such as continuing or growing operations. It also can refer to a company's acquisition of permanent fixed assets such as property, plant and equipment (PP&E).
Capital Investment Framework		
Other Sources		It is list of all infrastructure that the municipality requires that is necessary to ensure sustainable development for the future based on own quantification using specific standards. It must also include all infrastructure plans prepared by Provincial and National level departments and State Owned entities. It is a comprehensive needs lists spread over a planning period of at least 10 years that support the urban growth and development of the municipality as per the SDF.
Capital Projects		
MSCOA		1) A municipality may spend money on a capital project only if (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2); (b) the project, including the total cost, has been approved by the council; (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and (d) the sources of funding have been considered, are available and have not been committed for other purposes. 2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the project, including municipal tax and tariff implications. 3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

Term	Source	Definition
	MFMA	<p>A municipality may spend money on a capital project only if</p> <p>(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2) of the MFMA;</p> <p>(b) the project, including the total cost, has been approved by the council;</p> <p>(c) section 33 has been complied with, to the extent that section may be applicable to the project; and</p> <p>(d) the sources of funding have been considered, are available and have not been committed for other purposes.</p> <p>2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider</p> <p>(a) the projected cost covering all financial years until the project is operational; and</p> <p>(b) the future operational costs and revenue on the project, including municipal tax and tariff implications.</p> <p>3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.</p>
Capital Upgrading		
	CIDMS	Enhances the service potential of the asset or the economic benefits that can be obtained from use of the asset and may also increase the life of the asset beyond that initially expected
Carrying Amount (Of Investment Property)		
	MSCOA	The amount at which an asset is recognised in the statement of financial position.
Cash And Cash Equivalents		
	MSCOA	Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.
Cash Backed Reserves		
	MSCOA	Use of funds set-aside in a dedicated bank account for the replacement of assets, maintenance of assets, replace asset from the self-insurance reserve or funding claims from the COID-reserve, etc. These "cash-backed funds" need to be included as the "posting-level items".
Cash Basis		
	MSCOA	A basis of accounting that recognises transactions and other events only when cash is received or paid.
Cash Equivalents		
	MSCOA	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash Flow		
	CIDMS	The stream of costs and/or benefits over time resulting from a project investment or ownership of an asset.
	MSCOA	Inflows and outflows of cash and cash equivalents.
Cash On Hand		
	MSCOA	Cash held for petty cash, cashier surplus, undeposited money, etc.
Class Of Service		
	MSCOA	(Adapted) A group of customers with similar characteristics which is identified for the purpose of setting a rate for a service, and include: Commercial, Industrial, Other (customers not elsewhere classified, service to public authorities, and interdepartmental services), Residential, Sales for Resale
Climate Resilience		
	BEPP	Defined as per the Intergovernmental Panel on Climate Change (IPCC, 2014): The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.
Commercial Loans		
	Other Sources	A loan extended by commercial banks or development agencies at commercial rates (i.e., interest rates that reflect market conditions). Commercial loans are typically offered for a period shorter than bonds or concessionary loans offered by DFIs, but have lower transaction costs than bonds and are generally quicker to close than DFI loans based on a lower threshold of conditions.
Comparable Basis		
	MSCOA	The actual amounts presented on the same accounting basis, same classification basis, for the same entities and for the same period as the approved budget.
Concessionary Loan		
	MSCOA	A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Term	Source	Definition
	Other Sources	A loan, typically extended by a development finance institution, at a sub-market rate with a longer term but also aligned with non-financial, developmental goals
Consolidated Financial Statements		
	MSCOA	The financial statements of an economic entity presented as those of a single entity.
Constant Price		
	CIDMS	Price excluding adjustment for inflation.
Contingent Liability		
	MSCOA	(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
Contingent Asset		
	MSCOA	A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Cost		
	MSCOA	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.
Cost Benefit Analysis (CBA)		
	CIDMS	Discounted cash flow that takes into account the benefits and costs of an investment opportunity to the entity AND/OR THE COMMUNITY IT SERVES.
	CPG	A CBA seeks to establish whether a particular investment is the most efficient use of society's resources. It does this by identifying and monetising the costs and the benefits to society to enable comparison.
Cost Effectiveness Analysis		
	CPG	Cost-effectiveness studies are appropriate where project options must be compared but assigning a monetary value to the desired outcome would not be appropriate. This usually applies to projects that do not represent an economic activity, such as social, health or human rights projects, and where a needs analysis has been informed by a defined social requirement.
Cost Indicators		
	FMPPI	The overall cost (or expenditure) of producing a specified quantity of outputs
Cost Of Removal		
	MSCOA	The cost of demolishing, dismantling, tearing down or otherwise removing an electric plant [or immovable asset], including the cost of transportation and handling incidental thereto.
Cost Of Service		
	MSCOA	The total costs incurred by a company in providing utility services. Usually refers to annual costs unless otherwise specified. This amount, which consists of estimated operating expenses, depreciation, taxes, a return on the rate base (investment), and possibly other costs, is used to design and establish regulated "cost-based" rates.
Cost Plus Or Cost Based Contract		
	MSCOA	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.
Cost Of Disposal / Cost To Sell		
	MSCOA	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.
Credit Enhancements		
	Other Sources	Measures taken to improve an organization's access to debt and to enhance its creditworthiness, by providing reassurances that the borrower will honor the obligation, such as additional collateral, insurance, or a third-party guarantee. Credit enhancement reduces default risk, thereby increasing the overall credit rating and lowering interest rates on debt.
Credit Risk		
	MSCOA	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
Creditor		
	MFMA	In relation to a municipality, means a person to whom money is owing by the municipality;
Currency Risk		
	MSCOA	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
Current Assets		
	MSCOA	Current assets refers to assets which would recover in no more than 12 months after the reporting date or if the normal operating cycle is more than 12 months the longer period.

Term	Source	Definition
Current Liabilities		
	MSCOA	Current liabilities comprise of all money owed by an entity which is due within one year after the reporting date.
Current Replacement Cost		
	CIDMS	The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business, or the minimum it would cost to replace the existing asset with a new modern equivalent asset with the same economic benefits, allowing for any differences in the quantity and quality of output and in operating costs.
Debt		
	MFMA	Means - (a) a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments; or (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;
	CLDG	A sum of money that is owed.
Decommissioning		
	CIDMS	Actions required to take an asset out of service.
Deemed Cost		
	MSCOA	A deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).
Deferred Income		
	MSCOA	Deferred income is money received for goods and services which have not as yet been delivered. According to revenue recognition principle, it is recorded as a liability until delivery is made, at which time it is converted into revenue.
Demand Analysis		
	CPG	The first step is to confirm that there is demand for the goods and services that will be produced by the project. This is important because levels of current and forecasted demand should be sufficient to contribute to the viability of the project. Any factors that constraint demand need to be identified and factored into the demand forecasts.
Demand Management		
	CIDMS	The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand
Depreciable Amount		
	MSCOA	The cost of an asset, or other amount substituted for cost, less its residual value.
Depreciated Replacement Cost		
	CIDMS	The replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset.
Depreciation		
	CIDMS	Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.
	MSCOA	The systematic allocation of the depreciable amount of an asset over its useful life.
Derivative		
	MSCOA	A financial instrument or other contract within the scope of the Standard of GRAP on Financial Instruments (see para-graphs .02 to .12 of the Standard of GRAP on Financial Instruments) with all three of the following characteristics:
Development Finance Institutions (DFI)		
	Other Sources	Financial institutions that provides risk capital for economic development projects on non commercial basis, which are often established and owned by governments or charitable institutions to provide funds for projects that would otherwise not be able to get funds from commercial lenders
Direct Cost		
	MSCOA	Are costs that are specifically incurred on behalf of a specific entity with an identifiable casual relationship with a business unit, activity, process, product or service? Direct assignment is applied in the case of direct cost.
Discount Factor		
	CIDMS	A rate or factor used to relate present and future money values. Also referred to as the discount rate, hurdle rate, required return, cost of capital or opportunity cost. For the purposes of this Toolkit the discount factor in formulae is denoted with an "r".
Discounted Cash Flow		
	CIDMS	A technique to convert cash flows that occur over time to equivalent amounts at a common point in time. It is the process of finding present values, which is the inverse of compounding interest

Term	Source	Definition
Disposal		
	CIDMS	Actions necessary to decommission and dispose of assets that are no longer required.
	GIAMA	means any disposal contemplated in the State Land Disposal Act, 1961 (Act No. 48 of 1961) or a provincial land administration law;
Early Contractor Involvement		
	CIDMS	Early contractor involvement is an approach to contracting that supports improved team performance and planning to deliver value for money.
Economic Analysis		
	CPG	An economic analysis is different from a financial analysis in that it analyses the viability of a project based upon economic and social welfare improvements, and not financial bankability. An economic analysis thus takes non-monetary welfare impacts into account, such as improved health, reduced accident risks, congestion and pollution.
Economic Efficiency		
	MSCOA	The concept of obtaining the most consumer satisfaction from available resources. Conversely, a situation of practice is considered “inefficient” if exactly the same desired goals could be achieved with the use of fewer scarce resources. Two forms of efficiency are generally considered as part of economic efficiency, “production efficiency” and “allocative efficiency”. Achieving efficient results is usually assumed to be predicated on consumers or users of a good or service being knowledgeable of the cost of the good or service and of comparable substitutes, and choosing between them to achieve the least cost.
Economic Impact Assessment		
	CPG	The assessment allows for the identification of the losers and the winners from the project and the judgement of whether these distributional impacts are aligned with government priorities. If the potential losers are identified as an already vulnerable group, this might require mitigation actions to be undertaken. The project’s scope and financial structure must be aligned towards the findings in the impact assessment.
Economic Life		
	CIDMS	The period from acquiring the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life, however obsolescence will often ensure that the economic life is less than the physical life
	MSCOA	Either (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
Economies Of Scale		
	MSCOA	Economies of scale exist when, for a given level of technology and set of prices, relatively larger production facilities have lower unit costs than relatively smaller facilities. Economies of scale may exist for any of the phases of power production: generation, transmission or distribution. Economies of scale are often erroneously confused with short-run decreasing costs, which are the costs of productive capacity at a particular time.
Equitable Share		
	MSCOA	Local government’s equitable share of nationally raised revenue to enable municipalities to provide a basic level of services to low-income households in their areas of jurisdiction at an affordable cost.
Equity		
	MSCOA	Equity provides for “ownership interest” in the entity.
Evidence Based Planning		
	CSP	Evidence based planning means that the best available data, information and knowledge are used to make Planning decisions. Therefore, evidence-based planning is harnessing the knowledge gained from data and information and using it to optimize our planning process and improve results. In the South African context the following definition is used: Evidence-based decision making is the systematic application of the best available evidence to the evaluation of options and to decision making in management and policy settings. Evidence can come from any of the three data terrains outlined in the government wide monitoring and evaluation system: programme performance information, evaluation and census data/statistics – as well as from research studies and local community information.
Expenses		
	MSCOA	Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.
Fair Value		
	MSCOA	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.
Finance Lease		
	MSCOA	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Term	Source	Definition
Financial Asset		
MSCOA		(a) cash; (b) a residual interest of another entity; or (c) a contractual right to: (i) receive cash or another financial asset from another entity; or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
Financial Cash Flow Analysis		
CPG		The objective of this analysis is to establish the financial viability of the option. The analysis is carried out in accordance with the discounted cash flow method. A financial model projecting the cash flows for the costs and any revenue generated from the project over its lifetime is developed. This analysis needs to be undertaken for each of the preferred options identified. If the institution lacks the capacity for developing such financial models, outsourcing this expertise should be considered. In order to preserve the outsourcing option for future capital expenditure undertakings, the institution should budget for such expenditures.
Financial Guarantee Contract		
MSCOA		A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
Financial Instrument		
MSCOA		Any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.
Financial Instrument At Cost		
MSCOA		Investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.
Financial Instruments At Fair Value		
MSCOA		Financial assets or financial liabilities that are: (a) derivatives; (b) combined instruments that are designated at fair value in accordance with paragraphs .20 or .21 of the Standard of GRAP on Financial Instruments; (c) instruments held for trading. A financial instrument is held for trading if: (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking; (d) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition in accordance with paragraph .17 of the Standard of GRAP on Financial Instruments; and (e) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.
Financial Leveraging		
Other		Using an injection of finance to induce other contributions, thereby generating a multiple of the original amount; also, the ratio of loan finance to equity in a company's capital structure.
Financial Liability		
MSCOA		Any liability that is a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.
Financial Recovery Plan		
MFMA		Means a plan prepared in terms of section 141; financial statements, in relation to municipality or municipal entity, means statements consisting of at least - (a) a statement of financial position; (b) a statement of financial performance; (c) a cash-flow statement; (d) any other statements that may be prescribed; and (e) any notes to these statements;
Financial Statements		
PFMA		Means statements consisting of at least— (a) a balance sheet; (b) an income statement; (c) a cash-flow statement; (d) any other statements that may be prescribed; and (e) any notes to these statements;
Financial Year		
MFMA		Means a year ending on 30 June;
PFMA		(a) means a year ending 31 March; or (b) in relation to a public entity that existed when this Act took effect and that has a different financial year in terms of other legislation, means that financial year, provided the National Treasury has approved that other financial year;
MPPMR		Financial year of municipalities that ends on 30 June of each year
Financing		
CLDG		Financing refers to the instruments used to bring upfront capital to the project.
Financing Agreement		
MFMA		Includes any loan agreement, lease, installment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time

