

# **MALUTI A PHOFUNG**

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## 1. Overview of the Node

Maluti–A-Phofung (MaP) node is situated in the eastern part of the Free State Province. With a total population of about 400 000 people in 2000, MaP covers an area of approximately 4 421 km<sup>2</sup>. It is one of the five local municipalities of Thabo Mofutsanyana District Municipality. The node consists of 34 wards. It has three main service centres, namely, Harrismith, Kestell and QwaQwa with Phuthaditjhaba as the town centre.

Harrismith is approximately 60 km north-east of Phuthaditjhaba. Its total population was approximately 33 732 people in 2000. It serves as a service centre for the surrounding rural area. It also serves as a major employment centre for people living in Tshiame and QwaQwa and commuters travel on a daily basis between these areas (Maluti–A-Phofung, 2002).

Kestell is located about 44 km to the west of Harrismith and approximately 30 km to the north of Phuthaditjhaba. It serves as a centre for the predominantly agricultural area. According to MaP's Integrated Development Plan (IDP) this small town has a potential to attract tourists due to its traditional sand stone buildings that are unique to the eastern Free State.

QwaQwa was established as a self-governing territory, as part of the homeland policy of the apartheid system in 1969. It became part of the Free State Province in 1994. QwaQwa serves as the administrative centre for Maluti-A-Phofung Local Municipality. It has a fair level of infrastructure.

In recent years QwaQwa has experienced an economic decline due to the closure of many industries in the area. This resulted in unacceptably high unemployment rates. For example, in 1996 QwaQwa experienced an unemployment rate of 57%, followed by Harrismith with 49% and Kestell with 29% (Maluti-A-Phofung, 2002). The overall unemployment rate in MaP was estimated at 51% in 2000, (Demarcation Board, 2000). The Demarcation Board further estimated that 69% of all households living in MaP earned less than R1000 per month (53% of which earned less than R500), thus making Maluti-A-Phofung the poorest local municipality in the District. Access to basic services such as clean water is still a major problem in the node. Statistics show that about 16 425 people do not have access to clean water in Harrismith and QwaQwa (Department of Local government and Housing, 2003).

## **2. Achievements**

- ❖ Maluti-a-Phofung Local Municipality is the only node that has been selected to participate in the Community Based Planning pilot study, funded by the Department of Provincial and Local Government, SALGA and GTZ.
- ❖ The IDP Review has been completed and the reviewed IDP has been adopted by the Council.
- ❖ Participation of government departments in the IDP/ISRDP activities is improving
- ❖ The National Political Champion/Minister of Health and the Deputy Minister of Provincial and Local Government visited the node in October 2003

## **3. Challenges**

The following are some of the key challenges facing the node:

- ❖ Ensuring that anchor projects address challenges facing the node
- ❖ Ensuring targeted spending in the node
- ❖ Ensuring effective integrated development planning in Maluti-a-Phofung

## **4. Recommendations**

It is recommended that a Planning Indaba with all provincial sector departments be held in early 2004 to address the above challenges.

## Annexure 1 Anchor and Priority Projects

### 1. INFRASTRUCTURE CLUSTER

project Description	Total Budget	Sources of Funding	Project Location	Target Group	Remarks
Installation of water meters in Qwaqwa (phases 1,2+3)	R 40,420,000.00	CMIP	Qwaqwa	Qwaqwa	Project Completed
Rehabilitation of Tarred roads Phuthaditjhaba	R 2,000,000.00	CMIP	Phuthaditjhaba	Phuthaditjhaba	Project Completed
Refurbishment of electrical substations and protection	R 1,567,873.00	CMIP	Phuthaditjhaba	Phuthaditjhaba	Project Completed
Upgrade main water supply line from CM stadium to University	R 12,557,167.00	CMIP	BB,Kestel, Phuthaditjhaba	Phuthaditjhaba	Project Completed
High mass light	R850, 000.00	CMIP	Phuthaditjhaba / Qwaqwa	Phuthaditjhaba	Project Completed
Extend Water main lines to	R10,000,000,00	CMIP	QwaQwa rural villages	Qwaqwa	Project Completed

