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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

NO. 7165 **23 February 2026**

UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA

ELECTRONIC COMMUNICATIONS ACT, 2005
(ACT NO. 36 OF 2005)

PUBLICATION OF THE DRAFT UNIVERSAL SERVICE AND ACCESS FUND (USAF) MANUAL FOR PUBLIC COMMENT

The Universal Service and Access Agency of South Africa ("USAASA" or "the Agency") hereby publishes the Draft Universal Service and Access Fund (USAF) Manual for public comment in terms of section 88(1A) of the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended.

Interested persons are invited to submit written comments on the Draft USAF Manual within thirty (30) calendar days from the date of publication of this Notice in the Government Gazette.

Comments must be clearly marked: *'Draft USAF Manual – Public Comments'* and submitted to:

The Chief Executive Officer
Universal Service and Access Agency of South Africa
Physical address: Building 1, Thornhill Office Park, 94 Bekker Road, Vorna Valley, Midrand, 1686

Postal address: P.O. Box 12601, Vorna Valley, 1686

Email: usaf-manual@usaasa.org.za or ceo@usaasa.org.za

Tel: 011 564 1600

Comments received after the closing date may not be considered.



Thabiso Thukani

Acting Chief Executive Officer

USAASA

Date: 20/02/2026

ANNEXURE A

DRAFT UNIVERSAL SERVICE AND ACCESS FUND (USAF) MANUAL

1. Purpose of the Notice

1.1 The purpose of this Notice is to publish the Draft Universal Service and Access Fund (USAF) Manual for public comment, in terms of section 88(1A) of the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended.

1.2 The Draft USAF Manual establishes a strategic framework to guide the administration of funding interventions from the Universal Service and Access Fund, including:

1.2.1 subsidies contemplated under section 88 of the Act; and

1.2.2 incentives provided through project grants as contemplated under section 90(1) of the Act.

1.3 The Draft USAF Manual articulates the objectives, guiding principles, funding instruments, and governance arrangements applicable to USAF interventions, without prescribing detailed operational procedures.

1.4 The detailed manner in which applications are invited, assessed, approved, contracted, paid, monitored, and reported on shall be prescribed in procedural guidelines to be issued separately by the Agency in terms of section 88(1A) of the Act.

1.5 This Notice invites interested persons to submit written comments on the Draft USAF Manual to assist the Agency in finalising the Manual in a manner that is transparent, lawful, and aligned with the objectives of universal access and universal service.

2. Status and Nature of the Draft USAF Manual

2.1 The Draft USAF Manual is a framework document that:

2.1.1 Articulates the strategic objectives, principles, and governance arrangements for the administration of USAF subsidies; and

2.1.2 Establishes the overarching funding architecture within which USAF interventions are to be implemented.

2.2 The Draft USAF Manual does not prescribe detailed operational procedures.

2.3 Detailed application, evaluation, contracting, disbursement, monitoring and reporting processes will be set out in procedural guidelines, to be issued separately by USAASA in terms of section 88(1A) of the Act.

3. Strategic Objectives

3.1 The Draft USAF Manual seeks to advance universal access and universal service by:

3.1.1 Promoting equitable access to electronic communications and broadcasting services;

3.1.2 Addressing universal access and universal service;

3.1.3 Supporting schools, further education and training institutions, community access centres and other lawful beneficiaries as will be determined by the Minister from time to time in line with Section 88(4) of the ECA; and

3.1.4 Ensuring efficient, transparent and sustainable use of public funds.

3.2 The Draft USAF Manual is aligned with applicable national policy and planning frameworks, including the National Development Plan, South Africa Connect, the Medium-Term Development Plan, and the Digital Economy Masterplan.

4. Guiding Principles

4.1 All funding interventions supported through the Universal Service and Access Fund (USAF), whether implemented as subsidies in terms of section 88 of the Act or as incentives through project grants in terms of section 90(1) of the Act**,** shall be guided by the following principles:

4.1.1 Equity and Universal Service Impact

USAF interventions shall prioritise the extension of electronic communications and broadcasting services to under-serviced areas and populations, with a focus on reducing spatial, socio-economic, and digital inequalities.

