

# Thina Sinako Provincial Local Economic Development Support Programme

*Financed by the European Union in partnership with the Eastern Cape Provincial Government*

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Summary information on grants awarded under the European Union funding of the Programme



*Ikamva eliqaqambileyo!*



This document provides summary information on all of the projects to which grants were allocated under the European Union funding of the Thina Sinako Provincial Local Economic Development (LED) Support Programme. No further grants will be allocated under this funding.

The Thina Sinako Provincial LED Support Programme was established during an interim phase in 2005, and commenced work on grant funding, institutional development and learning and networking during the period 2006-2011. The last grants were allocated in 2010, following the final calls for proposals to the Programme's grant funds in 2009. The Programme's operational implementation period scheduled for closure at the end of 2011.

Supported by a dedicated Programme Coordination Unit (PCU), the Programme was designed to allocate grant funding to worthy initiatives while capturing and sharing learning, and developing capacity and systems for the facilitation and support of LED in the Eastern Cape. The bulk of the Programme's funding was allocated to grants, which were used not only to reward projects during a competitive application process, but also to learn a range of lessons pertaining to grant fund management, project management, project support, LED, development facilitation, partnerships, projects finance, municipal planning and capacity development, and so on.

The Programme's grant funding was allocated through three grant funds:

**1. Local Government Support Fund (LGSF)**

*To support the provincial and local spheres of government to address barriers to enterprise establishment and growth, in particular the role of municipalities in the creation of an enabling environment for local economic development.*

**2. Local Competitiveness Fund (LCF)**

2.1. Competitiveness Action Plan (CAP) Identification & Design

*To support partnership groups to develop Competitiveness Action Plans in which they outline how they plan to exploit their area's competitive advantage.*

2.2. CAP Implementation

*To support the implementation of Competitiveness Action Plans or LED projects by partnership groups.*

**3. Financial Innovation Fund (FIF)**

*To support financial institutions in piloting innovative ways of providing enterprise finance to historically disadvantaged areas or groups.*

All grants were allocated under calls for proposals that had official launch and closing dates. A guideline and application pack was prepared for each call for proposals, and all relevant information, including the evaluation grids to be used during the evaluation process, were provided to applicants. The objective was to ensure that all applicants would be preparing their applications in terms of the same information on the requirements for successful application to each grant fund. Answers to formal questions submitted to the Contracting Authority (the body that issued the calls for proposals and ultimately signed grant contracts with successful applicants – the Eastern Cape Provincial Treasury in the case of the Thina Sinako Programme) were made available to all

prospective applicants on the Programme website and through the Programme's regional offices – again, this allowed all prospective applicants to have equal access to official information regarding grant fund applications.

All grant fund applications were evaluated by an independent evaluation committee made up of government officials and chaired by a non-voting chairperson representing the Contracting Authority (the Eastern Cape Provincial Treasury), and included an odd number of voting members to ensure that decisions would be made. The evaluation of all grant fund applications received at the end of each call was structured in terms of the following four steps: (i) administrative check, (ii) concept note evaluation, (iii) full application evaluation, and (iv) eligibility check. The grant fund evaluation process was competitive, meaning that applications that received the highest scores on the evaluation grid for the final evaluation stage were awarded grants, provided that they passed the eligibility step and that the budget for that call for proposals was sufficiently large to accommodate them. The process systematically focused the attention of the evaluation committee on the best applications, first by excluding those that did not meet the basic administrative requirements (as described in the grant fund guideline and application pack for that call for proposals), and then excluding those applications that did not meet the cut-off scores set for the evaluation of concept notes (as described in the grant fund guideline and application pack for that call for proposals).

The evaluation committee was assisted by specially appointed technical assessors, whose task it was to assess concept notes and full applications using the published evaluation grids, and then to present those assessments to the evaluation committee for its consideration. Assessors were appointed to lighten the load of evaluation committee members, all of whom were government officials who had to set aside other tasks to serve on the evaluation committee, and to bring to bear relevant expertise to each call for proposals. The evaluation committee members retained final responsibility for evaluation decisions, and could overrule recommendations made by assessors, provided they substantiated their reasons for doing so.

Dedicated secretariat support to the grant fund evaluation committee was provided by a Finance and Contracts Unit (FCU) within the PCU. The FCU was responsible for the scheduling of evaluation committee meetings, the training of evaluation committee members, the keeping of records of evaluation committee meetings and decisions (including evaluation reports), and the appointment and management of technical assessors. All correspondence with applicants was coordinated by the FCU, who also prepared the grant contracts for signature by the contracting parties, coordinated induction workshops with grant fund recipients, managed grant fund records, processed progress reports, and managed all formal correspondence between grant fund recipients and the Contracting Authority. The FCU was based in the Provincial Treasury building and provided on-going, hands-on support to the responsible officials within the Provincial Treasury (the Chief Financial Officer and the Head of Department).

All evaluation committee members had to sign formal declarations of confidentiality and were expected to declare all conflicts of interest (including those pertaining to each call for proposals and for particular projects). Evaluation committee members were expected to apply their minds to the evaluation process, and were provided training in the procedures in terms of which the evaluations were done, as well as the content of the Programme and each particular call for proposals. Participation by grant fund evaluation committee members in the development of the guideline and application packs for the final calls for proposals in 2009 allowed for improved coherence between the advice given to prospective applicants by people supporting the development of grant applications, on the one hand, and the criteria applied by grant fund evaluation committee members during the grant fund evaluation process, on the other.

Although those people who supported the development of applications interacted with the grant fund evaluation committee during the process of developing the grant fund guideline and application packs, no interaction was allowed on the content of particular applications or on the relative scoring of applications

during the evaluation process itself. This meant that the support to the grant fund application process and assessment of submitted applications were handled by different groups of people, thereby significantly limiting the possibility of conflicts of interest. This separation of function also allowed the Programme to devote significant resources to the support of the application development process without thereby setting up people who supported application development as gatekeepers of the grant fund process. Support was increasingly skewed to applications that would bring the greatest benefits to the poor and to those that came from districts of the Province that had received proportionately less grant funding from this Programme than others. This skewing of support was used to strengthen applications by applicants that would otherwise have struggled to compete against well-resourced and highly experienced applicants. In a Province like the Eastern Cape, with significant levels of poverty as well as skills and other resource deficits, significant support was required to ensure that the Thina Sinako Programme's pro-poor objectives were met.

The coordination of the application development process was systematically improved during the life of the Programme, culminating, during the final calls for proposals in 2009, in a tightly coordinated process that resulted in the allocation of almost R 70 million, which constituted 46% of all grant funding committed under this Programme, and 97% of the budget set aside for those calls. Coordination was managed by a dedicated Central Task Team (CTT) that was established for the duration of the final calls. The CTT offered a comment service on concept notes – written comment on draft concept notes were given within one week of each weekly submission deadline, and face-to-face encounters with projects in identified districts took place at fortnightly intervals. Useful tips to prospective applicants were captured in CTT Advisory Notes, and a mock evaluation was undertaken on full applications received by a predetermined submission deadline. Although not offering any guarantees regarding the scores that would ultimately be allocated by the grant fund evaluation committee, the mock evaluation, which was carried out by members of the CTT, gave prospective applicants a sense of how evaluators might perceive their applications.

The Thina Sinako Programme not only supported prospective grant fund applicants – it also supported those initiatives that received grant funding at the end of each grant fund evaluation process. This implementation support was structured in terms of an integrated monitoring and implementation support system, which was based on the recognition of the capacity and contextual challenges faced by project teams throughout the Province. Supported commenced with induction workshops that were held for all projects that were rewarded grants following a particular calls for proposals or set of calls for proposals. These induction workshops were held at district level, with projects in some districts sometimes clustered together for logistical purposes.

The induction workshops were followed by project implementation risk assessments that were undertaken for each project in terms of a standardised format. These risk assessments were undertaken by the PCU and by each project team, and were followed by project inception meetings held with each project to (i) negotiate risk using the risk assessments done prior to the meetings, (ii) agree on risk management actions to be undertaken by each project team, and (iii) to agree on support actions to be provided by the Programme (by PCU members, and later by District Support Team members, who were trained and supported by the PCU). Formal project inception reports were prepared for each project, using a standard format, and were returned to each project team for its use. Project team and PCU support actions were structured in terms of these reports, particularly as the risk assessments identified the projects at greatest risk, as well as the particular aspects of each project that constituted the greatest risk to its successful implementation.

Monitoring was undertaken in an on-going manner by dedicated regional office staff, and fed directly into support actions undertaken by those staff members, supported by PCU members based at the Provincial head office level. During its existence, the PCU facilitated the establishment of District Support Teams (DSTs) in each district municipal area in the Province, and provided training to members of those teams to take over project support responsibilities as the PCU was phased out. The DSTs consisted of officials of the district offices of key provincial government departments, district municipalities and local

municipalities. They were convened by the LED units/departments of district municipalities, and facilitated a more “joined-up” approach to LED support at district level. The PCU’s regional offices were closed at the end of 2009, but three regional office staff members were retained to support DSTs and projects. The staff members, who were called Implementation Support Advisors, were reduced to two in 2011, and all first-line project support responsibilities were handed over to the DSTs.