Term	Source	Definition
Financing Costs		
	CIDMS	Includes annual interest costs and capital repayments (principle amount) for the investment over the period of the loan.
Fiscal		
	CLDG	Of or relating to taxation, public revenues, or public debt
Fiscal Impact Tool		
	CSP	The Fiscal Impacts tool was intended to be a simple tool to assist metros with evidence-based decision making regarding the spatial location of individual development proposals – it is a tool to cost the fiscal impact of planning decisions regarding large scale, public/private sector, integrated housing/human settlements programmes and projects in urban areas. The tool was designed collectively and collaboratively by the Cities Support Programme in National Treasury with the metros during 2015-16.
Framework Agreement		
	CIDMS	An agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Fruitless And Wasteful Expenditure		
	MFMA	Means expenditure that was made in vain and would have been avoided had reasonable care been exercised;
	PFMA	Means expenditure which was made in vain and would have been avoided had reasonable care been exercised;
Fully Allocated Cost		
	MSCOA	The total of all direct and indirect costs including cost of capital incurred in providing both regulated and non-regulated goods and or services.
	CSP	A functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. The sum total of all the defined Functional areas within the municipality must account for the total population (including growth per functional area) in the municipal area over a period of at least 10 years, and the total capex awarded for the 10 year period towards infrastructure investments that falls within the affordability envelope.
Funding		
	CLDG	Funding refers to revenues that are brought down the line to pay back the initial investment or upfront monies paid directly to build the project.
Gate / Stage Gate		
	CIDMS	A control point at the end of a process where a decision is required before proceeding to the next process or activity.
	FIDM	A control point at the end of a process where a decision is required before proceeding to the next process or activity
Gateway Review		
	CIDMS	An independent review of the available information at a gate upon which a decision to proceed or not to the next process is based.
	FIDM	An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.
General Ledger		
	MSCOA	In modern accounting software or ERP, the general ledger works as a central repository for accounting data transferred from all sub-ledgers or modules like accounts payable, accounts receivable, cash management, fixed assets, purchasing and projects. General ledger is the backbone of any accounting system which holds financial and non-financial data for an organization.
Impairment		
	CIDMS	The loss of future economic benefits or service potential of an asset over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.
	MSCOA	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. An undesired change in a system or device that reduced its ability to perform its intended function.
Impairment Loss		
	CIDMS	An impairment loss of a cash-generating asset or a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
Indirect Costs		
	MSCOA	Those costs which are not directly assignable to a product or service, not incurred by an entity or a business unit in producing the regulated product or service. This includes, but is not limited to, overhead costs, administrative and general costs, and taxes. Indirect costs are allocated based upon a methodology as set forth in the Regulatory Re-reporting Manual.
Infrastructure Procurement		
	CIDMS, FIDM	The procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Term	Source	Definition
Infrastructure Reporting Model		
MSCOA		The Infrastructure Reporting Model (IRM) is a project level monitoring and reporting (M&R) tool, developed in MS Excel and Visual Basic (VBA). The model is used by Provincial Departments to report expenditure and performance progress on infrastructure projects.
In-Kind (Allocations In-Kind)		
MSCOA		Goods In-kind are tangible assets transferred to the municipality in a non-exchange transaction, without charge, but may be subject to stipulations. External assistance provided by multilateral or bilateral development organisations often includes a component of goods in-kind.
Intangible Asset		
MSCOA		An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
Integrated Urban Development Grant		
IDP		The IUDG refers to a new grant that is the result of a restructuring exercise where various existing grants are being consolidated. This grant restructuring exercise is one of the initiatives flowing from the IUDF to support spatial transformation and the grant is intended to support the spatial transformation process to the benefit of the urban poor.
Interest Charges		
MSCOA		Interest on long-term debt: This account should record the amount of interest on outstanding long-term debt issued or assumed by the Utility, the liability for which is included in the account for "Bonds and other long-term debt". This account should be so kept or supported as to show the interest accruals on each class and series of long-term debt.
Interest Rate Risk		
MSCOA		The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
Intergovernmental Programme And Project Pipeline		
BEPP		The intergovernmental project pipeline consists of a pipeline of projects of a strategic/priority nature within the metropolitan space whether it is a project of the national, provincial or metropolitan government, or that of a state-owned entity. The main purpose of the pipeline is for it to incorporate funding and projects from all spheres and entities to prioritise collective public investment in particular spaces. For further information please consult section 3.3.1 in this Guideline. The format/template for recording this pipeline is presented in Annexure 2. Please cross-reference this with Catalytic Programmes above
Internal Rate Of Return		
CIDMS		IRR is the discount rate that equates the present value of net cash inflows with the initial investment in the project, resulting in a NPV = R0. The IRR is the true yield of the investment, expressed as a rate of return.
Investment		
MFMA		In relation to funds of a municipality, means - (a) the placing on deposit of funds of a municipality with a financial institution; or (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;
Investment Costs		
CIDMS		The initial capital investment plus any intermittent capital expenditure required to achieve the project outcomes
Investments		
MSCOA		Assets held primarily for the creation of wealth through receipt of distributions (such as interest, royalties, dividends and rentals), for capital appreciation.
Investor (In A Joint Venture)		
MSCOA		A party to a joint venture and does not have joint control over that joint venture.
Irregular Expenditure		
MFMA		In relation to a municipality or municipal entity, means - (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170 (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 30 No. 20 of 1998); or (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure

Term	Source	Definition
	PFMA	Means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including— (a) this Act; or (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or (c) any provincial legislation providing for procurement procedures in that provincial government;
Joint Venture		
	MSCOA	A binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.
Land Based Financing		
	BEPP	A policy and regulatory mechanism that allows a public entity to share in a portion of the increased value (direct or indirect) of land resulting from either investment in infrastructure or the allocation of use rights by the public sector
Large Projects		
	CPG	Large projects are those estimated to cost between R90 million and R400 million per year for a minimum of three years – totalling at least R250 million per year but less than R1 billion over the MTEF. Large projects require a feasibility study for scrutiny by National Treasury.
Legal And Regulatory Due Diligence		
	CPG	A legal and regulatory due diligence study should confirm that the project will be able to comply with all regulatory requirements, identify any risks and obligations that could increase costs of or decrease benefits. The cost of compliance must be included in the financial and economic analysis.
Lender		
	MFMA	In relation to a municipality, means a person who provides debt finance to a municipality
Liabilities		
	MSCOA	Liabilities are future sacrifices of economic benefits that the municipality is presently obliged to make to other entities as a result of past transactions or other past events.
Life Cycle		
	CIDMS	The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.
	GIAMA	Means the period during which a custodian or user expects to derive benefits from the control or use of an immovable asset;
Life Cycle Cost / Whole-Of-Life Cost		
	CIDMS	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.
	CLDG	Costs associated with a project or programme from the inception of the programme or project right through to the ongoing operations, maintenance, holding and management of the finished product.
Liquidity Risk		
	MSCOA	The risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
Load Management		
	MSCOA	Economic reduction of electric energy demand during a utility's peak generating periods. Load management differs from conservation in that load management strategies are designed to either reduce or shift demand from on-peak times, while conservation strategies may primarily reduce usage over the entire 24 hour period. Motivations for initiating load management included the reduction of capital expenditure, circumvention of capacity limitations, provision for economic dispatch, cost of service reduction, system efficiency improvements, or system reliability improvements. Actions may take the form of normal or emergency procedures.
Loan Commitment		
	MSCOA	A firm commitment to provide credit under prespecified terms and conditions.
Loans Payable		
	MSCOA	Loans payable are financial liabilities, other than short-term payables on normal credit terms.
Long-Term Debt		
	MFMA	Means debt repayable over a period exceeding one year
	MSCOA	Bonds & other long-term debt: This account should record in a separate subdivision for each class and series of bonds the face value of the actually issued and unmatured bonds which have not been retired or cancelled; also the face value of such bonds issued by others the payment of which has been assumed by the Utility, as well as, until maturity, all long-term debt not otherwise provided for. Separate accounts should be maintained for each class of obligation, and records should be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Term	Source	Definition
Losses		
	MSCOA	Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.
Major Capital Project		
	CIDMS	An infrastructure project or a series of interrelated infrastructure projects on a single site having an estimated cost, including those required for new facilities or systems to become fully operational, above a prescribed threshold
Management		
	MSCOA	Those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.
Market		
	CLDG	The people or organisations that might want to buy something.
Market Demand		
	CLDG	Market demand is the 'aggregate of the demands of all potential customers (market participants) for a specific product over a specific period in a specific market' (Business Dictionary, 2018: s.v. market demand.) In the context of land development, the location of the product is also a key factor for demand. Drivers of demand can be understood to include the number, income, tastes and preferences of consumers; expenditure allocation of consumers; the availability of credit to consumers and the price of substitutes (alternatives) (McGaffin, 2017).
	MSCOA	The prevailing rate of interest on loans determined by the demand and supply of credit and based on the duration (the longer the duration, the higher the rate) of loan and type of security offered (the higher the quality of security, the lower the rate).
Market Value		
	MSCOA	In relation to a property means the value of the property determined in accordance with Section 46.
Medium Term Revenue And Expenditure Framework		
	MSCOA	The MTEF refers to annual, rolling three year-expenditure planning. It sets out the medium-term expenditure priorities and hard budget constraints against which sector plans can be developed and refined. MTEF also contains outcome criteria for the purpose of performance monitoring.
Mega Projects		
	CPG	Mega projects are those estimated to cost more than R400 million per year for a minimum of three years, or a total project cost of at least R1 billion. Most mega projects will customarily require a prefeasibility study and a comprehensive feasibility study for scrutiny by National Treasury.
Multicriteria Analysis		
	CIDMS	An analysis technique that takes into account a range of qualitative and quantitative criteria reflecting the financial, economic, social and environment characteristics of the investment opportunity.
Multi-Year Budget		
	MSCOA	An approved budget for more than one year. It does not include published forward estimates or projections for periods beyond the budget period.
Municipal Base Tariff		
	MFPMA	Means the fees necessary to cover the actual cost associated with rendering a municipal service, and includes - (a) bulk purchasing costs in respect of water and electricity reticulation services, and other municipal services; (b) overhead, operation and maintenance costs; (c) capital costs; (d) a reasonable rate of return, if authorised by a regulator or the Minister responsible for that municipal service
Municipal Debt Instrument		
	MFMA	Means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;
Municipal Entity		
	MFMA	Has the meaning assigned to it in section 1 of the Municipal Systems Act;
	MSCOA	Municipal entity means – (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation and which operates under the ownership control of one or more municipalities, and includes, in the case of a company under such ownership control, and subsidiary of that company; or
	MSA	Means a trust or corporate entity established in terms any applicable or provincial legislation and which operates under the ownership control one more municipalities and includes, in the case company under' such ownership any subsidiary (a company) or a service utility.
Municipal Financial Year		
	MFMA	Means a year ending on 30 June;
	MFPMA	Means the financial year of a municipality commencing on 1 July and ending on 30 June

