



# LED UPDATE

**Fourth  
Edition**

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Provincial LED Support Programme*



## **Programme overview**

The implementation phase of the Thina Sinako Provincial Local Economic Development (LED) Support Programme commenced this year, following an interim phase that lasted from June to December 2005. The public launch of the Programme took place on 23 February 2006 at the Qaukeni Great Place in Lusikisiki. In her address at the launch, the Premier of the Eastern Cape emphasised that the European Union finance would be used to stimulate innovation in LED, and serve to focus, in practical ways, the substantial provincial and national resources earmarked for economic development support.

The governance arrangements of the Programme have been functioning as planned. The Programme Steering Committee has met each quarter of this year and the Programme Coordination Group has met on an almost monthly basis throughout the year. The Programme Coordination Group is actively looking at the development of new ways of integrating and streamlining support for LED in the Province.

The Programme Coordination Unit (PCU), which is responsible for day-to-day technical assistance to the Programme, is functioning at full capacity. The Finance and Contracts Unit (FCU) is well established in the Provincial Treasury, and the Project Generation Team (PGT) is settled in host institutions all over the Province. The experience gained by the FCU and PGT during the course of this year is being used to refine and improve all aspects of Programme functioning.

The PCU has been very active this year in piloting the three grant funds. This has involved developing the grant fund guidelines, launching calls for proposals, assisting potential applicants in preparing their proposals, and setting up the systems for the evaluation of those proposals. We have also been preparing for the monitoring of project implementation, both to help us identify problem areas early enough to mobilise assistance, and to capture lessons from our project experiences.

We have also established a regular and credible reporting system that allows the partner organisations to keep track of our work.

Finally, we have been formalising our training and counterpart development work, and have participated in a range of planning and policy development support activities.

## **Project development support**

The PGT is there to support the development of good quality projects that have a good chance of meeting the evaluation criteria for the three grant funds on offer by this Programme. In addition, the PGT is also concerned with the building of the capacity of institutions and officials, and support in the development of LED policy.

Regional Fund Advisors have been placed in Mount Ayliff, Mthatha, Barkley East, Queenstown, East London and Port Elizabeth, and have been actively engaged in supporting the development of projects. This work has been focused on calls for proposals for the Local Government Support Fund and the Local Competitiveness Fund.

The Regional Fund Advisors are being supported by the Team Leader of the PGT, a Training and Counterpart Development Advisor, and a Funds Advisor. The latter also gives dedicated support to the generation of proposals to the third grant fund, known as the Financial Innovation Fund.

Some interesting examples of partnerships for LED have already started to emerge during the year. One example involves a partnership between a local municipality and two private companies to establish a new enterprise focused on the conversion of pig manure into organic compost using environmentally friendly methods. This initiative has attracted the attention of the District Municipality and the Eastern Cape Department of Agriculture, both of which are potential sources of financial and technical support. By embracing an opportunity offered by this Programme, this partnership has developed a project concept that has the potential of unlocking further opportunities for itself. We wish them well.

## Grant Funds

The Programme provides direct financial support to beneficiaries by means of the following 3 grant funds:

- Local Government Support Fund (LGSF)
- Local Competitiveness Fund (LCF)
- Financial Innovation Fund (FIF)

Further information on these funds can be obtained from our Regional Offices (where the Regional Fund Advisors are based) or from our website at [www.thinasinako.co.za](http://www.thinasinako.co.za).

## Calls for proposals

The first calls for proposals for all three of these funds have already been launched. In the case of the LCF, two separate aspects were covered by two simultaneous launches: (i) the development of competitiveness action plans, and (ii) the fast-track implementation of projects that have already been planned.

The first calls for proposals to the LGSF and LCF (both aspects) have already closed, and the first call for proposals to the FIF is scheduled to close on 11 October 2006.

## Lessons

A number of lessons have been learned by all role players engaged in the development of projects for submission to the grant funds. The lessons learned by applicants include the following:

- Set a number of internal deadlines for the development of your grant fund application.
- Work with the Regional Fund Advisor responsible for your district when you develop your application. She/he is there to help.
- Submit your application directly to the Provincial Treasury before the closing time for submissions. The closing date, time and office number for submissions are all given in the guidelines published for each call for proposals.
- If you make use of consultants to help you to develop your application, please ensure that they do not simply cut and paste what they have done for other applications into yours. Please insist that they help you think through what you need to make your project successful and do full justice to that conception in your application.
- The process of working on applications to the grant funds is valuable in itself, regardless of whether an application is successful or not. Interesting new partnerships between the public and the private sectors emerge that open new possibilities for LED, and the discipline of planning your application makes your project idea more saleable to a number of other potential sources of finance.

- Use the logical framework matrix to summarise the key aspects of your proposed project, and use the text of your application to elaborate where you need to.

Lessons learned by the PCU include the following:

- The budget format used in the existing grant fund application forms needs to be simplified.
- Application clinics are useful opportunities to assist a range of potential grant fund applicants in coming to grips with the grant fund application form (which is given to us by the European Commission).
- Honest advice on the potential of a project idea is important.
- Co-finance, particularly contributions in kind, is an area in which many applicants require advice.

## Upcoming events

We are now entering the last quarter of 2006, during which we hope to see the first awards of grants by this Programme. We plan to assist projects that receive grants from this Programme in monitoring their work and in identifying remedial actions. We also aim to capture lessons learned by those projects for the benefit of other projects or potential projects in the Province – such benefit should include improved focusing of economic/business development support initiatives in the Province.

We also hope to launch second calls for proposals to the LCF to develop competitiveness action plans or to implement projects that have already been planned. Please check the press and/or our website, or contact the Regional Fund Advisor responsible for your district, for further news on this possibility.

## How to contact us

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