In addition to on-going project monitoring and support, formal monitoring visits were undertaken to all projects funded under the Thina Sinako Programme. Each project was visited at least once, and visits were usually triggered by the project’s first request for the next tranche of grant funding (a first tranche was paid after grant contract signature, and further tranches were paid on approval of project progress reports) or by particular project difficulties signalled by district-based support people. These monitoring visits followed a standard approach and resulted in the preparation of formal monitoring reports that were submitted to the Contracting Authority for consideration with each project’s request for its next tranche of grant funding. Monitoring visits focused on a range of categories of information, including budget expenditure, procurement, co-financing, staffing, project management, financial record-keeping, partnership functioning, progress in terms of the project action plan, progress in terms of the objectively verifiable indicators set in each project logical framework, and progress in terms of the risk management actions described in each project’s inception report. The approach followed during monitoring visits was formative, in that problems were identified in order to find solutions (supported by particular project management and support actions). Specific recommendations were included in each monitoring report, and were discussed during each monitoring visit. Follow-up on those recommendations was the responsibility of project teams and support staff.

A number of projects to which grants have been allocated have already completed their grant contract periods, but, for the rest, disbursement of funds against the grant allocations is on-going. Total disbursement of grant funding per grant fund is reported on a quarterly basis in the Programme’s quarterly reports, which are tabled before the Programme Steering Committee. All projects provided with grant funding under the European Union funding of this Programme have to finalise all commitments of funds before the end of 2011, although they will be able to prepare their final progress reports in early 2012. Progress reports contain narrative and financial components, and the final progress reports are used to determine the final grant funding that is due to each project.

The following is presented below:

1. Overview of grants allocated
  - 1.1. Summary information
  - 1.2. Distribution of grant funding and projects per district (across all three grant funds)
2. Grants awarded from the LGSF
  - 2.1. Distribution of grant funding and projects per district
  - 2.2. List of projects to which LGSF funding was allocated
3. Grants awarded from the LCF
  - 3.1. CAP Identification & Design
    - 3.1.1 Distribution of grant funding and projects per district
    - 3.1.2 List of projects to which LCF *CAP Identification & Design* funding was allocated
  - 3.2. CAP Implementation

- 3.2.1 Distribution of grant funding and projects per district
  - 3.2.2 List of projects to which LCF *CAP Implementation* funding was allocated
- 4. Grants awarded from the FIF
  - 4.1. Distribution of grant funding and projects per district
  - 4.2. List of projects to which FIF funding was allocated

## 1. Overview of grants allocated

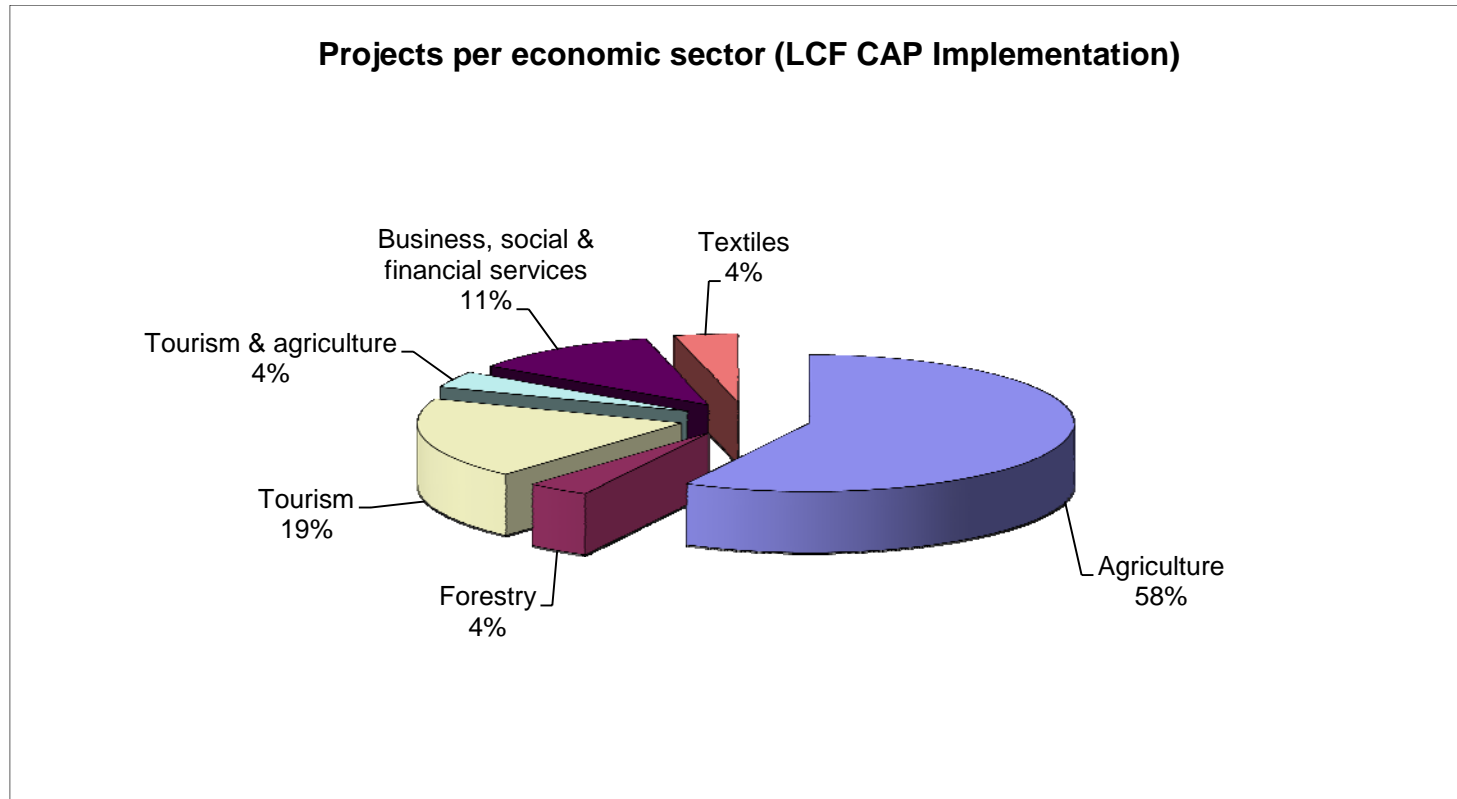
### 1.1. Summary information

Grant funding was allocated under two tranches of funding from the European Union. The first tranche had to be committed by the end of 2007, after which a second tranche was made available. The table below shows the amounts committed and the numbers of projects to which those amounts were committed for each of the grant funds under each tranche and across the two tranches:

Grant Funds	Grant allocations under Tranche 1		Grant allocations under Tranche 2		Total grant allocations for the Programme	
	<i>Amount</i>	<i>Number of projects</i>	<i>Amount</i>	<i>Number of projects</i>	<i>Amount</i>	<i>Number of projects</i>
LGSF	R 10,383,029.00	20	R 19,304,761.52	26	R 29,687,790.52	46
LCF CAP Identification & Design	R 11,540,255.33	26	R 7,008,409.00	9	R 18,548,664.33	35
LCF CAP Implementation	R 26,757,571.85	10	R 62,514,997.30	16	R 89,272,569.15	26
FIF	R 4,406,982.23	7	R 8,224,758.00	3	R 12,631,740.23	10
<b>Total</b>	<b>R 53,087,838.41</b>	<b>63</b>	<b>R 97,052,925.82</b>	<b>54</b>	<b>R 150,140,764.23</b>	<b>117</b>

Further information on the grant allocations against the budget made available for each call for proposals is given in sections 2-3 below.