Term	Source	Definition
Municipal Infrastructure		
MIIF7		This is the physical facilities, comprising immovable assets which are required to provide a municipal service.
Municipal Service		
MFMA		Has the meaning assigned to it in section 1 of the Municipal Systems Act;
MSA		Means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and fees, charges or tariffs are levied in respect of such a service or not
MIIF7		This is the service provided by municipalities in terms of their constitutional obligations, as experienced by the consumer of the service (households and businesses). The service requires infrastructure and the organisational arrangements required to provide, operate and maintain the infrastructure, including other equipment required (movable assets) and the interface between the municipality and the consumer.
Municipal Standard Chart Of Accounts		
MFPFA		The municipal standard chart of accounts makes provision for a uniform and standardised financial transaction classification framework as per the Municipal Regulations and Standard Chart of Accounts as gazetted on 22 April 2014 (Ga-zette No 37577).
Municipal Surcharge		
MFPMA		Means a charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Municipal Tariff		
MFMA		Means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
Municipal Tax		
MFMA		Means property rates or other taxes, levies or duties that a municipality may impose;
Needs Analysis		
CPG		The needs analysis should demonstrate alignment with the institution's mandate and strategic objectives. The purpose of this analysis is to enable the institution to clearly identify a clear infrastructure need, specify outputs of the project and ascertain the extent of current and future demand for the service.
Net Assets		
MSCOA		Retained earnings or accumulated deficit being the cumulative effect of differences between assets and liabilities as per statement of financial position.
Net Benefits		
CIDMS		The sum of annual benefits less annual costs in the year of the project/asset's life.
Net Present Value		
CIDMS		The value of an asset to the entity in present money terms. It is the net amount of discounted cash inflows arising from the use and subsequent disposal of the asset, after deducting the value of the discounted total cash outflows.
Non-Current Assets		
MSCOA		Non-current assets refer to assets which would recover after 12 months or after the normal operating cycle of the municipality.
Non-Current Assets Held For Sale		
MSCOA		Non-current assets are reclassified as current assets when they are held for sale. A non-current asset is regarded as 'held for sale' if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use.
Non-Current Liabilities		
MSCOA		Non-current liabilities comprise of all money owed by an entity which is due more than one year after the reporting date.
Non-Infrastructure Assets		
MSCOA		Transactions of a capital nature relating to key projects as identified by management, e.g. procurement of a new bus fleet for use as urban transport but not qualifying as "Infrastructure Assets" and thus provided for under "Projects Non-infrastructure".
Operating Lease		
MSCOA		A lease other than a finance lease.
Operation		
CIDMS		Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Operational Expense (OPEX) / Operational Cost		

Term	Source	Definition
	CIDMS	OPEX is recurrent expenditure to provide services. Examples of OPEX include staff costs, administration costs, consumables, maintenance and repairs and feasibility studies
	MSCOA	An operating expense is a day-to-day expense such as sales and administration, or research and development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Operational Expenditure Projects		
	MSCOA	Operational expenditure projects refer to current and short-term projects for which the cost is immediately recognised as an expense and funded from the municipality's operational budget.
Operational Revenue		
	MSCOA	Operational revenue refers to all other income not elsewhere classified such as administrative fees, bad debts recovered, breakages, commission, discounts and early settlements, etc.
Opportunity Cost		
	CIDMS	The cost of cash flows that could have been earned in the best alternative investment opportunity
Options Analysis		
	CPG	The purpose of an options analysis is to undertake an analysis of all feasible options that can achieve the identified output specifications. This will assist in identifying the preferred solution.
Other Price Risk		
	MSCOA	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
Overspending		
	MFMA	(a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be; (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or (c) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section;
	PFMA	(a) in relation to a vote, means when expenditure under the vote exceeds the amount appropriated for that vote; or (b) in relation to a main division within a vote, means when expenditure under the main division exceeds the amount appropriated for that main division, subject to section 43;
Owner's Equity / Contributed Capital		
	MSCOA	Common shares issued: This account should record the stated or assigned value of common shares of each class issued. When capital share is retired, this account should be charged with the amount at which such stock is carried herein. A separate ledger account should be maintained for each class and series of common shares. The supporting records should show the shares nominally issued, actually issued, and nominally outstanding.
Ownership Control		
	PFMA	In relation to an entity, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities: (a) To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body; (b) to appoint or remove that entity's chief executive officer; (c) to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or (d) to control all, or the majority of, the voting rights at a general meeting of that entity;
	MSCOA	In relation to a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, means the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities: (a) to appoint or remove at least the majority of the board of directors or equivalent governing body; (b) to appoint or remove that entity's chief executive officer; (c) to cast at least the majority of the votes at meetings of the board of directors or equivalent governing body; (d) or to control at least the majority of the voting rights at a general meeting in the case of a company, co-operative or other body having members.
Portfolio		
	CIDMS	To be read in context, as follows: <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
	GIAMA	Means the total extent of immovable assets controlled or used by a national or provincial department;
	CLDG	A collection of assets (property or investments, etc.) held by a person or organisation typically organised into collections of assets with similar attributes.

Term	Source	Definition
Price Indicators		
FMPPI		The nominal or real prices of individual inputs
Principles For Development Charges		
CLDG		Equity and fairness, predictability, spatial and economic neutrality, and administrative ease and uniformity
Procurement Strategy		
CIDMS		Selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
FIDM		The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
Programmes		
CIDMS		The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
Project		
CIDMS		<p>A project can be defined as:</p> <ul style="list-style-type: none"> · an unique set of coordinated and controlled processes and activities; · undertaken to achieve a specific objective(s) according to specifications; · within a defined timeframe (start and end dates); · that consume resources (e.g. funds, labour, materials and equipment); and · is confined by a control budget.
FIDM		A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective
GWME		specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Project Finance		
Other		A method of raising medium to long-term debt based on cash flows solely generated by a specific development of a project. The loan is typically made to a separate company called a Special Purpose Vehicle undertaking the project, while the business and balance sheet of the borrower are protected from the lender in the event of a default. Legal recourse in case of the project sponsor's default is limited to just this special purpose entity, although any lender will consider the past performance of the project sponsor in making a determination on the merits of the investment.
Property Rates		
MSCOA		Property Rates means a municipal rate on property envisaged in section 229 (1)(a) of the Constitution. Rateable property means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17. [Local Government Municipal Property Rates Act and Regulation 6 of 2004]
Provision		
MSCOA		Provision is a liability of uncertain timing or amount.
Provision For Deferred (Future) Income Tax		
MSCOA		Charges against income (with corresponding credits to a special liability account) representing the tax deferrals resulting from the use of accelerated amortisation and/or liberalised depreciation in federal and/or state income tax returns, when the deductions for such rapid depreciation and amortisation (applied to any vintage year's property) exceeded the allowance that would have been taken if straightline depreciation had been used for tax return as well as for book purposes. Many companies net in this account the feedback of prior year's provisions for deferred taxes.
Public Finance		
Other		Government finance which comprises expenditures of public entities including the central bank, taxes, public debt and borrowing at the national, regional and local level (districts and municipalities).
Public Fiscus		
CLDG		The treasury of the state or the pool of financial resources available to the state.
Public Value		
CLDG		Benefit derived for the general public, current and future, good.

Term	Source	Definition
Public-Private Partnership		
CIDMS		<p>A commercial transaction between an organ of state and a private party in terms of which the private party:</p> <ul style="list-style-type: none"> performs an institutional function on behalf of the organ of state or acquires the use of state property for its own commercial purposes; and assumes substantial financial, technical and operational risks in connection with the performance of the institutional function or use of state property; and receives a benefit for performing the institutional function or from utilising the state property, either by way of: consideration to be paid by the organ of state which derives from a revenue fund or, where an organ of state is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or charges or fees to be collected by the private party from users or customers of a service provided to them; or a combination of such consideration and such charges or fees.
Other Sources		A contractual agreement between a government entity and one or more private sector companies to jointly finance and operate a public service. The private companies usually assume substantial financial, technical or operation risk in the project's success. PPPs are also referred to as P3 or P3.
Rateable Property		
MSCOA		Property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17.
Ratepayer		
MSCOA		In relation to a municipality, means a person who is liable to the municipality for the payment of
MSA		In relation to a municipality, means a person who is liable to the municipality for the payment of rates on property in the municipality; any other tax, duty or levy imposed by the municipality; or fees for services provided either by the municipality or in terms of a service delivery agreement;
Rebate		
MSCOA		In relation to a rate payable on a property, means a discount granted in terms of section 15 of the rate payable on the property.
Recoverable Amount (Of An Asset Or A Cash-Generating Unit)		
MSCOA		<p>The higher of its fair value less costs to sell and its value in use.</p> <p>The higher of a cash-generating asset's net selling price and its value in use.</p>
Recoverable Service Amount		
MSCOA		The higher of a non-cash-generating asset's fair value less costs to sell and its value in use.
Remaining Useful Life		
CIDMS		The time remaining until an asset ceases to provide the required service level or economic usefulness.
Renewal		
CIDMS		<p>Expenditure on an existing asset that returns the service potential of the asset or expected useful life of the asset to that which it had originally.</p> <p>Note 1: Renewal can include works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability.</p> <p>Note 2: Expenditure on renewals is funded through the entity's capital budget, and such expenditure is recognised in the entity's Statement of Financial Position.</p>
Repair		
CIDMS		Physical action taken to restore the required function of a faulty item.
Repayable Finance		
Other		Concessional or private/commercial finance that must be repaid. Refers to sources of finance that ultimately need to be repaid, such as loans, microfinance, bonds or equity.
Replacement Cash Flow Decision		
CIDMS		Cash flows to be determined for the replacement of an existing asset, where the investment analyst must find the incremental cash outflows and inflows that will result from the replacement.
Reserves And Funds		
MSCOA		An account set-aside to meet planned and unexpected costs that may arise in the future
Residual Interest		
MSCOA		Any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