the villages					
Phuthaditjhaba: Upgrading of Access Roads	R 5,191,779.55	CMIP	Phuthaditjhaba	Phuthaditjhaba	Project Completed
Qwaqwa: Upgrading of Access Road - Rural	R 5,191,779.55	CMIP	Qwaqwa	Qwaqwa	Project Completed
Upgrading of Phuthaditjhaba tarred road( potholes)	R2,9 Million	ISRDP- Project Initiation Fund	Phuthaditjhaba	Phuthaditjhaba	Project Completed
Renovation of Phuthaditjhaba Hall	R1,1 Million	ISRDP Project Initiation Fund	Phuthaditjhaba	Phuthadijhaba	Project 90% Completed

Most CMIP projects have funds allocated  
Two projects are funded from the ISRDP project initiation funding.

## 2. OTHER INFRASTRUCTURE PROJECTS

Brief Description	Budget	Main Sources of funding	Other possible funders	Approved	Comments for consideration
Roads Master Plan & Maintenance Plan	825,000	Development Fund of DBSA	National Roads Agency & CSIR Transportek	Approved	Ninaham Shand consulting engineers are providing the service. The project is 90 % completed.
Sanitation & Water Master Plan	350,000	Development Fund of DBSA		Approved	Miletus consulting engineers are appointed to provide the service. The project is 100% completed
Electrical Master Plan	550, 000	Development Fund of DBSA		Approved	Netplan consulting engineers are appointed to provide the service. The project is 100% completed
Mapping and GIS for entire MaP area to facilitate planning	To be finalised	Rural Development Fund - Eskom	Development Fund of DBSA	In process	The Municipality received letter indicating that the projects fit within the funding mandate of the Development Fund.
Development of Transportation Master Plan	255, 000	Public Works road Department	National Roads Agency & CSIR Transportek	Approved	The district and Provincial has been consulted. Service providers are appointed to do the work by provincial Department.
Electrical Substation and Upgrading works	R 42,5M	DME 9 Department of Minerals and energy	Tsheseng	Approved	Net plan consulting engineering company has been appointed to implement the project. The project is 100%

N.B. Most projects in the above list have funds from different funders.



### 3. COMMUNITY SERVICES CLUSTER

Brief Description	Budget	Main Sources of funding	Other possible funders	Project Status	Comments
Itsoseng Disable Centre	R2,5 Million	CMIP	Dept. Public Enterprises	Business Plan developed and approved by Map	Map to recommend the project
Leifo Hydroponics Farming	R5 Million	ESF	Dept. Public Enterprises	Business Plan developed and approved by Map. Business plan submitted to the DC for the allocation of ISRDP funds	Dihwai Food and Agriculture Appointed to provide the service. The project is 10%
Integrated Energy Centre	R2 Million	Sasol and Dept of Minerals and Energy	None	Preparatory meeting was done. Stake – holder mobilisation with affected beneficiaries was done. Feasibility Studies and Environmental Studies to be developed.	The projects is initiated by Department of minerals and Energy and funded by Sasol

- N.B the total funding shortage for the community service projects is R2,5 Million.
- No funds committed for the projects.
- Business plan are readily available.

#### 4. LED AND TOURISM CLUSTER

Brief Description	Budget	Main Sources of funding	Other possible funders	Project Status	Comments
Renovation and fencing of Wetsi Caves. ( Bead and Breakfast)	R500 000.00	ESF – ( ISRDP )	TME District council LED funding	Conceptual and planning	Map to recommend the projects for ISRDP
Signage of tourism attraction	R450 000.00	ESF– ( ISRDP )	TME District council LED funding	Conceptual and planning	Map to recommend the projects for ISRDP
Tourism guide service Provides	R200 000.00	ESF– ( ISRDP )	TME District council LED funding	Conceptual and planning	Map to recommend the projects for ISRDP
Dev. Of Arts centre	R200 000.00	ESF – (ISRDP)	TME District council LED funding	Business planning	Map to recommend the projects for ISRDP
Tourism Research awareness	R250 000.00	DBSA	MaP- ISRDP funding	Conceptual and planning	DBSA prepared to fund the project provided there is a partnership with MaP R50 000.00 short fall should be harnessed
Maluti Sand Stone Mining	R500 000.00	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project
Morena wa Letlalo	R1Million	ESF – (ISRDP)	TME District council	Conceptual and	No funds available