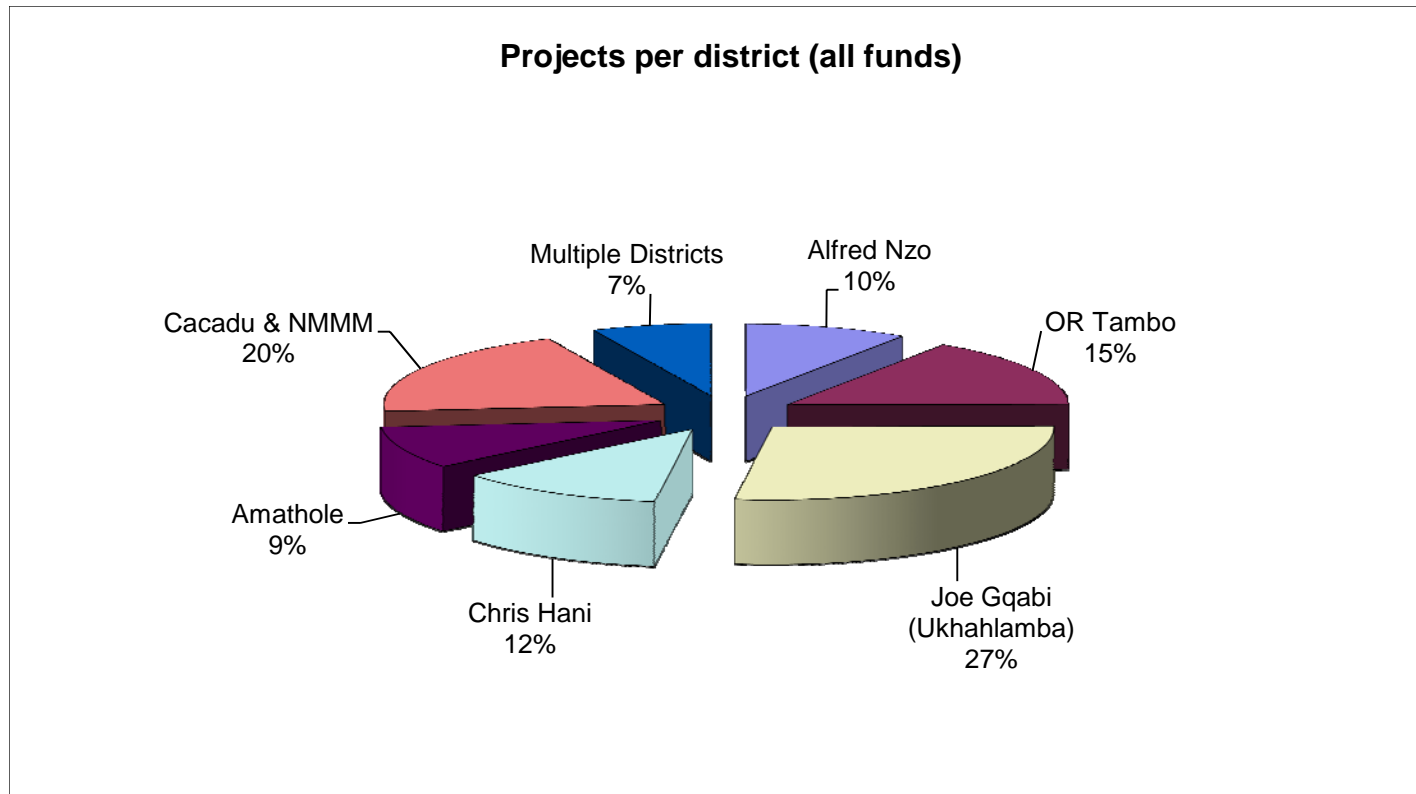
The 26 LCF CAP Implementation projects funded under this Programme can be allocated to the following sectors:



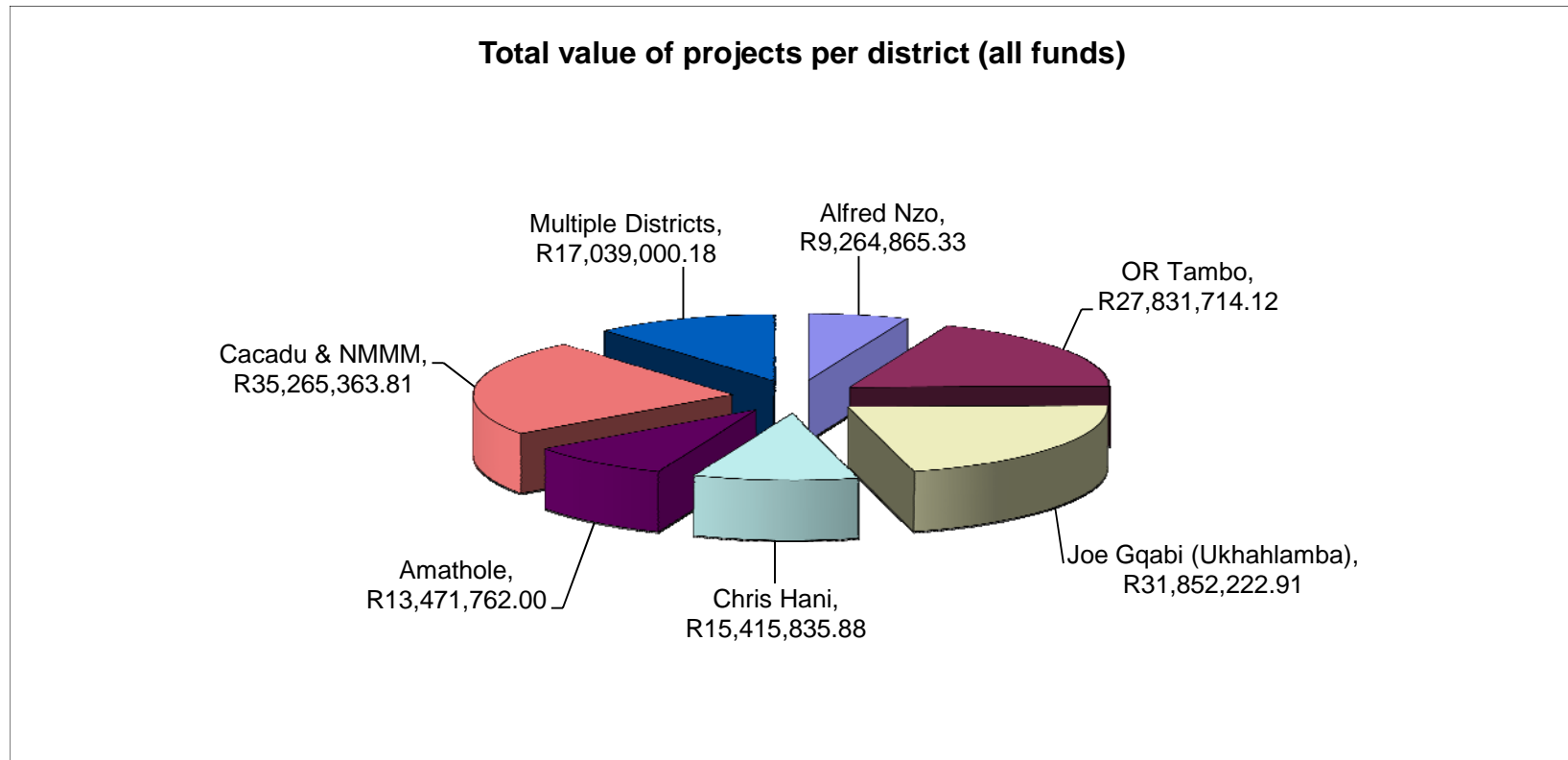
As is to be expected in a largely rural Province, 58% of the LCF CAP Implementation projects can be classified as agricultural, often with a value-adding component (see section 3.2 below for further information on individual projects). The tourism category was the second most populated category.

## 1.2. Distribution of grant funding and projects per district (across all three grant funds)

Successful grant fund applications were attracted from all of the district municipal areas in the Province. The three diagrams below show (i) the distribution of projects per district, (ii) the total amounts of grant funding allocated to each district, and (iii) the percentage of total grant funding allocated to each district:

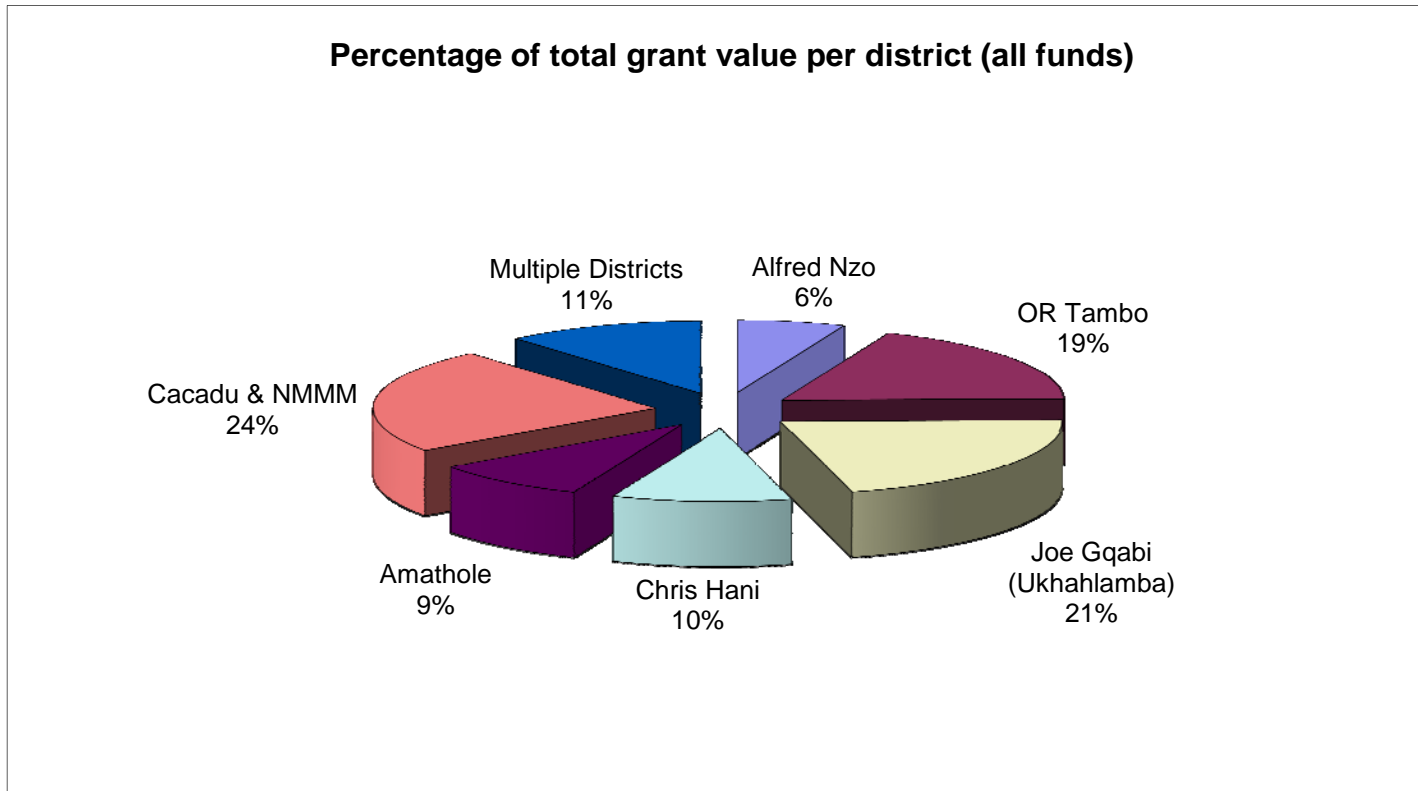


As can be seen from the diagram above, Joe Gqabi (Ukhahlamba) District received the largest percentage of projects, followed by the Cacadu District and Nelson Mandela Bay Municipality (NMMM). The Amathole District received a slightly smaller percentage of projects than the Alfred Nzo District.