Term	Source	Definition
Residual Value		
	CIDMS	The estimated value of an asset at the end of its useful life, or the value that remains at the end of the analysis period where the asset useful life exceeds the analysis period. The residual value is considered as a benefit (cash inflow) in the final year of the analysis period.
	MSCOA	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.
Retention Sum		
	CIDMS	Sum retained for a certain period to offset costs which may arise from the contractor's failure to comply fully with the contract.
Revenue		
	MSCOA	The gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.
	MSCOA	Sources of funding for general use to execute the functions and powers allocated to Municipality. This category includes Major Tariff Services, Fines, Penalties and Forfeits, Taxes, Returns-on-Investments (Interest and Dividends), Equitable Shares, Administrative and Registration Fees. Sale of Assets could also fall within this category.
Revenue Foregone		
	MSCOA	Revenue foregone is reflected as "income" on the revenue side and "expenditure" on the expenditure side. Revenue foregone consists of section 15 of the Municipal Property Rates Act, Exemptions, Reductions and Rebates and excludes section 17 "Other Impermissible Rates" and section 21 "Compulsory Phasing-in of Certain Rates".
Revolving Fund		
	Other	A revolving fund mechanism is one where funds are recirculated through a system to ensure that funds are used more than once after fund capitalization (i.e., loan repayments and interest earned are used to provide new loans). The interest covers administrative costs and helps prevent the fund from being depleted as a result of such factors as inflation, non-payments and the cost to the lender of getting outside finance.
Risk		
	CIDMS	The effect of uncertainty on objectives. Risk events are events that may compromise the delivery of the entity's strategic objectives
Risk Assessment		
	CPG	A risk assessment looks at all risks related to a project and assesses the impact of these risks and if mitigating actions are possible. For certain projects where uncertainty is significant and involves large financial risks, presenting a risk-adjusted costing model is crucial. Costing for risks is then undertaken by identifying all the risks, approximating the financial impact they will have on project costs and revenues and estimating the probability of occurrence of the risk event.
Risk Controls		
	CIDMS	Measures to manage or mitigate identified risks.
Risk Exposure		
	CIDMS	The level of risk to which an entity is exposed. Risk exposure is a function of the probability of an occurrence times the impact of that occurrence.
Risk Management		
	CIDMS	The application of a formal process that identifies the exposure of an entity to service performance risk and determines appropriate responses.
Risk Register		
	CIDMS	A record of information that stipulates risks identified, the levels of risk exposure before and after implementation of risk controls, and details of appointed risk owners as a minimum.
Routine Maintenance		
	CIDMS	Day-to-day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative and periodic maintenance

Term	Source	Definition
Security		
MFMA		Means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2), which lists: <p>(a) giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating, an asset or right, or giving any other form of collateral; (b) undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, but this form of security may not affect compliance with section 8(2); (c) under-taking to deposit funds with the lender, investor or third party as security; (d) agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures; (e) ceding as security any category of revenue or rights to future revenue; (f) undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms; (g) undertaking to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations; (h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest; (i) agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and (j) agreeing to such other arrangements as the municipality may consider necessary and prudent.</p>
Sensitivity Analysis		
CIDMS		Testing of the variations in the outcome of an evaluation by altering the values of key factors about which there may be uncertainty.
Service Charges		
MSCOA		This group of accounts provides for the fees charged to cover services related to the primary product or service being purchased, being electricity, waste management, water and waste water.
Service Delivery And Budget Implementation Plan (SDBIP)		
MFMA		Means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate - <p>(a) projections for each month of— (i) revenue to be collected, by source; and (ii) operational and capital expenditure, by vote; (b) service delivery targets and performance indicators for each quarter; and (c) any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c);</p>
IDP		A detailed plan approved by the Executive Mayor for implementing the municipality's delivery of municipal services and its annual budget. Essentially a business plan, the SDBIP is an integral part of the financial planning process
		The Local Government: Municipal Finance Management 56 of 2003 (MFMA) require municipalities to develop SDBIPs annually. In terms of section. 53(1)(c)(ii), the SDBIP is defined as a detailed plan approved by the Mayor of a municipality for implementing that municipality's delivery of municipal services. In particular it must indicate the service delivery targets and performance indicators for each quarter.
Service Utility		
MFMA		Has the meaning assigned to it in section 1 of the Municipal Systems Act;
MSCOA		A Municipal entity established in terms of the Municipal Systems Act.
MSA		Means a body established in terms of section 86H;
Short-Term Debt		
MFMA		Means debt repayable over a period not exceeding one year;
Small Projects		
CPG		Small projects are those estimated to cost less than R90 million per year and not more than R250 million over the MTEF. Small projects with the same outputs should be grouped together in a programme for evaluation. Small projects will not be subject to detailed appraisal as required above but they should illustrate that they have been properly planned and meet the identified need and objectives of the institution.
Socio-Economic Analysis		
CPG		Many services infrastructure projects provide potential economic benefits to Black Economic Empowerment (BEE) and Small Medium and Micro-sized Enterprises (SMME) as well as the community in general. The implementation of a project can result in an increase in land values or in an increase in demand for affordable housing. The use of local labour and materials in a major infrastructure project also provides significant benefits to communities affected by the infrastructure project. There may also be costs not easily realisable such as those resulting from congestion in the city caused by the implementation of the project. All these will need to be translated into economic costs and benefits.
Specified Public Benefit Activity		
MSCOA		An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.

Term	Source	Definition
Stage		
	CIDMS	A collection of logically related activities in the infrastructure delivery cycle that culminates in the completion of a major deliverable.
	FIDM	A collection of periodical and logically related activities in the Project Management Control Stages, that culminates in the completion of an end of stage deliverable.
Stakeholder Mapping		
	CLDG	The process of identifying a stakeholder and the nature and extent of interest, influence or impact of an activity on the stakeholder, or on the activity from the stakeholder, as well as identifying how this may differ across the different steps or stages of undertaking an activity.
Standards Of Generally Recognised Accounting Practice (GRAP)		
	MFMA	Means an accounting practice complying with standards applicable to municipalities or municipal entities and issued in terms of Chapter 11 of the Public Finance Management Act;
	PFMA	means an accounting practice complying in material respects with standards issued by the Accounting Standards Board;
	MSCOA	Standards, Interpretations and Directives issued by the Accounting Standards Board.
Statement Of Financial Performance		
	CIDMS	The Statement of Financial Performance, also known as an income statement, shows the revenue and expenses of an entity over a period of time.
Statement Of Financial Position		
	CIDMS	The Statement of Financial Position, also known as the balance sheet, presents the financial position of an entity at a given date. The statement comprises three main components, these being assets, liabilities and equity, and gives users of financial statements insight into the financial soundness of an entity in terms of liquidity risk, financial risk, credit risk and business risk.
Strategic Plan		
	GIAMA	Means the strategic plan of a custodian or user as prescribed in terms of the Public Service Act, 1994 (Proclamation R103 of 1994) and the PFMA;
Sunk Costs		
	CIDMS	Cash outlays already made (past expenditures) that therefore have no effect on the cash flows relevant to the current investment decision. As a result sunk costs should be excluded from a project's incremental cash flows in a replacement cash flow investment decision
Surplus (Assets)		
	GIAMA	In relation to an immovable asset, means that the immovable asset no longer supports the service delivery objectives of a user;
Sustainability		
	NEPF	The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long-term.
Sustainable Development		
	NSDF	Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition of sustainable development usually refers to social, economic and institutional components.
Swot Analysis		
	IDP	A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats
Taxes		
	MSCOA	Economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.
Time-Based Demand Forecasts		
	CLDG	A projection of demand based on a series of time intervals or for a specific time period.
Trading Services		
	MSCOA	Providing a service to customers at a tariff determined to "recover cost".
Transaction Costs		
	MSCOA	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see Appendix A paragraph AG57 of the Standard of GRAP on Financial Instruments). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Term	Source	Definition
Transfers And Subsidies		
MSCOA		Transfers include all unrequited payments made by the municipality to another institutions, businesses and individuals; it does not constitute final expenditure by the municipality. A payment is unrequited provided that the municipality does not receive anything directly in return for the transfer to the other party. Subsidies are unrequited payments that municipality's makes to public corporations and private enterprises, these payments usually have a direct policy outcome, either by subsidising the price of goods and services or by influencing the level of production.
Unauthorised Expenditure		
MFMA		In relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes - <ul style="list-style-type: none"> (a) overspending of the total amount appropriated in the municipality's approved budget; (b) overspending of the total amount appropriated for a vote in the approved budget; (c) expenditure from a vote unrelated to the department or functional area covered by the vote; (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose; (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or (f) a grant by the municipality otherwise than in accordance with this Act;
PFMA		Means— (a) overspending of a vote or a main division within a vote; (b) expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division;
Unplanned Maintenance		
CIDMS		Corrective work required in the short term to restore an asset to working condition so that it can continue to deliver the required service or to maintain its level of security and integrity.
Upgrade And Additions		
MSCOA		Upgrades and additions relating to other non-infrastructure capital assets – Includes activities aimed at improving the capacity and effectiveness of an asset above that of the intended purpose. The decision to renovate, reconstruct or enlarge an asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather in response to a change in demand and or change in service requirements. [The Budget Reporting Format refers to Enhancements/Rehabilitation is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential for example, remaining useful life, capacity, quality and functionality.]
Upgrading		
CIDMS		The replacement of an asset or addition/ replacement of an asset component, which materially improves the original service potential of the asset.
Useful Life		
CIDMS		The useful life of an asset is the period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.
MSCOA		(a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.
Utility Plant		
MSCOA		All equipment used for the generation, transmission and distribution of electricity or an account in which record is kept of this equipment. Includes Plant in Service, Purchased or Sold, in Process of Reclassification, Leased to Others, Held for Future Use, Under Construction and Acquisition, Adjustments and Adjustment Accounts without deduction of Accumulated Provision for Depreciation and Amortisation.
Valuation		
CIDMS		Estimated asset value, which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.
Value For Money / Best Value For Money		
CIDMS		The optimal use of resources to achieve intended Outcomes
GIAMA		Means the optimisation of the return on investment in respect of an immovable asset in relation to functional, financial, economic and social return, wherever possible;
CLDG		In relation to a public-private partnership agreement, means that the performance of a private party in terms of the agreement will result in a net benefit to the municipality in terms of cost, price, quality, quantity, risk transfer or any combination of those factors. (Municipal PPP Regulations)
Value In Use Of A Cash-Generating Asset		
MSCOA		The present value of the future cash flows expected to be derived from an asset or cash-generating unit.
Value In Use Of A Non-Cash-Generating Asset		
MSCOA		The present value of the asset's remaining service potential.

Term	Source	Definition
Value Proposition		
	CLDG	The value a proposed activity intends to realise and contribute towards a specific interest or objective.
Weighted Average Cost Of Capital (Wacc)		
	CIDMS	WACC is the combination of cost of debt capital, being the interest rates for borrowing short-term and long-term debt, and the opportunity cost of capital for equity, which is the risk-free interest rate for equity funds on deposit.