4.1.2 Transparency and Procedural Fairness

All funding processes shall be conducted in a manner that is transparent, fair, and consistent with the Promotion of Administrative Justice Act, 2000, including the publication of relevant information, objective evaluation criteria, and clear decision-making processes.

4.1.3 Competition and Value for Money

Project grants may be allocated through competitive processes, including least-subsidy approaches, to promote efficient use of public funds, value for money, and optimal developmental outcomes.

4.1.4 Technology Neutrality

USAF interventions shall, where feasible, be technology-neutral, allowing for the selection of the most appropriate and cost-effective solutions to achieve universal access and service objectives, subject to applicable regulatory requirements.

4.1.5 Performance-Based Funding and Accountability

Funding shall be linked to clearly defined outputs, outcomes, and performance milestones, with appropriate contractual, monitoring, and reporting mechanisms to ensure accountability for results.

4.1.6 Sustainability and Post-Grant Viability

USAF interventions shall be designed to promote the long-term sustainability of funded infrastructure and services beyond the period of subsidy or incentive support, including provisions for operation, maintenance, and financial viability.

4.1.7 Proportionality and Risk Management

The design and administration of funding instruments shall be proportionate to the scale, complexity, and risk profile of the intervention, with appropriate safeguards to mitigate financial, operational, and delivery risks.

4.1.8 Compliance with Applicable Law

All USAF interventions shall comply with the Electronic Communications Act, the Public Finance Management Act, applicable Treasury Regulations, and any other relevant legislation or policy prescripts.

5. Scope of the Draft USAF Manual

5.1 This Draft Universal Service and Access Fund (USAF) Manual applies to all funding interventions administered by the Universal Service and Access Agency of South Africa (USAASA) through the Universal Service and Access Fund, in support of universal access and universal service objectives.

5.2 The scope of this Draft Manual includes:

5.2.1 Subsidies provided in terms of section 88 of the Electronic Communications Act, 2005, to eligible beneficiaries for purposes lawfully permitted under the Act; and

5.2.2 Incentives provided through project grants in terms of section 90(1) of the Act, awarded to electronic communications network service licensees for the construction, operation, and maintenance of electronic communications networks in under-serviced areas.

5.3 This Draft Manual applies across all phases of USAF funding interventions at a framework level, including planning, prioritisation, instrument selection, governance, and oversight, but does not prescribe detailed operational processes.

5.4 The Draft Manual does not apply to:

5.4.1 Subsidies or regulatory measures governed under section 73 of the Act (e-rates);

5.4.2 Incentive or support mechanisms implemented outside the Universal Service and Access Fund, unless expressly authorised by the Act and assigned to the Agency; or

5.4.3 Internal administrative or procurement processes not directly related to the administration of USAF subsidies or project grants.

6. Overview of USAF Funding Instruments

6.1 The Universal Service and Access Fund (USAF) may deploy subsidies and project grants to promote universal access and universal service, consistent with the Electronic Communications Act, 2005.

6.2 In terms of section 88 of the Act**,** the USAF must provide subsidies to eligible beneficiaries for purposes lawfully permitted under the Act, including interventions targeting network construction in under-serviced areas, schools and colleges of further education and training, community access centres, and needy persons, subject to applicable determinations.

6.3 In terms of section 90(1) of the Act**,** the Agency must provide incentives**,** through the award of project grants**,** to electronic communications network service licensees to construct, operate and maintain electronic communications networks in under-serviced areas.

6.4 Subsidies contemplated under section 88 and incentives contemplated under section 90(1) constitute distinct but complementary funding instruments and shall be designed and applied in a manner that is consistent with the purpose, scope, and beneficiary requirements of the relevant statutory provision.

6.5 Without prescribing detailed implementation modalities, USAF funding instruments may include, where appropriate:

6.5.1 Direct subsidies to eligible beneficiaries in terms of section 88 of the Act;

6.5.2 Incentive-based project grants to electronic communications network service licensees in terms of section 90(1) of the Act;

7. Institutional Roles and Responsibilities

7.1 The respective roles of the Minister, USAASA, ICASA, implementing entities and beneficiaries shall be exercised in accordance with the Act and applicable law.

7.2 USAASA shall act as the administrator of the USAF and shall be responsible for issuing procedural guidelines and managing subsidy processes once the Manual is finalised.

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