Although the Amathole District received a smaller percentage of projects than the Alfred Nzo District (previous diagram), the diagram above shows that the total value of projects that were funded in the Amathole District exceeded the value in the Alfred Nzo District. Also, although the Cacadu District and the Nelson Mandela Bay Municipality were allocated the second largest percentage of projects, it attracted the largest amount of grant funding across all the grant funds made available through this Programme.

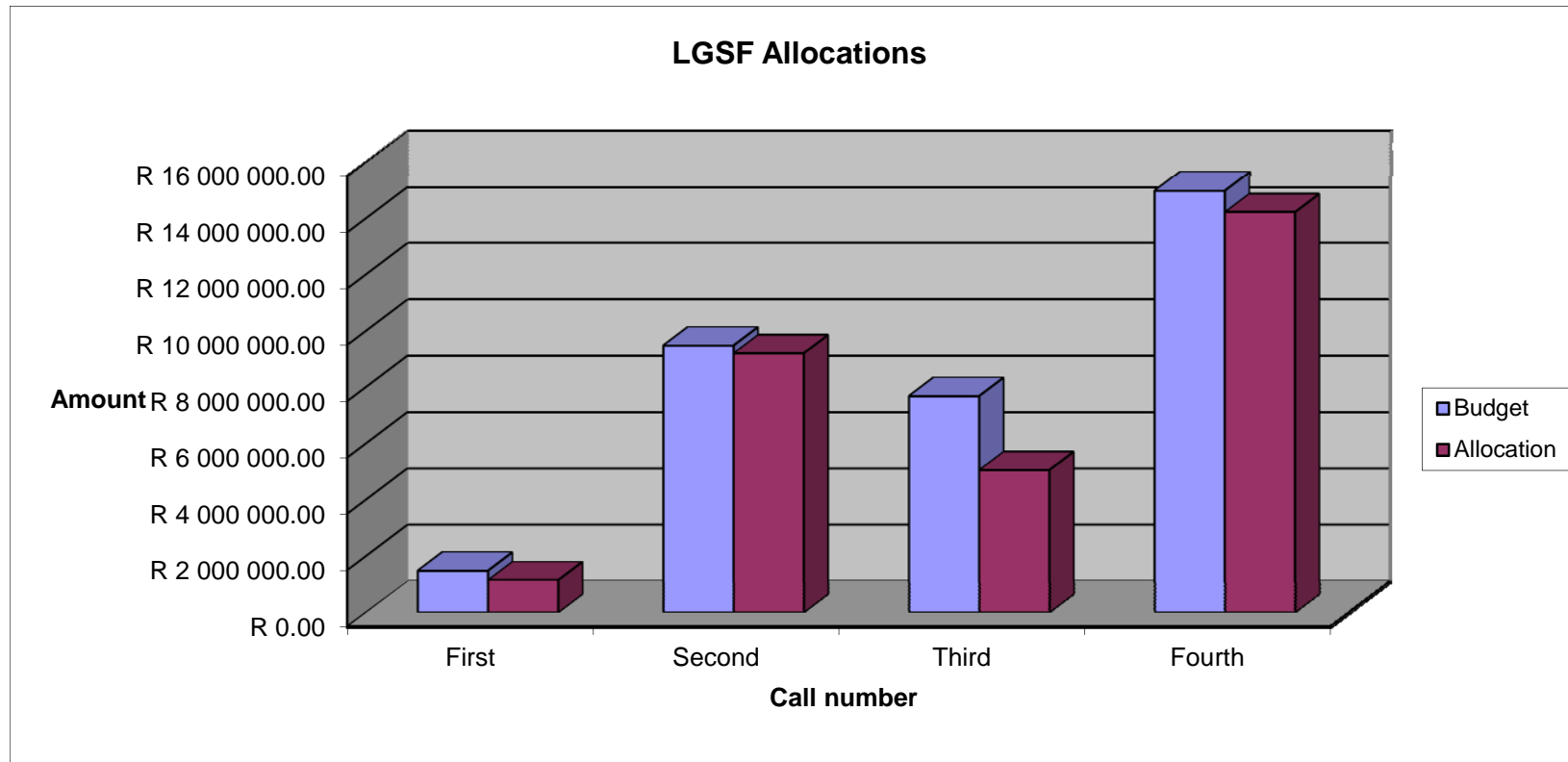
These observations are more clearly illustrated in the diagram below, which shows the percentage of total grant value per district.



## **2. Grants awarded from the Local Government Support Fund (LGSF)**

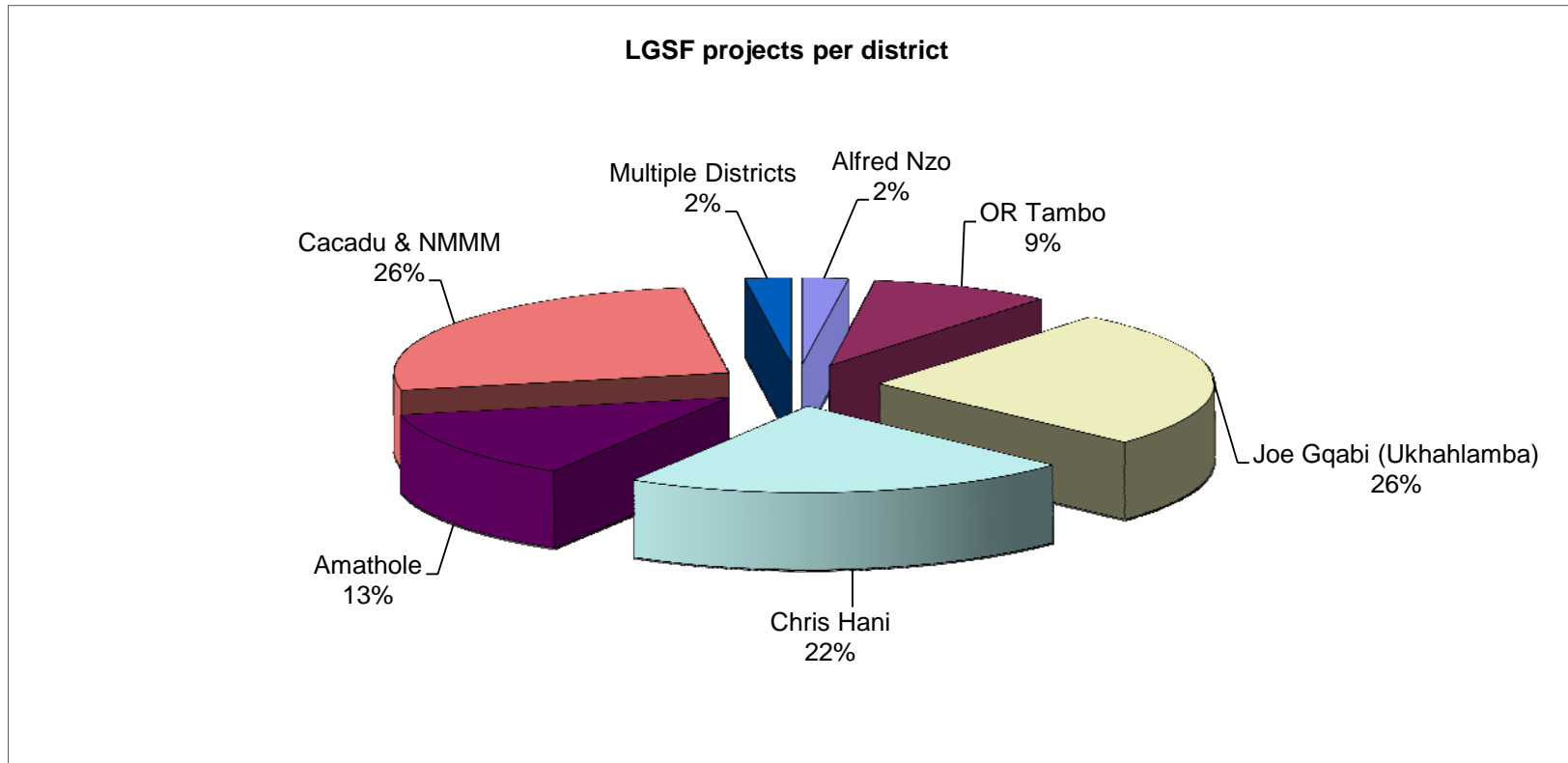
Grants from the Local Government Support Fund (LGSF) were allocated under four calls for proposals. The first two calls for proposals were issued under the first tranche of EU funding, and had to be committed by the end of 2007 – what was not committed had to be returned to the EU, and, therefore, was not available for budgeting or allocation purposes after 2007. For the second tranche, funds that were not committed during the third call for proposals were included in the budget for the fourth and final call. Ninety-five percent of the final budget for the LGSF under the second tranche of EU funding was committed.