5. Terms Related To The Built Environment Value Chain

Term	Source	Definition
Asset		
CIDMS		A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
MSCOA		Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
CLDG		An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
CIDMS		Development that is restricted by existing fixed structures, often necessitating some extent of demolition prior to starting the intended construction.
Built Environment Performance Planning		
IDP		A built environment investment prioritization approach where specific areas are prioritized for investment at a range of geographic scales, within an urban system, to achieve particular development outcomes.
Built Environment Value Chain		
BEPP		The BEVC is an intergovernmental process or set of activities aimed at achieving the identified set of built environment outcomes in cities. The BEVC activities are linked together in a logical sequence, and form part of an iterative process rather than a linear process.
Capital Upgrading		
CIDMS		Enhances the service potential of the asset or the economic benefits that can be obtained from use of the asset and may also increase the life of the asset beyond that initially expected
Climate Resilience		
BEPP		Defined as per the Intergovernmental Panel on Climate Change (IPCC, 2014): The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.
Cogeneration (Cogen)		
MSCOA		Combined Heat and Power (CHP) – The simultaneous production of electric energy and useful thermal energy for industrial, commercial, heating or cooling purposes. The Energy Information Administration (EIA) has adopted this term in place of "cogeneration".
Construction		
FIDM		Everything constructed or resulting from construction operations
Construction Contract		
MSCOA		A contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Contract Management		
CIDMS		Applying the terms and conditions, including the agreed procedures for the administration thereof.
Contractor		
CIDMS		Person or organisations who contract with the employer to provide goods or services or any combination thereof covered by the contract
MSCOA		An entity that performs construction work pursuant to a construction contract.
Cost Effectiveness Analysis		
CPG		Cost-effectiveness studies are appropriate where project options must be compared but assigning a monetary value to the desired outcome would not be appropriate. This usually applies to projects that do not represent an economic activity, such as social, health or human rights projects, and where a needs analysis has been informed by a defined social requirement.
Decommissioning		
CIDMS		Actions required to take an asset out of service.
Demand Management		
CIDMS		The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand

Term	Source	Definition
Early Contractor Involvement		
	CIDMS	Early contractor involvement is an approach to contracting that supports improved team performance and plan-ning to deliver value for money.
Ecological Footprint		
	NSDF	A measure of the 'load' imposed by a given population on natural systems. The bigger the footprint, the greater the impact.
Ecological Infrastructure		
	NSDF	Ecological infrastructure refers to naturally functioning ecosystems that generate or deliver valuable services to people, e.g. water catchments, wetlands, riparian zones, coastal dunes, kelp beds or spawning grounds. Ecological infrastructure consists of a network of interconnected structural elements in the landscape and seascape
Economic Analysis		
	CPG	An economic analysis is different from a financial analysis in that it analyses the viability of a project based upon economic and social welfare improvements, and not financial bankability. An economic analysis thus takes non-monetary welfare impacts into account, such as improved health, reduced accident risks, congestion and pollution.
Economic Impact Assessment		
	CPG	The assessment allows for the identification of the losers and the winners from the project and the judgement of whether these distributional impacts are aligned with government priorities. If the potential losers are identified as an already vulnerable group, this might require mitigation actions to be undertaken. The project's scope and financial structure must be aligned towards the findings in the impact assessment.
Economic Life		
	CIDMS	The period from acquiring the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maxi-mum when equal to the physical life, however obsolescence will often ensure that the economic life is less than the physical life
	MSCOA	Either (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
Ecosystem		
	NSDF	The dynamic and complex interplay of animal, plant, and micro-organism communities and their non-living environment (soil, water, climate and atmosphere) as a functional unit.
Ecosystem Services		
	NSDF	The beneficial services that nature provide to people. Ecosystem services are typically grouped into four broad categories: (1) provisioning, including the production of food and water; (2) regulating, including the control of climate and disease; (3) supporting, including nutrient cycles and oxygen production; and (4) cultural, including spiritual and recreational benefits.
Electric Power Generation		
	MSCOA	The large-scale production of electricity in a central plant. A power plant consists of one or more units. Each unit includes an individual turbine generator. Turbine generators (turbines directly connected to electric generators) use steam, wind, hot gas or falling water to generate power.
Electricity Distribution		
	MSCOA	Electricity distribution is the final stage in the delivery of electricity to end users. A distribution system's net-work carries electricity from the transmission system and delivers it to consumers. Typically, the network would include medium-voltage (less than 50 kV) power lines, substations and pole-mounted transformers, low-voltage (less than 1 kV) distribution wiring and sometimes meters.
Engineering Service		
	SPLUMA	Means a system for the provision of water, sewerage, electricity, municipal roads, stormwater drainage, gas and solid waste collection and removal required for the purpose of land development referred to in Chapter 6
Environmental Analysis		
	CPG	Every project involving new construction or substantial rehabilitation of an existing structure will involve undertaking an Environmental Impact Assessment (EIA). In those instances where the institution is going to pro-cure, by conventional means, the construction of a facility of its own design, the institution must undertake the EIA and obtain all necessary environmental, zoning and town planning consents. The cost of so doing is one of the costs that must be identified early on and quantified when determining the feasibility of a particular project.
Environmental Legislation		
	SPLUMA	Means the National Environmental Management 40 Act, 1998 (Act No. 107 of 1998), and any other legislation that regulates a specific aspect of the environment;
Environmentally Sustainable		
	MSCOA	In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that

Term	Source	Definition
	MSA	In relation to the provision a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the risk of harm to the environment and to human health and safety is minimised to the extent reasonably possible under the circumstances, the potential benefits to the environment and to human health and safety are maximised to the extent reasonably possible under the circumstances: and legislation intended to protect the environment and human health and safety is complied with.
External Engineering Service		
	SPLUMA	Means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area;
Failure Modes		
	CIDMS	Ways in which an asset can fail in relation to required levels and standards of service that trigger asset management planning and potentially investment decision making <ul style="list-style-type: none"> · Capacity · Condition · Cost of operation · Performance
Criticality Analysis		
	CIDMS	A systematic, logical risk-based maintenance approach aimed at maximising the reliability of plant and equipment assets.
Financial Cash Flow Analysis		
	CPG	The objective of this analysis is to establish the financial viability of the option. The analysis is carried out in accordance with the discounted cash flow method. A financial model projecting the cash flows for the costs and any revenue generated from the project over its lifetime is developed. This analysis needs to be undertaken for each of the preferred options identified. If the institution lacks the capacity for developing such financial models, outsourcing this expertise should be considered. In order to preserve the outsourcing option for future capital expenditure undertakings, the institution should budget for such expenditures.
Financially Sustainable		
	MSCOA	In relation to the provision of a municipal service, it means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of (a) the initial capital expenditure required for the service, (b) operating the service; and (c) maintaining, repairing and replacing the physical assets used in provision of the service.
	MSA	In relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs the initial capital expenditure required for the service and maintaining, repairing and replacing physical used in the provision of the service
Financing Costs		
	CIDMS	Includes annual interest costs and capital repayments (principle amount) for the investment over the period of the loan.
Gate / Stage Gate		
	CIDMS	A control point at the end of a process where a decision is required before proceeding to the next process or activity.
	FIDM	A control point at the end of a process where a decision is required before proceeding to the next process or activity
Gateway Review		
	CIDMS	An independent review of the available information at a gate upon which a decision to proceed or not to the next process is based.
	FIDM	An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.
Household		
	MIIF7	Census 2001 uses the following: A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.
Housing		
	MSCOA	Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house, or some other kind of dwelling, lodging, or shelter.

Term	Source	Definition
Human Settlement		
BEPP		The Department of Human Settlements defines a human settlement as a developed and/or developing human community in a city, town or village – with all the social, material, economic, organisational, spiritual and cul-tural elements that sustains human life. Human settlement development refers to the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities within a space and/or areas providing for economic opportunities, health, educational and social amenities in which all citizens and permanent residents of the Republic, within a municipal space will, on a progressive basis, have access to permanent residential structures with secure tenure, internal and external privacy and providing adequate protection against the elements; and potable water, adequate sanitation facilities and domestic energy supply.
NSDF		A place where people live, work, study and relax. A settlement can range in size from a small number of dwellings grouped together to a large city or groups/conglomerations of cities tied together through dense transport and communication networks.
Incremental Upgrading Of Informal Use		
SPLUMA		Means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure;
Independent Power Producers (Ipps)		
MSCOA		Power generators that are not affiliated with a vertically integrated utility.
Multicriteria Analysis Indicators		
CIDMS		The criteria used to measure a broad range (e.g. financial, economic, social and environmental) outcomes of a project in a multicriteria analysis
Infrastructure / Infrastructure Assets		
CIDMS		Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.
FIDM		a) Immovable asset, which is acquired, constructed or results from construction operations; or b) Movable asset, which cannot function independently from purpose-built immovable asset(s).
Infrastructure Delivery		
CIDMS		The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.
FIDM		The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure
Infrastructure Procurement		
CIDMS, FIDM		The procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure
Integrated Development Plan		
CIDMS		An approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
MSCOA		The IDP is the strategic plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions, problems, challenges and re-sources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.
SPLUMA		Means a plan adopted in terms of Chapter 5 of the Municipal Systems Act;
MSA		Means a plan envisaged in section 25
CSP		(Referring to the MSA Section 25 and 26): forms the policy framework and general basis on which annual budgets must be based, must reflect the municipal Council's vision for the long term development of the municipality, reflect the Council's development priorities and objectives for its elected term,
Integrated Development Planning		
IDP		The collective activities that constitute the standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact City that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities / households and the private sector investment in the built environment.
Integrated Urban Development Grant		
IDP		The IUDG refers to a new grant that is the result of a restructuring exercise where various existing grants are being consolidated. This grant restructuring exercise is one of the initiatives flowing from the IUDF to support spatial transformation and the grant is intended to support the spatial transformation process to the benefit of the urban poor.

Term	Source	Definition
Intergovernmental Programme And Project Pipeline		
BEPP		The intergovernmental project pipeline consists of a pipeline of projects of a strategic/priority nature within the metropolitan space whether it is a project of the national, provincial or metropolitan government, or that of a state-owned entity. The main purpose of the pipeline is for it to incorporate funding and projects from all spheres and entities to prioritise collective public investment in particular spaces. For further information please consult section 3.3.1 in this Guideline. The format/template for recording this pipeline is presented in Annexure 2. Please cross-reference this with Catalytic Programmes above
Internal Engineering Service		
SPLUMA		Means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the municipality or service provider;
Land Based Financing		
BEPP		A policy and regulatory mechanism that allows a public entity to share in a portion of the increased value (direct or indirect) of land resulting from either investment in infrastructure or the allocation of use rights by the public sector
Large Projects		
CPG		Large projects are those estimated to cost between R90 million and R400 million per year for a minimum of three years – totalling at least R250 million per year but less than R1 billion over the MTEF. Large projects re-quire a feasibility study for scrutiny by National Treasury.
Life		
CIDMS		A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals etc. over which benefits are derived from the use or availability of an asset.
Life Cycle		
CIDMS		The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.
GIAMA		means the period during which a custodian or user expects to derive benefits from the control or use of an immovable asset;
Life Cycle Cost / Whole-Of-Life Cost		
CIDMS		The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.
CLDG		Costs associated with a project or programme from the inception of the programme or project right through to the ongoing operations, maintenance, holding and management of the finished product.
Load Management		
MSCOA		Economic reduction of electric energy demand during a utility's peak generating periods. Load management differs from conservation in that load management strategies are designed to either reduce or shift demand from on-peak times, while conservation strategies may primarily reduce usage over the entire 24 hour period. Motivations for initiating load management included the reduction of capital expenditure, circumvention of capacity limitations, provision for economic dispatch, cost of service reduction, system efficiency improvements, or system reliability improvements. Actions may take the form of normal or emergency procedures.
Maintenance And Repair		
MSCOA		Maintenance and Repair (including overhaul) involves fixing any sort of mechanical or electrical device should it become defective or broken (known as repair, unscheduled or casualty maintenance). It also includes performing routine actions which keep the device in working order (known as scheduled maintenance) or prevents trouble from arising (preventive maintenance).
Mega Projects		
CPG		Mega projects are those estimated to cost more than R400 million per year for a minimum of three years, or a total project cost of at least R1 billion. Most mega projects will customarily require a prefeasibility study and a comprehensive feasibility study for scrutiny by National Treasury.
Multicriteria Analysis		
CIDMS		An analysis technique that takes into account a range of qualitative and quantitative criteria reflecting the financial, economic, social and environment characteristics of the investment opportunity.
Municipal Infrastructure		
MIIF7		This is the physical facilities, comprising immovable assets which are required to provide a municipal service.
Municipal Planning Tribunal		
MSCOA		Means a Municipal Planning Tribunal referred to in Chapter 6;
Needs Analysis		
CPG		The needs analysis should demonstrate alignment with the institution's mandate and strategic objectives. The purpose of this analysis is to enable the institution to clearly identify a clear infrastructure need, specify out-puts of the project and ascertain the extent of current and future demand for the service.

