



EUROPEAN UNION

Delegation to the Republic of South Africa

**FINAL GRANTS AWARD CEREMONY OF THE THINA SINAKO
PROVINCIAL LOCAL ECONOMIC DEVELOPMENT (LED)
SUPPORT PROGRAMME – LED EC**

**Regent Hotel, East London
Tuesday 12th October 2010**

**Address given by Mr Richard Young
First Counsellor at the
Delegation of the European Union to South Africa**

Honourable MEC,
Director General,
Government officials,
Local stakeholders,
Entrepreneurs,
Distinguished guests,
Ladies and Gentlemen:

We at the European Union are particularly proud to be here with you to celebrate the announcement of the final grants awarded under the Thina Sinako Provincial Local Economic Development Support Programme.

We in the European Union are also proud of our Strategic Partnership with South Africa – one of only nine countries in the world with which we have such a partnership. Some of you who are attentive to the news will have recently seen that President Zuma and other ministers were recently in Brussels just a few weeks ago for discussions with the European Union for what has now become an annual summit.

At the end of their discussions they agreed a Joint Communiqué that touches on global and regional challenges, trade negotiations, and issues of sustainable development.

They also dealt with the funds – R10 billion for 2007-2014 – that have been made available to South Africa and encouraged further work together to promote growth and jobs in a sustainable manner.

Today's Ceremony is one practical realisation of this commitment, and it is particularly pleasing to see political commitments at the highest level being translated into practical action on the ground.

The Thina Sinako Local Economic Development fits into this picture because of its objective to create jobs. The Thina Sinako LED Programme – a two phase initiative – amounting to close to €30 million, commenced operations in 2005 and was the third of our LED support programmes in South Africa - the first having been in Limpopo and the second in Kwa-Zulu Natal.

Its overall objective being to support the Provincial Growth and Development Plan (PGDP) targets for 2014 'to significantly reduce the number of households living below the poverty line' noticeably through the empowerment of previously disadvantaged individuals, including women through the creation of jobs.

In looking at our experience with this programme I would like to take this opportunity to present three points for reflection.

First, this Programme was *designed and implemented in a collaborative way* under the strong leadership of the Provincial Government, thus ensuring that it has been able to respond to the priorities and needs of the region. Thina Sinako has made considerable progress in bringing together the key LED actors in the Province through the various learning and networking activities. Its successes are largely due to strong leadership and management of the Programme by all the key actors in particular the Provincial Government. The programme has evolved as the local situation has evolved and this may be one of the reasons for its emerging success. We hope that the positive experiences gained through Thina Sinako will pave the way for intensified support for LED in the Province.

Second, the Programme has *in part drawn upon Europe's own experience* of tackling home-grown development problems – notably under our solidarity-based regional programmes that are designed to raise standards of living and promote jobs in the poorer parts of Europe.

In particular the demand-driven grant funding approach, used in Europe, has been adapted to the situation in South Africa. By combining this approach with hands-on support, Thina Sinako has been able to mobilise unexploited potential, harness local creativity, promote partnerships, and through all of this create growth and jobs. It is this

sharing of experience on tackling similar development problems, and the adaptation to local circumstances, that is at the heart of the mature partnership between South Africa and Europe.

Third, and looking forward, I would like to emphasize that the *long term sustainability of this Programme constitutes a critical component* of this intervention. As the Programme approaches its end of implementation period in December 2011, the key challenge concerns the successful handover of the Programme to the Provincial government.

In this respect, we note that Thina Sinako has to date been instrumental in supporting key LED departments and local government in the Province to systematically support LED work across the Province. In particular, we applaud the establishment of what are called District Support Teams, conceived to ensure that a technical capability is systematically built in the public sector to sustain effective support to LED long beyond the EU-funded phase has passed. Given the commitment that the provincial Government of the Eastern Cape has demonstrated thus far, we trust that such a handover will indeed be managed as effectively as were previous key actions since the start of the Programme.

These three elements – partnership and local leadership in preparation and implementation; sharing of experience in design; and ensuring sustainability – are I think key elements to explain our success to date, and how we can maintain this success in the future.

Ladies and Gentlemen

Turning to the task before us this evening. Today we are here to honour the last of the successful grant beneficiaries funded through Thina Sinako. It has been a long journey for the Programme since the launch of the first calls in 2006 until the launch of the final calls in 2009. In total, 117 grants have been awarded through Thina Sinako, including the 31 projects being announced today. The total amount of grant funding provided through the Programme is just over R150 million, with R70 million of this amount allocated to the 31 projects today. A remarkable achievement indeed!

Our heartfelt congratulations to all of you being honoured today. We are excited about the diversity of the projects being funded and are encouraged by the alignment of these projects to the overall developmental objectives of the Eastern Cape. We would like to see these projects reach fruition and make a difference to the communities in Eastern

Cape in the long term. For those projects focusing on entrepreneurial partnerships, we would like to see these live past their grant-funded phase, and even expand as they build on successes realised.

Ladies and Gentlemen, in closing I must praise the efforts of all those who have been involved in Thina Sinako thus far:

- **Honourable MEC for Finance and Economic Development**, the Provincial Treasury that falls under your portfolio has been exemplary in carrying out its mandate as Contracting Authority for the Programme. Similarly, the Department of Economic Development and Environmental Affairs, also falling under your portfolio, has been a valuable partner in the Programme.
- **Honourable MEC for Local Government**, your Department too has been a steady and trustworthy partner in the journey of this Programme, including hosting a key member of the Programme Coordinating Unit to especially work with the Department in re-imagining the institutional infrastructure that the Programme has contributed to strengthening over the years.
- **Honourable MEC for Agriculture and Rural Development**, SOGONI you have been a champion of the Programme in your previous portfolios as MEC for Economic Development as well as Premier. We trust that – given the importance of your department LED – that we will see key officers from your department active in the process of handing over responsibility for operations of the Programme, especially support provided to funded projects in the agricultural sector.
- **Director General Muthwa**, your active participation in the oversight and management of the Programme, especially your chairing of the Programme Steering Committee, has been equally valuable. Your departure from Government duty at the end of this month will unfortunately leave a notable gap in this Programme but we trust that your successor will continue where you leave off. We would like to wish you the very best in your new endeavours and we look forward to continuing our interaction with you albeit in a different sphere.
- **Ms Bulelwa Nqadolo**, Chief Financial Officer of the Provincial Treasury and Programme Manager of Thina Sinako - you have been the steadfast rock behind this Programme. Since 2005 to date, your relentless efforts to make Thina Sinako a success have been exceptional. We thank you sincerely and look forward to

continuing our cooperation with you on the Programme. We equally appreciate the support of **Mr Qonda Kalimashe**, the Acting Superintendent General of the Provincial Treasury.

- **Members of the Evaluation Committee of Thina Sinako** – your tireless efforts in the assessment of the huge number of applications that followed the Call for Proposals, including your late night meetings, have not gone un-noticed. Thank you.
- I would also like to praise the vibrant and diverse **Programme Steering Committee** that continues to provide invaluable strategic guidance for this intervention. It is almost unparalleled that senior members of the private sector, local and provincial government, the public entities and NGOs contribute so generously to a single Programme. Your contribution has been vast.
- I take this opportunity to also recognize the special contribution of the **members of the PCU, WYG International**, who have been responsible for the day to day management of the Programme over the last six years. Your professionalism, vigilance and dedication have been outstanding.
- Lastly, I praise the people of the Eastern Cape and all of you here who have accepted and risen to the challenge posed by the Thina Sinako programme.

I thank you for your attention.