The diagram below shows the allocations of LGSF funds against the budgets for each call for proposals. The quality of applications submitted during the third call for proposals was not high enough to allow the grant fund evaluation committee to commit the bulk of the budget for that call. Corrective action was taken for the fourth and final call for proposals, mainly through improved coordination and rigour of the application support process, allowing the bulk of the LGSF budget under the second tranche to be committed after the fourth call.

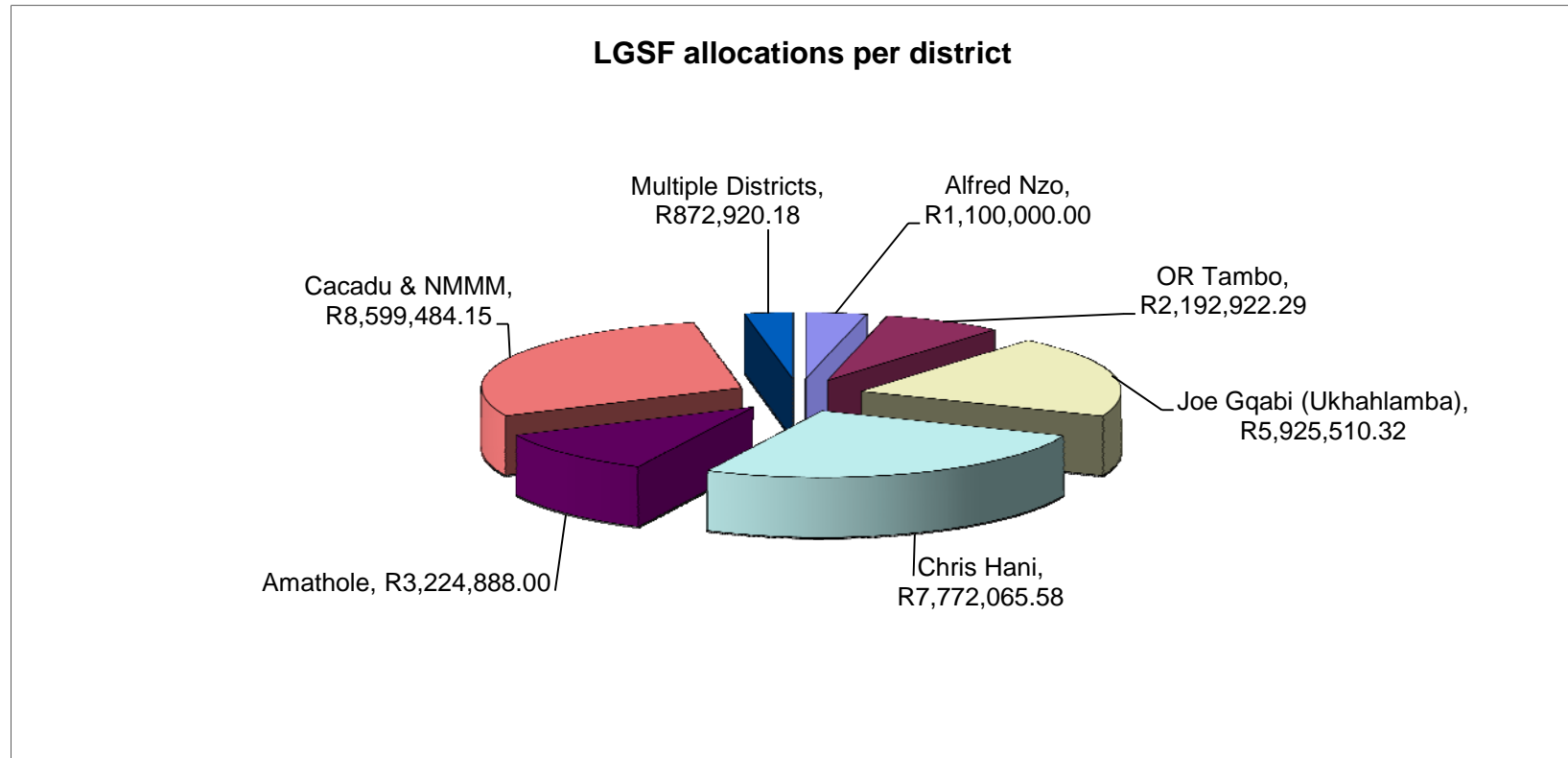


## 2.1. Distribution of grant funding and projects per district

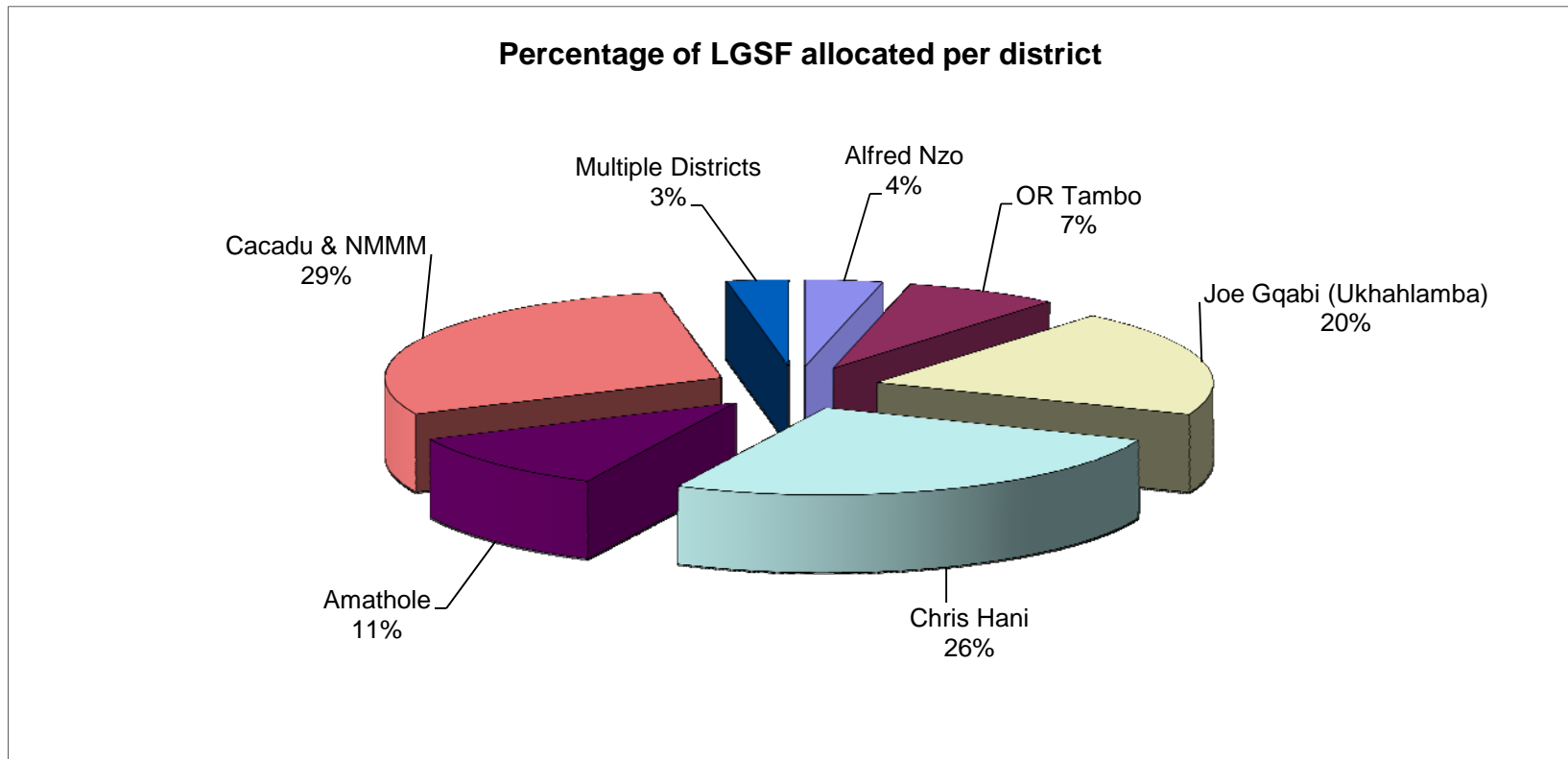
The diagrams below show the distribution of LGSF grant funding and projects per district:



The Joe Gqabi (Ukhahlamba) District took 26% of the LGSF projects funded through this Programme, as did the Cacadu District and the Nelson Mandela Bay Municipality. The Chris Hani District followed with 22% of the LGSF projects. The Alfred Nzo District produced the smallest number of successful LGSF applications.