Term	Source	Definition
Non-Infrastructure Assets		
MSCOA		Transactions of a capital nature relating to key projects as identified by management, e.g. procurement of a new bus fleet for use as urban transport but not qualifying as “Infrastructure Assets” and thus provided for under “Projects Non-infrastructure”.
Obsolescence		
CIDMS		The asset can no longer be maintained, or suffers a loss in value due to a decrease in the usefulness of the asset, caused by technological change, or changes in people’s behavioural patterns or tastes, or environmental changes
Operation		
CIDMS		Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Operational Expenditure Projects		
MSCOA		Operational expenditure projects refer to current and short-term projects for which the cost is immediately recognised as an expense and funded from the municipality’s operational budget.
Options Analysis		
CPG		The purpose of an options analysis is to undertake an analysis of all feasible options that can achieve the identified output specifications. This will assist in identifying the preferred solution.
Outcomes-Led Planning		
CLDG		An activity defined and shaped in its purpose and process by what the ultimate intended desired result or impact is or the need the activity is seeking to address.
GLTPI		Outcomes-led planning: clear articulation of desired outcomes and impacts Practical measurement indices and coherent reporting A Theory of Change pathway
CSP		Outcomes planning means planning backwards from the outcome we need to achieve to work out how best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities.
Outline Specifications		
CIDMS		Preliminary set of specifications (generated during the early phases of a design process) on which detailed specifications are based.
Output		
FMPPPI		The final products, goods or services produced for delivery
MFMA CIR-CU-LAR 88		The final products, goods or services produced for delivery
Performance		
CIDMS		Measurable result of either a quantitative or qualitative nature that can relate to the management of activities, processes, products or services, systems or entities.
Performance Measure		
CIDMS		A qualitative or quantitative measure used to measure actual performance against a standard or other target. Performance measures are used to indicate how the entity is doing in relation to delivering levels of service
Planning And Development		
MSCOA		Planning and development describe the processes that determine community goals and aspirations in terms of community development. The outcome of comprehensive planning is the Integrated Development Plan which dictates public policy in terms of transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and cover a long-term time horizon.
Portfolio		
CIDMS		To be read in context, as follows: <ul style="list-style-type: none"> Asset portfolio: a grouping of assets to deliver a range of services associated with a particular function. Examples of asset portfolios include water and sanitation, roads and stormwater, electricity distribution, solid waste, information and communications technology, social amenities and investment properties. In relation to infrastructure procurement and delivery management: a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet a strategic objective
GIAMA		Means the total extent of immovable assets controlled or used by a national or provincial department;
CLDG		A collection of assets (property or investments, etc.) held by a person or organisation typically organised into collections of assets with similar attributes.

Term	Source	Definition
Preventative Maintenance		
	CIDMS	Maintenance carried out at predetermined intervals, or corresponding to prescribed criteria, and intended to reduce the probability of failure or the performance degradation of an item. Preventative maintenance is planned or carried out on opportunity.
Process		
	CIDMS	Set of interrelated or interacting activities, which transform inputs into outputs.
Procurement Strategy		
	CIDMS	Selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
	FIDM	The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.
Programmes		
	CIDMS	The grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently.
Project		
	CIDMS	A project can be defined as: <ul style="list-style-type: none"> · an unique set of coordinated and controlled processes and activities; · undertaken to achieve a specific objective(s) according to specifications; · within a defined timeframe (start and end dates); · that consume resources (e.g. funds, labour, materials and equipment); and · is confined by a control budget.
	FIDM	A unique set of processes consisting of coordinated and controlled activities with start and end dates, per-formed to achieve the project objective
	GWME	Specific conceptually-linked sets of activities intended to achieve particular results that will lead to the achievement of programme goals
Project Finance		
	Other Sources	A method of raising medium to long-term debt based on cash flows solely generated by a specific development of a project. The loan is typically made to a separate company called a Special Purpose Vehicle undertaking the project, while the business and balance sheet of the borrower are protected from the lender in the event of a default. Legal recourse in case of the project sponsor's default is limited to just this special purpose entity, although any lender will consider the past performance of the project sponsor in making a determination on the merits of the investment.
Property, Plant And Equipment		
	CIDMS	Property, plant and equipment are tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
	MSCOA	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
Public Finance		
	Other Sources	Government finance which comprises expenditures of public entities including the central bank, taxes, public debt and borrowing at the national, regional and local level (districts and municipalities).
Public-Private Partnership		
	CIDMS	A commercial transaction between an organ of state and a private party in terms of which the private party: <ul style="list-style-type: none"> • performs an institutional function on behalf of the organ of state or acquires the use of state property for its own commercial purposes; and • assumes substantial financial, technical and operational risks in connection with the performance of the institutional function or use of state property; and • receives a benefit for performing the institutional function or from utilising the state property, either by way of: • consideration to be paid by the organ of state which derives from a revenue fund or, where an organ of state is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or • charges or fees to be collected by the private party from users or customers of a service provided to them; or • a combination of such consideration and such charges or fees.
	Other	A contractual agreement between a government entity and one or more private sector companies to jointly finance and operate a public service. The private companies usually assume substantial financial, technical or operation risk in the project's success. PPPs are also referred to as P3 or P3.
Repair		
	CIDMS	Physical action taken to restore the required function of a faulty item.

Term	Source	Definition
Repayable Finance		
	Other Sources	Concessional or private/commercial finance that must be repaid. Refers to sources of finance that ultimately need to be repaid, such as loans, microfinance, bonds or equity.
Risk		
	CIDMS	The effect of uncertainty on objectives. Risk events are events that may compromise the delivery of the entity's strategic objectives
Risk Assessment		
	CPG	A risk assessment looks at all risks related to a project and assesses the impact of these risks and if mitigating actions are possible. For certain projects where uncertainty is significant and involves large financial risks, presenting a risk-adjusted costing model is crucial. Costing for risks is then undertaken by identifying all the risks, approximating the financial impact they will have on project costs and revenues and estimating the probability of occurrence of the risk event.
Risk Controls		
	CIDMS	Measures to manage or mitigate identified risks.
Risk Exposure		
	CIDMS	The level of risk to which an entity is exposed. Risk exposure is a function of the probability of an occurrence times the impact of that occurrence.
Risk Management		
	CIDMS	The application of a formal process that identifies the exposure of an entity to service performance risk and determines appropriate responses.
Risk Register		
	CIDMS	A record of information that stipulates risks identified, the levels of risk exposure before and after implementation of risk controls, and details of appointed risk owners as a minimum.
Routine Maintenance		
	CIDMS	Day-to-day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative and periodic maintenance
Sensitivity Analysis		
	CIDMS	Testing of the variations in the outcome of an evaluation by altering the values of key factors about which there may be uncertainty.
Small Projects		
	CPG	Small projects are those estimated to cost less than R90 million per year and not more than R250 million over the MTEF. Small projects with the same outputs should be grouped together in a programme for evaluation. Small projects will not be subject to detailed appraisal as required above but they should illustrate that they have been properly planned and meet the identified need and objectives of the institution.
Socio-Economic Analysis		
	CPG	Many services infrastructure projects provide potential economic benefits to Black Economic Empowerment (BEE) and Small Medium and Micro-sized Enterprises (SMME) as well as the community in general. The implementation of a project can result in an increase in land values or in an increase in demand for affordable housing. The use of local labour and materials in a major infrastructure project also provides significant benefits to communities affected by the infrastructure project. There may also be costs not easily realisable such as those resulting from congestion in the city caused by the implementation of the project. All these will need to be translated into economic costs and benefits.
Stage		
	CIDMS	A collection of logically related activities in the infrastructure delivery cycle that culminates in the completion of a major deliverable.
	FIDM	A collection of periodical and logically related activities in the Project Management Control Stages, that culminates in the completion of an end of stage deliverable.
Stakeholder Mapping		
	CLDG	The process of identifying a stakeholder and the nature and extent of interest, influence or impact of an activity on the stakeholder, or on the activity from the stakeholder, as well as identifying how this may differ across the different steps or stages of undertaking an activity.
Sustainability		
	NEPF	The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems need-ed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long-term.

Term	Source	Definition
Sustainable Development		
NSDF		Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. The definition of sustainable development usually refers to social, economic and institutional components.
Technical Engineering Analysis		
CPG		This is an important step that determines the scale, the design, location and technology that will be adopted by the proposed project. The input parameters necessary for the construction, operation and maintenance of the project are identified, quantified and the cost approximated over the life of the project. To be able to do this it is necessary to come up with an implementation schedule that sets the output levels. The most cost effective procurement procedures are also considered at this stage.
Transversal Technical Management Structure		
CLDG		An organisational committee comprised of suitably-qualified professionals from a broad spectrum of relevant and/or affected sectors or departments that exercises oversight or supervision over an initiative
Turn-Key Development		
CLDG		A design and build development project that is constructed to be sold on to a consumer as a completed product.
Unplanned Maintenance		
CIDMS		Corrective work required in the short term to restore an asset to working condition so that it can continue to deliver the required service or to maintain its level of security and integrity.
Upgrade And Additions		
MSCOA		Upgrades and additions relating to other non-infrastructure capital assets – Includes activities aimed at improving the capacity and effectiveness of an asset above that of the intended purpose. The decision to renovate, reconstruct or enlarge an asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather in response to a change in demand and or change in service requirements. [The Budget Reporting Format refers to Enhancements/Rehabilitation is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential for example, remaining useful life, capacity, quality and functionality.]
Upgrading		
CIDMS		The replacement of an asset or addition/ replacement of an asset component, which materially improves the original service potential of the asset.
User		
GIAMA		Means a national or provincial department that uses or intends to use an immovable asset in support of its service delivery objectives and includes a custodian in relation to an immovable asset that it occupies or intends to occupy, represented by the Minister of such national department, Premier of a province or MEC of such provincial department, so designated by the Premier of that province.
Utility Plant		
MSCOA		All equipment used for the generation, transmission and distribution of electricity or an account in which record is kept of this equipment. Includes Plant in Service, Purchased or Sold, in Process of Reclassification, Leased to Others, Held for Future Use, Under Construction and Acquisition, Adjustments and Adjustment Ac-counts without deduction of Accumulated Provision for Depreciation and Amortisation.
Waste (Refuse, Rubbish, Etc.) Management		
MSCOA		The collection, transportation, and disposal of garbage, sewage, and other waste products. Waste management encompasses management of all processes and resources for proper handling of waste materials, from maintenance of waste transport trucks and dumping facilities to compliance with health codes and environmental regulations.
Waste Water Management		
MSCOA		Wastewater management encompasses a broad range of efforts that promote effective and responsible water use, treatment, and disposal and encourage the protection and restoration watersheds.
Water Management		
MSCOA		Water resource management is the activity of planning, developing, distributing and managing the optimum use of water resources. It is a sub-set of water cycle management. Water resource management planning has regard to all the competing demands for water and seeks to allocate water on an equitable basis to satisfy all uses and demands.