Project			LED funding	planning	for the project
Nursery for medical & Indigenous plants	R500 000.00	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project
Piggery Project	R300 000. 00	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project
Bricklaying	R300 000.00	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project
Itsoseng Basadi Sewing Project	R300 00.00	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project
Beula Farm – B&B	R1Million	ESF – (ISRDP)	TME District council LED funding	Conceptual and planning	No funds available for the project

- N.B the total funding shortfall on LED projects R6Million
- No funds committed for the projects.
- Business plan are readily available.

## 5. PUBLIC SAFETY CLUSTER

Brief Description	Budget	Main Sources of funding	Other possible funders	Project Status	Comments
Central Communication Centre	Estimate – R2Million	ISRDP Funding Public Road and Safety	None	Conceptual Stage	Project be funded from the ISRDP ESF
Fire Hydrants	Estimate – R1Million	ISRDP Funding Public Road and Safety	None	Conceptual Stage	Project be funded from the ISRDP ESF
Fire Engine	Estimate – R1Million	ISRDP Funding Public Road and Safety	None	Conceptual Stage	Project be funded from the ISRDP ESF

- Estimated budged for the CCC is R4 Million.
- No funds available for the projects.

## 6. CORPORATIVE AND COOPERATE GOVERNANCE CLUSTER

<b>Brief Description</b>	<b>Budget</b>	<b>Main Sources of funding</b>	<b>Other possible funders</b>	<b>Project Status</b>	<b>Comments</b>
MaP FET college transformation master plan.	To be finalised	1) National Skill Fund of Dept of Labour 2) SETA's	Social Corporate Investments of SA Companies and foreign donors.	In process	Awaiting response from the director corporate to register the project as ISRDP
Awareness & Education campaign on water utilisation	To be finalised	Development Fund of DBSA		In process	The project will commenced after the completion of the water master plan
Map staff skills development Programme	R3.2 million	Development Fund of DBSA	Map Development fund	Approved	
Community Based Planning Training (1 <sup>ST</sup> Phase)	R446 730.00	Eskom ISRDP unit DC Community Participation Funds	Department of Labour	In process	MaP Council has take a resolution to be participate in the pilot

- Funding shortage for skill's development R500 000.00

#### 7. DEVELOPMENT AND PLANNING AND HOUSING CLUSTER

Brief Description	Budget	Main Sources of funding	Other possible funders	Project Status	Comments
Diatalawa Apple Farming & Finished Products Processing/Beneficiation Plant.	To be finalised	Departments of Agriculture & Land Affairs	NCMSD members such as Land Bank, DBSA, Eskom, IDC, NDA, Transnet & Social Corporate Investments of SA Companies such as SASOL and foreign donors.	In process	This project has been an anchor project and was derailed by the liquidation processes of Agri-Eco. The DoA has decided to reactivate this project in partnership with MaP
The finalisation of the Agricultural Sectoral Plan for 1000 farmers	To be finalised after integration with the Strategic	NCMSD members such as Land Bank,	Departments of Agriculture & Land Affairs	In process of appointing a joint & representative	The project will commenced after the approval of the

over 3 years Development of a Council Policy to administer & manage Commonages for emerging farmers	Plans of Free State Province To be finalised after integration with the Strategic Plans of Free State Province	DBSA, Eskom, IDC, NDA, Transnet & Social Corporate Investments of SA Companies such as SASOL and foreign donors	Departments of Agriculture & Land Affairs	Project Team In process of appointing a joint & representative Project Team	plan by DoA, DLA & MaP The project will commenced after the approval of the plan by DoA, DLA & MaP
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## Annexure 2 Progress Report