The Cacadu District and the Nelson Mandela Bay Municipality attracted the largest amount of LGSF funding, followed by the Chris Hani District, the Joe Gqabi (Ukhahlamba) District and the Amathole District. The Alfred Nzo District attracted the smallest amount of LGSF funding. These observations are further illustrated in the diagram below.



## 2.2. List of projects to which LGSF funding was allocated

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
1	Pilot	Development of a Local Economic Development Strategy and Related Institutional Arrangements	Blue Crane Route Local Municipality	Cacadu	In order to effectively address local challenges and promote enterprise development and job creation, an integrated economic strategic planning framework for BCRM must be developed. The project intends to 1) strengthen strategic planning for LED in BCRM through the development of an LED Strategy and appropriate tools 2) improve LED systems through the development of an appropriate LED institutional model for BCRM and 3) improve human resource capacity and capabilities through an LED training programme and the participatory approach that will be adopted in developing the LED Strategy. The LED Strategy project described in this application therefore directly addresses the objectives of the LGSF programme. The project outcomes and results will assist the BCRM in fulfilling its LED mandate by: 1) providing the BCRM with strategic direction through an integrated economic planning framework and institutional model, 2) strengthening its IDP and ensuring alignment with national, provincial and district planning tools and strategies, 3) promoting cross municipal interaction and 4) improving the technical and management capabilities of both the BCRM and its Development Agency through improved institutional awareness and understanding of LED principles. In better allowing the BCRM to fulfil its LED mandate, the project will act as a catalyst to improve the quality of life for beneficiaries in BCRM through enterprise development, job creation, poverty alleviation and skills development.	10 months	R 258,020.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
2	Pilot	Baseline Economic Observatory	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The express aim of this project is to collect data on LED funded initiatives in the area, and interpret the same for the benefit of the Ukhahlamba District Municipality, Local Municipalities and prospective investors. The survey will include an investigation of the following: (i) assessment of all poverty alleviation and Local Economic Development projects in the area irrespective of who funded them; (ii) identify as many as possible business opportunities; (iii) identify entrepreneurs and innovative enterprises; (iv) provide this information in easy readable format and link it to its current GIS system; (v) be able to show by ward, the type, size, grading of all initiatives and needs of all the projects; (vi) provide information to be used to make informed decisions, direct funds, skills development, networks, co-operative development in its IDP processes; (vii) use the information as a networking tool for similar projects to be clustered together so as to make use of bigger markets and thereby increase competitive advantage. The information would be a source for planning with respect to economic development (for use and guiding the IDP budget), sourcing of goods and services locally (having a database of suppliers) as well as creating employment opportunities within the structures that exist (such as aligning producers of bricks with housing programmes). Furthermore, investment opportunities will be identified to potential outside investors. The survey would also assist in refining a methodology for successful and sustainable development in the area, in providing a basis of information so that past mistakes are not repeated, and in developing skills in data collection and interpretation for municipal officials who are involved in municipal and provincial planning.	10 months	R 466,400.00
3	Pilot	ICT Implementation	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	It is the vision of the Ukhahlamba District Municipality would to host of a Wireless Access System in support of its local business establishments, schools, houses and investment initiatives. The impact of such a system could be far reaching in terms of providing state of the art infrastructure for business development (e.g. for the Steinhoff R1.3 billion investment into the area), education (remote education to schools in the rural area, AIDS awareness and teaching campaigns) and promoting tourism. For this to materialise, it is required that a survey of the existing Information Communication Technology (ICT) infrastructure and services, as well as consumers/users, in the Ukhahlamba District Municipality's area be done. This survey will focus on the cost structure, availability, and reliability of this infrastructure, as well as on the needs of consumers/users. The analysis will include the ability of the existing services to provide the required level of service and accessibility for the various business/user needs.	10 months	R 439,500.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
4	Second	LED Institutional and Capacity Building Programme	Makana Local Municipality	Cacadu	The overall objective is to streamline and establish an effective LED delivery network with clear and appropriate institutional capacity and participatory platforms in Makana, thereby fostering an enabling economic development environment. The specific objective is the formulation and roll-out of an LED Institutional Plan for the Makana Municipality.	12 months	R445,407.00
5	Second	Development of LED Strategic Plan and Capacity Building Programme	Ikwezi and Baviaans Municipalities	Cacadu	The overall objectives are, firstly, to create an enabling environment for Local Economic Development in the Ikwezi and Baviaans Municipal areas by identifying strategic focus areas for job creation and investment, in line with the targets set in the IDP's, Cacadu GDS, PGDP and ultimately ASGISA. Secondly, to strengthen the institutional capabilities required to implement and sustain such economic growth. The specific objectives are, firstly, to identify key viable economic interventions based on the identified competitive in agriculture and tourism, and to develop a Strategic Plan for LED based on these – for each municipality. Secondly, to identify and develop an appropriate institutional framework drive the LED function within the two municipalities, including platforms for collaboration between the two municipalities and the entire Karoo Cluster.	12 months	R390,000.00
6	Second	Develop LED Strategy Plan, Socio-Economic Data-Base and Institutional Arrangements for LED Implementation.	Camdeboo Municipality	Cacadu	The project is designed to contribute to economic and employment growth in the Camdeboo Municipal area. In order to achieve this it will have to provide a local economic strategic plan to overcome some of the typical conditions that characterise rural and small town economies in South Africa. The specific objective is to improve institutional capacity to promote local economic development by way of improved strategic decision making capability in local economic matters informed by better quality socio-economic data and the management thereof and through mutually beneficial partnerships amongst stakeholders in the local economy.	12 months	R881,473.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
7	Second	Formulation of Local Economic Development Strategy & the requisite institutional re-alignment.	Ndlambe Municipality	Cacadu	The overall objectives of the action are; firstly, to formulate an LED strategy for Ndlambe Municipality; secondly, to gather baseline socio-economic data for economic planning; thirdly, to assess LED institutional capacity, skills and expertise; fourthly, to develop a process and procedures for policy and regulatory review and formulation for economic development. The specific objectives are, in addition to formulating and LED strategy for Ndlambe Municipality, to formulate and pilot an LED Institutional Development Plan; to develop a process for LED related training and empowerment; and to develop LED conducive policy, processes and procedures targeting those most disadvantaged in the labour market.	9 months	R686,748.00
8	Second	Economic Infrastructure Feasibility: Dwesa-Cwebe eco-tourism development	Amathole Economic Development Agency	Amathole	The overall purpose of the interventions at Dwesa-Cwebe is to develop an eco-tourism facility on the Wild Coast. The development forms the first of three anchor projects intended to stimulate tourism along the Wild Coast. A developer is currently engaged in formulating plans to improve the current facilities and accommodation within the nature reserve. However the development cannot go ahead without investment in infrastructure by the responsible provincial and local authorities. The specific purpose of this project is to determine the nature and cost of the infrastructure required for Dwesa-Cwebe.	6 months	R610,598.00
9	Second	Development of a Local Economic Development Strategy and Economic Intelligence System for Kou – Kamma Municipality.	Kou-Kamma Local Municipality	Cacadu	The overall objective of the project is to effectively facilitate economic growth and development, increase employment opportunities and promote an improved standard of living for all residents by providing up-to-date baseline economic data and raising awareness of LED and ensuring that all available economic information is channelled into the development off a strategic economic development framework.-e specific objective is to enable Kou – Kamma Municipality to identify economic opportunities and to have information to attract investors.	8 months	R688,450.00
10	Second	Heritage Management Plan	Senqu Local Municipality	Ukhahlamba / Joe Gqabi	The overall objective is to improve and register Barkly East and surrounds as a 'Heritage' destination for purposes of stimulating local economic development through tourism. The specific objectives are to (i) research and develop a database of all heritage sites, rock art sites and resources; (ii) develop a heritage management plan and implementation strategy for Barkly East and surrounds; (iii) develop a guideline of Rules and Regulations for new and improvement of buildings that receive heritage status; (iv) to make recommendations regarding the preservation of Rock Art in the district.	12 months	R459,823.00