6. Terms Related To Infrastructure Asset Management

Term	Source	Definition
Acquire		
	GIAMA	In relation to an immovable asset— (a) for national government, means acquisition through construction, purchase, lease, acceptance of a gift, expropriation, exchange or transfer of custodianship between custodians in that sphere of government; and (b) for provincial government, means “acquire” as defined in the relevant provincial land administration law or transfer of custodianship between custodians in that sphere of government;
Asset		
	CIDMS	A resource owned or controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.
	MSCOA	Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
	CLDG	An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. Assets are reported on a company's balance sheet, and they are bought or created to increase the value of a firm or benefit the firm's operations. An asset can be thought of as something that in the future can generate cash flow, reduce expenses, improve sales, regardless of whether it's a company's manufacturing equipment or a patent on a particular technology. (Investopedia, 2018)
Asset Hierarchy		
	CIDMS	A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function, asset type, or a combination of the two.
Asset Life		
	CIDMS	Period from asset creation to asset end of life.
Asset Management		
	CIDMS	The process of decision making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximise their service-delivery potential and benefits, and to minimise their related risks and costs over their entire life.
Asset Management Objectives		
	CIDMS	Specific outcomes required by implementing an asset management system.
Asset Management Plan		
	CIDMS	A documented plan developed to manage one, or a portfolio of, assets. It combines multidisciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost-effective way to provide a specified level of service. The plan specifies approaches, programmes, projects, activities, re-sources, responsibilities and time frames across the life cycle of the asset(s) planned for, or over a time frame appropriate for robust life-cycle planning.
Asset Management Practices		
	CIDMS	The asset management processes and techniques that an entity undertakes, such as demand forecasting, developing and monitoring levels of service and risk management
Asset Management Strategy		
	CIDMS	The high-level, long-term approach to asset management including asset management action plans and objectives for managing the assets.
Asset Management System		
	CIDMS	A management system whose function it is to establish the asset management policy and objectives, as well as processes and organisational arrangements inclusive of structure, roles and responsibilities to achieve asset management objectives.
Asset Register		
	CIDMS	A record of asset information considered worthy of separate identification for both asset accounting and strategic management purposes including inventory, historical, condition and construction, technical and financial information about each.
		Note: The unit of account in an asset register is a component (see definition of a component).
Asset System		
	CIDMS	Set of assets that interact or are interrelated.
Asset Type		
	CIDMS	Grouping of assets having common characteristics that distinguish those assets as a group or class.
Capital (Financial Concept Of)		
	CIDMS	Net assets of an entity.

Term	Source	Definition
Capital (Physical Concept Thereof)		
	CIDMS	The productive capacity of an entity as measured by the optimised depreciated replacement cost method.
Capital Expenditure (CAPEX)		
	CIDMS	Expenditure used to create new assets, increase the capacity of existing assets beyond their original design capacity or service potential, or to return the service potential of the asset or expected useful life of the asset to that which it had originally. CAPEX increases the value of capital asset stock.
Capital Upgrading		
	CIDMS	Enhances the service potential of the asset or the economic benefits that can be obtained from use of the asset and may also increase the life of the asset beyond that initially expected
Cities' Infrastructure Delivery And Management System		
	IDP	A management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. It comprises a set of interrelating or interacting elements that establish processes which transform inputs into outputs.
Component		
	CIDMS	A component (Note 1) is a specific part of a complex item (Note 2) that has independent physical or functional identity and specific attributes such as different life expectancy, maintenance and renewal requirements and regimes, risk or criticality. Note 1: A component is separately recognised and measured (valued) in the organisation's asset register as a unique asset record, in accordance with the requirements of GRAP 17 to componentise assets. Note 2: A complex item is one that can be disaggregated into significant components. Infrastructure and buildings are considered complex items.
Condition		
	CIDMS	The physical state of the asset.
Condition Assessment / Condition Monitoring		
	CIDMS	The inspection, assessment, measurement and interpretation of the resultant data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Construction		
	FIDM	Everything constructed or resulting from construction operations
Contingent Asset		
	MSCOA	A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Corrective Maintenance		
	CIDMS	Maintenance carried out after a failure has occurred and intended to restore an item to a state in which it can perform its required function. Corrective maintenance can be planned or unplanned.
Cost		
	MSCOA	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.
Cost Of Removal		
	MSCOA	The cost of demolishing, dismantling, tearing down or otherwise removing an electric plant [or immovable as-set], including the cost of transportation and handling incidental thereto.
Cost Of Service		
	MSCOA	The total costs incurred by a company in providing utility services. Usually refers to annual costs unless other-wise specified. This amount, which consists of estimated operating expenses, depreciation, taxes, a return on the rate base (investment), and possibly other costs, is used to design and establish regulated "cost-based" rates.
Cost Of Disposal / Cost To Sell		
	MSCOA	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.
Critical Asset		
	CIDMS	Those assets that are likely to result in a more significant financial, environmental and social cost in terms of their impact on organisational objectives and service delivery.
Current Replacement Cost		
	CIDMS	The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business, or the minimum it would cost to replace the existing asset with a new modern equivalent asset with the same economic benefits, allowing for any differences in the quantity and quality of output and in operating costs.

Term	Source	Definition
Decommissioning		
	CIDMS	Actions required to take an asset out of service.
Deferred Maintenance		
	CIDMS	The portion of planned maintenance work necessary to maintain the service potential of an asset that has not been undertaken in the period in which such work was scheduled to be undertaken.
Demand Analysis		
	CPG	The first step is to confirm that there is demand for the goods and services that will be produced by the project. This is important because levels of current and forecasted demand should be sufficient to contribute to the viability of the project. Any factors that constraint demand need to be identified and factored into the demand forecasts.
Depreciated Replacement Cost		
	CIDMS	The replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset.
Depreciation		
	CIDMS	Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.
	MSCOA	The systematic allocation of the depreciable amount of an asset over its useful life.
Disposal		
	CIDMS	Actions necessary to decommission and dispose of assets that are no longer required.
	GIAMA	Means any disposal contemplated in the State Land Disposal Act, 1961 (Act No. 48 of 1961) or a provincial land administration law;
Dwelling Unit		
	MIIF7	A structure, with perimeter walls and roof, used as a place in which a person or group of people live. This may be a single, free-standing unit, or a group of units attached to each other, referred to as attached dwelling units.
Economic Life		
	CIDMS	The period from acquiring the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life, however obsolescence will often ensure that the economic life is less than the physical life
	MSCOA	Either (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
Facility		
	CIDMS	A complex comprising many assets (e.g. a hospital, water treatment plant, recreation complex, etc.), which represents a single management unit for financial, operational, maintenance or other purposes.
Heritage Asset		
	MFMA	Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.
Highest And Best Use		
	CLDG	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Immovable Asset		
	GIAMA	Means any immovable asset acquired or owned by government, excluding any right contemplated in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
Immovable Asset Management		
	GIAMA	Means those management processes which ensure that the value of an immovable asset is optimised throughout its life cycle;
Immovable Asset Management Guidelines		
	GIAMA	Means the guidelines published by the Minister in terms of section 19 which a custodian or user may use to develop its immovable asset management plan;
Immovable Asset Management Plan		
	GIAMA	Means a custodian immovable asset management plan or a user immovable asset management plan, as the case may be, prepared in accordance with section 6;
Impairment		
	CIDMS	The loss of future economic benefits or service potential of an asset over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Term	Source	Definition
	MSCOA	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. An undesired change in a system or device that reduced its ability to perform its intended function.
Impairment Loss		
	CIDMS	An impairment loss of a cash-generating asset or a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
Infrastructure / Infrastructure Assets		
	CIDMS	Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.
	FIDM	a) Immovable asset, which is acquired, constructed or results from construction operations; or b) Movable asset, which cannot function independently from purpose-built immovable asset(s).
Infrastructure Reporting Model		
	MSCOA	The Infrastructure Reporting Model (IRM) is a project level monitoring and reporting (M&R) tool, developed in MS Excel and Visual Basic (VBA). The model is used by Provincial Departments to report expenditure and performance progress on infrastructure projects.
Infrastructure Transfers		
	MSCOA	Include all "transfers" that directly relate to the infrastructure creation process and is a requirement in terms of the Infrastructure Reporting Model. These "transfers" include "Contributed Assets" from National and Provincial Departments, District Municipalities to Local Municipalities and any other entities to the municipality
Life		
	CIDMS	A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals etc. over which benefits are derived from the use or availability of an asset.
Life Cycle		
	CIDMS	The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.
	GIAMA	means the period during which a custodian or user expects to derive benefits from the control or use of an immovable asset;
Life Cycle Asset Management		
	CIDMS	Encompasses all asset management strategies and practices associated with an asset or group of assets that result in the lowest life cycle cost necessary to achieve stated service requirements within acceptable risk parameters.
Life Cycle Cost / Whole-Of-Life Cost		
	CIDMS	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.
	CLDG	Costs associated with a project or programme from the inception of the programme or project right through to the ongoing operations, maintenance, holding and management of the finished product.
Load Management		
	MSCOA	Economic reduction of electric energy demand during a utility's peak generating periods. Load management differs from conservation in that load management strategies are designed to either reduce or shift demand from on-peak times, while conservation strategies may primarily reduce usage over the entire 24 hour period. Motivations for initiating load management included the reduction of capital expenditure, circumvention of capacity limitations, provision for economic dispatch, cost of service reduction, system efficiency improvements, or system reliability improvements. Actions may take the form of normal or emergency procedures.
Losses		
	MSCOA	Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.
Maintenance		
	CIDMS	All actions intended to ensure that an asset performs a required function to a specific performance standard(s) over its expected useful life by keeping it in as near as practicable to its original condition, including regular recurring activities to keep the asset operating, but specifically excluding renewal. Refer to Appendix A for a hierarchy of maintenance type, approach and actions. Note: Maintenance also specifically excludes restoring the condition or performance of an asset following a recognised impairment event, which would be classified as either renewal or upgrading, depending on the circumstances.

Term	Source	Definition
Maintenance And Repair		
	MSCOA	Maintenance and Repair (including overhaul) involves fixing any sort of mechanical or electrical device should it become defective or broken (known as repair, unscheduled or casualty maintenance). It also includes performing routine actions which keep the device in working order (known as scheduled maintenance) or prevents trouble from arising (preventive maintenance).
Maintenance Expenditure		
	CIDMS	Recurrent expenditure as required to ensure that the asset achieves its intended useful life. Maintenance is funded through the entity's operating budget, and such expenditure is expensed in the entity's Statement of Financial Performance.
Maintenance Objectives		
	CIDMS	Objectives for what maintenance has to achieve to ensure the assets are in the right condition to meet the needs of the entity. Maintenance performance measures and targets are the means of assessing whether the maintenance objectives are being met.
Maintenance Of Capital		
	CIDMS	Expenditure to ensure that the productive or operating capacity of the asset base is maintained over time. The value vested in capital assets is maintained when the entity has at least as much capital at the end of the period as it had at the beginning thereof.
Maintenance Plan		
	CIDMS	Describes the planned and unplanned maintenance actions for an asset, facility or portfolio of assets, with in-tended delivery methods and schedules, budget requirements and responsible parties.
Maintenance Standards		
	CIDMS	The standards set for the maintenance service, usually contained in preventive maintenance schedules, operation and maintenance manuals, codes of practice, estimating criteria, statutory regulations and mandatory requirements, in accordance with maintenance quality objectives
Maintenance Strategy		
	CIDMS	Interprets higher-order documents and formulates maintenance objectives and targets, establishes maintenance tactics, and defines maintenance roles and responsibilities
Major Capital Project		
	CIDMS	An infrastructure project or a series of interrelated infrastructure projects on a single site having an estimated cost, including those required for new facilities or systems to become fully operational, above a prescribed threshold
Management		
	MSCOA	Those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.
Market Value		
	MSCOA	In relation to a property means the value of the property determined in accordance with Section 46.
Medium Term Revenue And Expenditure Framework		
	MSCOA	The MTEF refers to annual, rolling three year-expenditure planning. It sets out the medium-term expenditure priorities and hard budget constraints against which sector plans can be developed and refined. MTEF also contains outcome criteria for the purpose of performance monitoring.
Municipal Base Tariff		
	MFPMA	Means the fees necessary to cover the actual cost associated with rendering a municipal service, and includes - (a) bulk purchasing costs in respect of water and electricity reticulation services, and other municipal services; (b) overhead, operation and maintenance costs; (c) capital costs; (d) a reasonable rate of return, if authorised by a regulator or of the Minister responsible for that municipal service
Municipal Infrastructure		
	MIIF7	This is the physical facilities, comprising immovable assets which are required to provide a municipal service.
Municipal Surcharge		
	MFPMA	Means a charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Net Benefits		
	CIDMS	The sum of annual benefits less annual costs in The Year Of The Project/Asset's Life.