ISRDP/URP PROGRESS REPORT					
MALUTI-A-PHOFUNG LOCAL MUNICIPALITY NODAL REPORT					
PROVINCE: FREE STATE					
REPORT FOR THE PERIOD: JULY - NOVEMBER 2003					
HIGH LEVEL ISRDS OBJECTIVES	KEY PROGRAMME AREAS	ACTION	OUTCOMES	COMMENTS & CHALLENGES	MEASURABLE INDICATORS
<b>Effective and efficient local government</b>	1. Promoting sustainable intergovernmental cooperation, coordination and communication	1.1 Secure efficient participation of all sector departments and service providers in the IDP planning, review and implementation processes.	ISRDP Clusters were established in Maluti-a-Phofung during 2002, through the Municipal Utility Capacity Building Programme (MUCBP) Pilot	The clusters helped to ensure about 80% participation of the Service Providers and the Sector Departments in the IDP processes. The clusters were used as a participatory mechanisms for the 2003 IDP Review process	Meetings of ISRDP Clusters are convened as scheduled  Developed IGR co-operation framework



		1.2 Ensure participation of Thabo Mofutsanyane District Municipality in the implementation of ISRDP	Active participation of Thabo Mofutsanyane District Municipality demonstrated through co-chairing of Nodal Technical and Nodal Delivery Committee Meetings that are held monthly as scheduled	Although the district municipality is playing an active role in the mentioned committees, their participation in other structures should be improved	Attendance and convening of meetings as scheduled  Minutes and reports  Draft Proposal on Institutional Arrangements in the node – September 2003
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HIGH LEVEL ISRDS OBJECTIVES	KEY PROGRAMME AREAS	ACTION	OUTCOMES	COMMENTS & CHALLENGES	MEASURABLE INDICATORS
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<b>Effective and efficient local government</b>	2.Strengthening institutional capacity	2.1 Forge and formalise service delivery and development partnerships through agreements	<p>The MOU between IDT, the Department of Local Government &amp; Housing (LG&amp;H) and the Municipality was signed on 19 November 2003 and technical support will be provided</p> <p>The MOU between Maluti-a-Phofung and Eskom Enterprises was signed on 23 April 2002</p> <p>A service level agreement between Maluti-a-Phofung and the Department of Health was signed in September 2003</p> <p>± 40 State-Owned Enterprises (SOEs) are participating in the node and the net effect is leveraging of additional resources and expertise</p>	<p>Development of an action plan with set timeframes and resources</p> <p>The agreements have already been signed and the department is working closely with the Community Services Directorate on health issues.</p> <p>A systematic approach / or joint implementation programme to be developed to ensure transference of technical skills that would impact on the institutional capacity of the Node</p>	<p>Signed MOU between IDT, Maluti-a-Phofung Local Municipality and LG&amp;H</p> <p>A signed MOU between Maluti-a-Phofung and Eskom Enterprises</p> <p>A signed service level agreement between Maluti-a-Phofung and the Department of Health</p> <p>A number of projects implemented in partnership</p>
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		2.2 Establish effective nodal ISRDP communication system and strategy	The internal communication strategy has been developed and is currently being implemented.	To develop a broad-based strategy to ensure active participation of all stakeholders	Developed, implemented and endorsed ISRDP communication strategy
<b>Integration and coordination</b>	3. Piloting new approaches of intergovernmental fiscal arrangements	3.1 Alignment of national, provincial and local budgets to IDP priorities	A provincial cabinet decision has been taken obligating provincial sector departments to set aside 30% of their budgets to the node and this potentially creates an opportunity for the alignment of the provincial and local budgets	Department of Local Government and Housing in collaboration with the Department of the Premier should monitor and ensure adherence to the provincial Cabinet decision	Approved Departmental budgets and MTEF figures indicating bias toward the node

HIGH LEVEL ISRDS OBJECTIVES	KEY PROGRAMME AREAS	ACTION	OUTCOMES	COMMENTS & CHALLENGES	MEASURABLE INDICATORS
	<b>4. Strengthening local institutional capacity</b>	4.1 Establish appropriate municipal organisational structure to manage ISRDP/URP and IDP	NDO has collaborated in the establishment of clusters	Absorption of the Nodal Delivery Team into the municipal structure / organogram;  Evolve effective collaboration mechanisms between the NDT and municipal administration	Appropriate municipal organisational structure developed and approved by the council