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Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
11	Second	Co-ops Development and Management Strategy	Senqu Local Municipality	Ukhahlamba / Joe Gqabi	The overall objective is to contribute to the realisation of national policy on co-ops, the provincial co-op development strategy and the Ukhahlamba Growth and Development Strategy. The specific objective is to create a management strategy and plan to improve the status of current and prospective co-ops in the District. There are at present about 20 co-ops in the District but that are not making any noticeable contribution to LED and do not feature in procurement actions.	3 months	R191,695.00
12	Second	Development of a Comprehensive LED Strategy and Incentive Package for Inxuba Yethemba Local Municipality	Inxuba Yethemba Local Municipality	Chris Hani	The overall objective is to attract and retain business in Inxuba Yethemba through integrated and coordinated economic research and planning. The project will fill the gaps in the existing LED proposals and develop a comprehensive LED strategy based upon solid analysis, technical assessments of competitive and comparative advantages and the development of an integrated implementation action plan. The specific objective is to ensure that the municipality has adequate baseline information and a package of strategic planning tools available to effectively grow the local economy and attract and retain business investment by November 2008.	10 months	R504,910.00
13	Second	Building Bridges of Business Opportunities between Local Government and Private sector representatives.	Chris Hani District Municipality	Chris Hani	The prime objective is to promote the district as a vibrant and preferred investment and trade destination with appropriate support institutions. The action is aimed at facilitating meaningful partnerships between local business and local government to promote an effective co-ordination of economic development across the district. The specific activities to be pursued are (i) establishment of an LED environment where local business chambers and associations are committed and unified towards a shared and common socio-economic agenda for the district and (ii) facilitate meaningful partnerships between local business and local government to advance local economic development across the district.	6 months	R606,982.00
14	Second	Development and Support Programme for Local Supply Chain Management	Chris Hani District Municipality	Chris Hani	The project purpose is to establish an improved supply chain management system targeting local enterprises from the district down to local municipalities as part of an LED instrument. The key objectives to be obtained are (i) establish an improved and standardised supply chain management system targeting local enterprises (ii) strengthen municipal and sector departmental capacity on SCM (iii) to address the lack of dialogue between various government spheres on SCM, The long term objective is to increase local public expenditure on local enterprises to contribute to local economic growth.	12 months	R388,595.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
15	Second	Capacity Building for LED	Inkwanca Local Municipality	Chris Hani	The overall objective of the project is to engage in a vigorous municipal transformation process for an improved human and institutional LED capacity in order to improve service delivery standards and promote good governance for better and increased economic growth. The specific objective is to develop and implement appropriate capacity building programmes, systems and incentives, as well as to review current institutional arrangements and redefine roles so as to create enabling conditions in which capacity building can occur. The action will include the roll out of a training programme for councillors, senior and middle management and operational staff on LED; also, the development of a performance management and appraisal system.	6 months	R453,074.00
16	Second	Compiling a Local Economic Development Strategy for Maletswai while Piloting the Community Based Planning (CBP) Approach	Mthombo Sediba Development Agency	Ukhahlamba / Joe Gqabi	The overall objective is to produce an integrated strategic planning framework for Maletswai. The LED strategy intends to pilot CBP methodologies to promote participatory planning local economic development. The research that will be conducted and the strategic framework to be developed in the project will identify opportunities to boost economic growth and development through an assessment of the status quo, existing challenges to development and an analysis of the latent economic potential of Maletswai. The specific objective is to ensure that the Mthombo Sediba Development Agency and the MLM have a strategic economic planning tool in place.	10 months	R684,000.00
17	Second	Training of Staff	Ntabankulu Local Municipality	OR Tambo	The overall objective is to ensure that the municipality has a nucleus of competent staff capable of identifying and implementing an effective LED strategy for the district that is closely related to the MIG programme. The proposal has been prepared to avail experienced service providers to train/capacitate the project management unit staff on planning; registration of MIG projects on the national MIS database; appraisal of technical/design reports and tender reports; speeding up of bid evaluation processes; reporting monthly to the Provincial MIG office and the Council. This objective will be achieved by assisting the Municipality with the mentoring, training and logistical support of municipal workers. It will also assist in the development of procedures, guidelines and other standard systems (technical, financial and management) to assist the Municipality to effectively manage existing and future infrastructure grants and the management of assets.	9 months	R783,555.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
18	Second	Inner City Regeneration: Pedestrian Priority Zone	Buffalo City Municipality	Amathole	The overall objective is to create a people-friendly Buffalo City East London CBD which is attractive and safe for people to work, live and transact in, with the main beneficiaries being all local users of the East London CBD, visitors and tourists coming into the city, and ultimately, the economy of Buffalo City. The specific objectives are (i) diversification of economic sectors operating in the city, (ii) public and private sector investment in property and infrastructure, (iii) improved urban productivity with major transport and spatial changes to improve social equity, (iv) improved safety and security of people and physical assets, (v) improved waste management and beautification of the city centre, and (vi) informal sector reorganisation to improve turnover.	12 months	R708,435.00
19	Second	Business Advisory Forum for the Mayoral Committee of the Amathole District	Amathole District Municipality	Amathole	The overall objective is to establish a Business/Investment Advisory Forum representative of all sectors of the business community, in a bid to improve communication, interaction, networking and partnership-building between government and business. The intended beneficiaries include LED officials and Councillors of the Amathole District inclusive of all its local municipalities, municipal entities and parastatals, and business formations within the district. Intended results include (i) common understanding of concepts and core issues pertaining to the stimulation of the economy between business organisations, politicians, officials and development agencies, (ii) knowledge of available tools for planning and implementing economic development projects, (iii) understanding of resources needed and types of interventions best suited to stimulating economic activity, and (iv) monitoring of impact of business-enabling interventions.	6 months	R175,364.00