Term	Source	Definition
Non-Current Assets		
	MSCOA	Non-current assets refer to assets which would recover after 12 months or after the normal operating cycle of the municipality.
Non-Current Assets Held For Sale		
	MSCOA	Non-current assets are reclassified as current assets when they are held for sale. A non-current asset is regarded as 'held for sale' if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use.
Non-Infrastructure Assets		
	MSCOA	Transactions of a capital nature relating to key projects as identified by management, e.g. procurement of a new bus fleet for use as urban transport but not qualifying as "Infrastructure Assets" and thus provided for under "Projects Non-infrastructure".
Obsolescence		
	CIDMS	The asset can no longer be maintained, or suffers a loss in value due to a decrease in the usefulness of the asset, caused by technological change, or changes in people's behavioural patterns or tastes, or environmental changes
Operation		
	CIDMS	Combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use.
Operational Expense (Opex) / Operational Cost		
	CIDMS	OPEX is recurrent expenditure to provide services. Examples of OPEX include staff costs, administration costs, consumables, maintenance and repairs and feasibility studies
	MSCOA	An operating expense is a day-to-day expense such as sales and administration, or research and development, accounting expenses, license fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.
Operational Expenditure Projects		
	MSCOA	Operational expenditure projects refer to current and short-term projects for which the cost is immediately recognised as an expense and funded from the municipality's operational budget.
Operational Revenue		
	MSCOA	Operational revenue refers to all other income not elsewhere classified such as administrative fees, bad debts recovered, breakages, commission, discounts and early settlements, etc.
Opportunity Cost		
	CIDMS	The cost of cash flows that could have been earned in the best alternative investment opportunity
Preventative Maintenance		
	CIDMS	Maintenance carried out at predetermined intervals, or corresponding to prescribed criteria, and intended to reduce the probability of failure or the performance degradation of an item. Preventative maintenance is planned or carried out on opportunity.
Provision		
	MSCOA	Provision is a liability of uncertain timing or amount.
Provision For Deferred (Future) Income Tax		
	MSCOA	Charges against income (with corresponding credits to a special liability account) representing the tax deferrals resulting from the use of accelerated amortisation and/or liberalised depreciation in federal and/or state in-come tax returns, when the deductions for such rapid depreciation and amortisation (applied to any vintage year's property) exceeded the allowance that would have been taken if straightline depreciation had been used for tax return as well as for book purposes. Many companies net in this account the feedback of prior year's provisions for deferred taxes.
Public Safety		
	MSCOA	Public safety involves the prevention of and protection from events that could endanger the safety of the general public from significant danger, injury/harm, or damage, such as crimes or disasters (natural or man-made).

HOME		NAVIGATION MENU					
Planning Reforms		Infra. Delivery Management Reforms		Budget, Fiscal & Financial Reforms		Reporting Reforms	
Sustainable Development	Service Delivery Objectives	Spatial Transformation	Dev. Finance & Financing of Infra	Built Environment Value Chain	Infrastructure Asset Management	Contracting Modalities & Considerations	

Term	Source	Definition
Public Service Infrastructure		
	MSCOA	Publicly controlled infrastructure of the following kinds: (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatments plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) railway lines forming part of a national railway system; (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (g) runways or aprons at national or provincial airports; (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels; (i) any other publicly controlled infrastructure as may be prescribed; or (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).
Recoverable Amount (Of An Asset Or A Cash-Generating Unit)		
	MSCOA	The higher of its fair value less costs to sell and its value in use. The higher of a cash-generating asset's net selling price and its value in use.
Rehabilitation And Refurbishment		
	MSCOA	Includes activities that are required due to neglect or unsatisfactory maintenance or degeneration of an asset. The action implies that the asset is restored to its original condition, enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. The Budget Reporting Format refers to refurbishment/ maintenance to an asset that will restore or maintain the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life to be achieved.
Remaining Useful Life		
	CIDMS	The time remaining until an asset ceases to provide the required service level or economic usefulness.
Renewal		
	CIDMS	Expenditure on an existing asset that returns the service potential of the asset or expected useful life of the asset to that which it had originally. Note 1: Renewal can include works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability. Note 2: Expenditure on renewals is funded through the entity's capital budget, and such expenditure is recognised in the entity's Statement of Financial Position.
Repair		
	CIDMS	Physical action taken to restore the required function of a faulty item.
Replacement Cash Flow Decision		
	CIDMS	Cash flows to be determined for the replacement of an existing asset, where the investment analyst must find the incremental cash outflows and inflows that will result from the replacement.
Residual Value		
	CIDMS	The estimated value of an asset at the end of its useful life, or the value that remains at the end of the analysis period where the asset useful life exceeds the analysis period. The residual value is considered as a benefit (cash inflow) in the final year of the analysis period.
	MSCOA	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.
Risk		
	CIDMS	The effect of uncertainty on objectives. Risk events are events that may compromise the delivery of the entity's strategic objectives
Risk Assessment		
	CPG	A risk assessment looks at all risks related to a project and assesses the impact of these risks and if mitigating actions are possible. For certain projects where uncertainty is significant and involves large financial risks, presenting a risk-adjusted costing model is crucial. Costing for risks is then undertaken by identifying all the risks, approximating the financial impact they will have on project costs and revenues and estimating the probability of occurrence of the risk event.
Risk Controls		
	CIDMS	Measures to manage or mitigate identified risks.
Risk Exposure		
	CIDMS	The level of risk to which an entity is exposed. Risk exposure is a function of the probability of an occurrence times the impact of that occurrence.

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Term	Source	Definition
Risk Management		
	CIDMS	The application of a formal process that identifies the exposure of an entity to service performance risk and determines appropriate responses.
Risk Register		
	CIDMS	A record of information that stipulates risks identified, the levels of risk exposure before and after implementation of risk controls, and details of appointed risk owners as a minimum.
Routine Maintenance		
	CIDMS	Day-to-day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative and periodic maintenance
Sensitivity Analysis		
	CIDMS	Testing of the variations in the outcome of an evaluation by altering the values of key factors about which there may be uncertainty.
Standard		
	GIAMA	Means the minimum standard, process, procedure, method or system in relation to immovable asset management and the life cycle of immovable assets, issued in terms of section 19;
Strategic Plan		
	GIAMA	Means the strategic plan of a custodian or user as prescribed in terms of the Public Service Act, 1994 (Proclamation R103 of 1994) and the PFMA;
Surplus (Assets)		
	GIAMA	In relation to an immovable asset, means that the immovable asset no longer supports the service delivery objectives of a user;
Time-Based Demand Forecasts		
	CLDG	A projection of demand based on a series of time intervals or for a specific time period.
Unplanned Maintenance		
	CIDMS	Corrective work required in the short term to restore an asset to working condition so that it can continue to deliver the required service or to maintain its level of security and integrity.
Upgrade And Additions		
	MSCOA	Upgrades and additions relating to other non-infrastructure capital assets – Includes activities aimed at improving the capacity and effectiveness of an asset above that of the intended purpose. The decision to renovate, reconstruct or enlarge an asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather in response to a change in demand and or change in service requirements. [The Budget Reporting Format refers to Enhancements/Rehabilitation is an improvement or augmentation of an existing asset (including separately depreciable parts) beyond its originally recognised service potential for example, remaining useful life, capacity, quality and functionality.]
Upgrading		
	CIDMS	The replacement of an asset or addition/ replacement of an asset component, which materially improves the original service potential of the asset.
Urban Management		
	CLDG	The day-to-day operations in a precinct, such as cleaning, waste removal, traffic, transport, land use management, informal trader management and security services. It can extend to place-making, marketing and social services. The management of localised public transport operations and facilities is also an important urban management function.
Useful Life		
	CIDMS	The useful life of an asset is the period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.
	MSCOA	(a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.
User		
	GIAMA	Means a national or provincial department that uses or intends to use an immovable asset in support of its service delivery objectives and includes a custodian in relation to an immovable asset that it occupies or intends to occupy, represented by the Minister of such national department, Premier of a province or MEC of such provincial department, so designated by the Premier of that province.
Utility Plant		
	MSCOA	All equipment used for the generation, transmission and distribution of electricity or an account in which record is kept of this equipment. Includes Plant in Service, Purchased or Sold, in Process of Reclassification, Leased to Others, Held for Future Use, Under Construction and Acquisition, Adjustments and Adjustment Accounts without deduction of Accumulated Provision for Depreciation and Amortisation.

Term	Source	Definition
Valuation		
	CIDMS	Estimated asset value, which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.
Value For Money / Best Value For Money		
	CIDMS	The optimal use of resources to achieve intended outcomes.
	GIAMA	means the optimisation of the return on investment in respect of an immovable asset in relation to functional, financial, economic and social return, wherever possible;
	CLDG	In relation to a public-private partnership agreement, means that the performance of a private party in terms of the agreement will result in a net benefit to the municipality in terms of cost, price, quality, quantity, risk trans-fer or any combination of those factors. (Municipal PPP Regulations)
Value In Use Of A Cash-Generating Asset		
	MSCOA	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.
Value In Use Of A Non-Cash-Generating Asset		
	MSCOA	The present value of the asset's remaining service potential.
Weighted Average Cost Of Capital (WACC)		
	CIDMS	WACC is the combination of cost of debt capital, being the interest rates for borrowing short-term and long-term debt, and the opportunity cost of capital for equity, which is the risk-free interest rate for equity funds on deposit.

7. Terms Related To Contracting Modalities And Considerations

Term	Source	Definition
Accountability Documents		
	FMPPI	Documents that executive authorities use to give 'full and regular' reports on the matters under their control to Parliament and the provincial legislatures in terms of the Constitution. They include plans, budgets, in-year reports and annual reports.
Advance Payment / Prepayment		
	CIDMS	Sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied.
	MSCOA	Pre-payments are payments in advance for goods and services to be received in future. The actual amount paid is known.
Bulk Purchases		
	MSCOA	Bulk purchases of water (from Water Boards) and electricity from Eskom.
By-Law		
	MSCOA	A by-law is legislation passed by the council of a municipality binding in the municipality on the persons to whom it applies.
	MSA	Means legislation passed by the council a municipality binding in the municipality on the persons to whom it applies
Construction Contract		
	MSCOA	A contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Contract Management		
	CIDMS	Applying the terms and conditions, including the agreed procedures for the administration thereof.
Contractor		
	CIDMS	Person or organisations who contract with the employer to provide goods or services or any combination thereof covered by the contract
	MSCOA	An entity that performs construction work pursuant to a construction contract.
Cost Plus Or Cost Based Contract		
	MSCOA	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.
Early Contractor Involvement		
	CIDMS	Early contractor involvement is an approach to contracting that supports improved team performance and planning to deliver value for money.
Finance Lease		
	MSCOA	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.
Financial Guarantee Contract		
	MSCOA	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.
Financing Agreement		
	MFMA	Includes any loan agreement, lease, installment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time
Fixed Price Contract		
	MSCOA	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of out-put, which in some cases is subject to cost escalation clauses.
Framework Agreement		
	CIDMS	An agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Joint Venture		
	MSCOA	A binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.
Legal And Regulatory Due Diligence		
	CPG	A legal and regulatory due diligence study should confirm that the project will be able to comply with all regulatory requirements, identify any risks and obligations that could increase costs of or decrease benefits. The cost of compliance must be included in the financial and economic analysis.