		<b>3.3</b> Ensure that municipal staff are appropriately skilled and retained to manage ISRDP/URP and IDP	<p>Skills Development Audit done</p> <p>Training sessions conducted on Leadership and management between June and November 2003</p> <p>The Work Place Skills Development Plan for 2003/4 has been completed and submitted to LGWSETA for approval.</p>	Development of capacity building programmes that focus on IDP /ISRDP	Number of training interventions developed and number of training sessions conducted
	4. Use of the IDP as the primary vehicle for delivery on ISRDP/URP	4.1 Ensure that first annual review of IDP is completed in time to inform 2003/2004 municipal and 2004/2005 provincial and national budgets	The IDP review was completed on 5 September 2003 and adopted by Council on 21 October 2003	The absence of a dedicated person to drive the IDP delayed the IDP Review process	Reviewed IDPs adopted by council reflect key ISRDP priorities

		4.3 Implementation of a performance management system within the municipality to include measurement of progress in implementation of ISRDP/URP	A performance management framework has been developed and performance contracts are currently being negotiated. This will lay a foundation for organisational PMS	Development and implementation of organisation PMS	Number of performance contracts signed;  Developed and council approved PMS
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HIGH LEVEL ISRDS OBJECTIVES	KEY PROGRAMME AREAS	ACTION	OUTCOMES	COMMENTS & CHALLENGES	MEASURABLE INDICATORS
		4.5 Ensure meaningful community participation in the IDP planning and review	<p>DPLG &amp; SALGA have identified Maluti-a-Phofung Local Municipality as one of the 8 pilot sites/municipalities for the Community-Based-Planning [CBP] methodology that potentially would ensure meaningful participation of communities.</p> <p>The first batch of the three CBP training for two weeks is scheduled for the 24<sup>th</sup> of November to the 5<sup>th</sup> of December 2003 30 participants will be trained.</p>	To sustain community involvement through CBP and ensure its outputs (ward-based plans) inform the 2004 IDP Review	5 Ward Plans developed and implemented



<b>Sustainable economic development</b>	5. Stimulate sustainable local economic growth	5.1 Increase investment to promote LED in the node	LED projects have been identified there is not enough funding. The implementation plan and corresponding LED strategy will be developed	The development of LED strategy with relevant provincial and national sector department is critical	LED strategy developed and implemented;  Funding for LED projects secured.
		5.3 Increase productivity in lead sectors (These are the sectors that have been identified and can lead economic development in the node		Active involvement of key sector (tourism, agriculture and manufacturing ) players in the node	Growth in the sectors

HIGH LEVEL ISRDS OBJECTIVES	KEY PROGRAMME AREAS	ACTION	OUTCOMES	COMMENTS & CHALLENGES	MEASURABLE INDICATORS
<b>Sustainable social development</b>	6. Sustainable Social Development	6.1 Raise awareness and secure access to social services and entitlements (e.g. Birth registration, social grants etc.)	Two awareness workshops on social services have been organised in August and September 2003.  There is improved access to social services as a result of relocation of social development offices nearer to beneficiaries	Effective processing of necessary documentations that would enable household to quality for social grants	Increase in the number of household accessing social services

		6.2 Ensure access to basic services	<p>Municipal Infrastructure Master Plan has been developed.</p> <p>CMIP funds to the value of R116 million has been committed and CMIP projects are currently being implemented to improve the lives of households</p> <p>Indigent policy has been developed and implemented</p>	The infrastructure Master Plan to be resourced and implemented.	Number of households accessing basic services
		6.3 Establish, manage and maintain a Multi-Purpose Community Centre to maximise use of existing infrastructure for rendering of social services	A functional MPCC	Increasing number of departments using the centres optimally	Improved access to services rendered at the MPCC

<b>HIGH LEVEL ISRDS OBJECTIVES</b>	<b>KEY PROGRAMME AREAS</b>	<b>ACTION</b>	<b>OUTCOMES</b>	<b>COMMENTS &amp; CHALLENGES</b>	<b>MEASURABLE INDICATORS</b>
<b>Sustainable environmental development</b>	7. Sustainable Environmental Development	7.1 Adopt and implement an Environmental Management Plan that incorporates Local Agenda 21 principles in the nodal municipality	Environmental Management Plan reviewed and adopted.	Implementing the plan with relevant departments	Reviewed and adopted Environmental Management Plan