Thina Sinako Provincial Local Economic Development Support Programme

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
20	Second	Capacity Building Support for Local Municipalities in Amathole District	Amathole District Municipality	Amathole	The overall objective is the improvement of capacity within the local and district municipalities to understand, plan and manage the implementation of economic development interventions. The project purpose includes the provision of training and enabling study visits around various concerns relating to economic development at a local level, in order to benefit councillors and officials of the district municipality, the eight local municipalities and various development agencies in the Amathole District. The intended results include (i) common understanding of concepts and core issues pertaining to the stimulation of the economy between politicians, officials and development agencies, (ii) knowledge of available tools for planning and implementing economic development projects, (iii) application of the tools and concepts, (iv) understanding of resources needed and types of interventions best suited to stimulating economic activity, (v) monitoring of impact of LED interventions, (vi) accredited certification of LED officers in LMs and key officials in agencies, and (vii) broadened knowledge and insight of best practice.	12 months	R560,000.00
21	Third	Makana Investment Incentives Policy and Investor Friendly Environment Initiative	Makana Local Municipality	Cacadu	The overall objective is to enhance economic development in the Makana locality, resulting in stable employment creation and poverty reduction. This will be achieved through the following specific objectives: (i) inward investment attraction, (ii) business retention and expansion, and (iii) a growth-sector-targeted incentives package. The main outputs from this undertaking will be better profiled investment opportunities and a trade investment incentive policy for the Makana Municipality. The intended results include: (i) Situational Analysis Report, (ii) Economic Development Potential Report, incorporating stakeholder needs, (iii) Investment Incentives Policy Framework document, and (iv) a final policy document including an implementation plan.	16 months	R304,500.00
22	Third	Strategic Planning Assessment of Alpine Tourism	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The overall objective of this intervention is to effectively facilitate economic growth and development and increase employment and self-employment opportunities in Ukhahlamba District by promoting regional competitive advantages, investigating supply chain interventions, and initiating strategic infrastructure planning for potential alpine tourism developments. The following results and associated outputs will be achieved: (i) Value Chain Assessment (generic tourism supply chain and the regional alpine tourism value chain), (ii) Local Procurement Action Plans in relation to opportunities in the regional alpine tourism value chain, (iii) Infrastructure Requirement Report, including training needs to service the tourism sector, (iv) an impact model of existing tourism and new developments, captured in an Economic Impact Assessment Report, and (v) progress reports.	12 months	R620,951.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
23	Third	Development of a Strategic Competitive Advantage Action Plan for Gariep Local Municipality	Gariep Local Municipality	Ukhahlamba / Joe Gqabi	The project will build on the high-level research presented in the Analysis of Competitive Advantage in the Eastern Cape report completed as a part of the Eastern Cape Competitive Advantage Assessment and Training Support Project in 2006. This project will add value to that research through more in-depth analysis that will be translated into action-orientated interventions that can be implemented in Gariep to grow the local economy. The specific objective is to capacitate the Gariep Local Municipality and provide it with the strategic planning tools required to enhance its competitiveness and effectively convert its existing comparative advantages into competitive advantages. The following results will be achieved: (i) competitive advantage training for Gariep officials and other stakeholders, (ii) report on comparative and competitive advantages, and (iii) a strategic competitive advantage action plan for Gariep Local Municipality.	10 months	R539,015.60
24	Third	Waste Management and LED	Mthombo Sediba Development Agency	Ukhahlamba / Joe Gqabi	The Ukhahlamba Waste Management Plan clearly shows that there are a number of shortcomings in Maletswai, especially Aliwal North, that must be rectified. The proposed action is aimed at ensuring that waste management meets legal standards and realises its LED potential by investigating the by-law requirements and the recycling and composting techniques that can both optimise LED opportunity and reduce the volume of waste that has to be disposed of. The following outputs will be achieved: (i) a set of costed by-laws to support implementation and enforcement of legally compliant waste management and recycling activities, (ii) a set of costed operating guidelines for a composting facility that promotes LED, (iii) a set of costed operating guidelines for a recycling facility that promotes LED, and (iv) design and implementation of a communications strategy.	18 months	R474,525.00
25	Third	Elundini Hawkers' Project	Elundini Local Municipality	Ukhahlamba / Joe Gqabi	The overall objective of the action is to contribute towards poverty reduction in Elundini and the Ukhahlamba District through income growth and informal trade, combined with more attractive/orderly/hygienic/competitive small towns. The specific objective of the action is improved municipal management and support of informal trader development in the District. The outputs/expected results of the action are: (i) better understanding of the needs of informal traders in the District, (ii) better understanding of how best these needs can be met, (iii) agreement by stakeholders on an Informal Traders Policy, (iv) design of a pilot <i>Elundini Informal Traders Development Programme</i> with hawker support package, and (v) better organisation of informal traders, e.g. through clear and stable lobby groups.	11 months	R434,335.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
26	Third	Development of Small and Micro Enterprise Strategy and Hawkers Support Program	Lukhanji Local Municipality	Chris Hani	The overall objective of the action is to maximise the socio- economic impact of informal retail businesses and small and micro enterprises by improving access to a holistic support system which leads to improved economic growth, employment and poverty reduction. The specific objective is to develop a Small & Micro Enterprise Development Strategy, and provide support to emerging enterprises and informal retail businesses in order to improve their operations and integrate them to the centre of economic development, thereby enhancing governance and service delivery. The following results and associated outputs will be achieved: (i) SME strategy is developed, (ii) by-laws are reviewed, (iii) hawkers and other small & micro enterprises are mobilised, (iv) basic facilities for hawkers are built, and (v) capacity of municipal officials, hawkers & taxi operators is built.	18 months	R769,288.56
27	Third	Collaborating towards developing LED systems for inclusive and integrated economic growth	Sakhisizwe Local Municipality	Chris Hani	The overall objective of this initiative is to engage in a vigorous municipal economic planning process which will lead to improved capacities to plan, coordinate and manage LED so as to create an enabling environment for business growth. The specific objective is to work together towards developing proper LED systems and institutions as well as to build capacities of two local municipalities in order to improve their performance thereby meeting service delivery targets by 2014. The following results will be achieved: (i) economic profiles for both municipalities are developed, (ii) LED capacity building systems are developed, (iii) LED Strategy and Implementation Plan, (iv) LED institutional arrangements are formed, and (v) LED performance management system is developed.	18 months	R769,661.00
28	Third	Keiskammahoek Market Development	Amathole Economic Development Agency, t/a Aspire	Amathole	The overall objective is to open up the local market for agricultural produce in the Amahlati municipal area. This will be achieved through four key outputs: (i) feasibility study for market in Keiskammahoek, (ii) business plan for market (including supply stimulation measures), (iii) identification of final site for market, and environmental scan, (iv) services plan and engineering design for market. The four key outputs will result in a bankable plan and enable the municipality to put out to tender the construction of the publicly owned infrastructure. Funding of the construction activities that would follow from this project would be sourced from the Consolidated Municipal Infrastructure Grant.	12 months	R401,089.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
29	Third	Development of a Local Economic Development Institutional Model for the Ntabankulu Local Municipality	Ntabankulu Local Municipality	OR Tambo	The overall objective of this action is to stimulate economic growth and development, improve basic living conditions and reduce unemployment by harnessing the economic potential in the Ntabankulu Local Municipal area. The specific objective is to create an enabling environment for Local Economic Development in the Ntabankulu Local Municipality through the establishment of a development agency. The following results will be achieved: (i) local stakeholders mobilised, (ii) Project Steering Committee established, (iii) study tours conducted, (iv) feasibility study report, (v) development agency legislative compliance report, (vi) business plan, (vii) Agency establishment process plan in place, (viii) commitment secured from funding institutions, and (ix) monitoring and evaluation reports.	12 months	R757,587.29
30	Fourth	Development of an Economic Intelligence System located within the Cacadu District	Cacadu District Municipality	Cacadu	The overall objective of the action, to be implemented over 12 months, is to positively impact economic planning and management, as well as the employment creation potential of the Cacadu District. This should ultimately translate into improved standards of living for residents of the district. The specific objective is that the Cacadu District Municipality hosts a district-wide economic development information management and decision support system that provides accurate data and information to guide economic development planning, management and accountability at all levels of government, and that informs the private sector on the economic prospects of the region. The expected results are: (i) the Cacadu Economic Intelligence System being established; (ii) EIS data becoming increasingly evident in credible economic development plans emanating from across the Cacadu district; and (iii) the LED District Support Team becoming more integrated and institutionalised in the district system through its role in this process.	12 months	R967,334.00
31	Fourth	Chris Hani Enterprise Propeller	Border-Kei Chamber of Business	Chris Hani	The overall objective of the Enterprise Propeller project is to promote the more effective leveraging of municipal procurement in the Chris Hani District for LED by favourably positioning local firms and increasing their capacity for successful competition in the municipal tender process. The specific objective is to establish an Enterprise Propeller of excellence that will support emerging and established enterprises in the Chris Hani District to compete more effectively for municipal tenders by providing them with quality business advice, information and mentoring services, and facilitating more effective linkages between them. The expected results are: (i) a fully operational Enterprise Propeller Office established; (ii) sound systems and operational procedures, including all templates and work applications, established; (iii) project successfully implemented as per systems and procedures designed; and (v) operations evaluated and refined for future expansion.	24 months	R1,100,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
32	Fourth	Stimulation of the Local Economy through the Marketing and Promotion of Tourism in Ukhahlamba	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The overall objective of this project is to market and promote Ukhahlamba District Municipality as the "Eastern Cape Highlands" tourism destination. The specific objectives are to (i) ensure ready access of tourism information to tourists; (ii) facilitate remote access to tourism information; (iii) use the media to promote tourism in Ukhahlamba; (iv) consolidate the marketing effort of all tourism organisations; (v) increase funding for marketing in the District; and (vi) marketing Ukhahlamba at trade shows, expos, outdoor shows. The expected results are: (i) five fully functional tourist information centres; (ii) a tourism website for the District; (iii) advertising and media campaign guidelines; (iv) a marketing forum to coordinate the marketing effort; (v) increased funding for tourism marketing in the District; and (vi) marketing the destination at trade shows, expos, outdoor shows.	24 months	R664,370.00
33	Fourth	Detailed Design and Planning to support the Urban Regeneration of the Jeffrey's Bay Central Business District	Kouga Development Agency	Cacadu	The overall objective of the project is to improve market confidence and stimulate investment in the Central Business District of Jeffreys Bay through innovative and sustainable urban design strategies that will improve economic infrastructure, promote accessibility, intensify economic linkages and promote tourism development. The specific objective is that detailed urban designs and implementation procedures are in place to enable Kouga Development Agency (KDA) to go out on tender to upgrade the core CBD precinct and stop the progress of urban decay in the Jeffreys Bay CBD. The project partners have identified the urban regeneration and environmental upgrade of the Jeffreys Bay CBD as a key project that will benefit the local economy. The main result of the project is therefore that detailed planning, design and tender documents for the urban upgrade of Da Gama and Diaz Roads between Woltemade and Oosterland Streets are available to the KDA.	12 months	R905,750.00
34	Fourth	Implementation of a Community Based Enterprise Support System (CBESS)	Khanya-African Institute for Community-driven Development	Cacadu	The overall objective of the project is as follows: by 2014 an effective multi-stakeholder partnership in Ikwezi/Baviaans has stimulated the expansion of jobs and livelihoods building on local energy, assets and capabilities, and has influenced policy and practice in South Africa. The specific objective is: by December 2011 a stakeholder partnership in Ikwezi/Baviaans has implemented a replicable and sustainable community enterprise support system (CBESS) which has demonstrated impacts on jobs and livelihoods. The expected results are: (i) stakeholder awareness developed to support CBED; (ii) integrated community enterprise support system operating effectively; (iii) existing and new markets developed; and (iv) project managed effectively.	24 months	R1,099,408.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
35	Fourth	Mbizana Tourism Development Framework	Mbizana Local Municipality	OR Tambo	The overall objective of the proposed action is to provide a coordinated response to the promotion of tourism within the Mbizana Local Municipality. The specific objectives are the development of a Tourism Development Framework that includes anchor tourism projects and associated implementation plans, and building of the capacity of local communities who will be playing a role in the implementation of those projects. The expected results from the action will be an increase in the investment within the area and better service delivery as a result of the increase of the tax base for the local municipality. The following main activities will be undertaken: (i) analytical studies on tourism potential in the area and production of the Situational Analysis; (ii) identification and consultation with key stakeholders who will play a role in the project through workshops, briefing sessions, one-on-one sessions as well as special visit to specialist groups/institutions; (iii) submission of a draft Tourism Development Framework for discussion and refinement to stakeholders that will include an implementation plan for the identified projects; and (iv) capacity building programme for the target and beneficiary groups.	12 months	R322,500.00
36	Fourth	Designing and Piloting a Comprehensive Informal Trading Policy	Matatiele Local Municipality	Alfred Nzo	This project's overall objective is to enhance the capacity of the Matatiele Local Municipality to foster development of the local area by providing an innovative, inclusive and sustainable framework for the design and implementation of local economic development infrastructure in the central business district of Matatiele. The specific objectives are to: (i) design a comprehensive trading policy for informal traders; and (ii) improve good governance through effective implementation of trading bylaws and preliminary infrastructure. Building on the outcome of this action, a wider infrastructure facility will be erected in order to create an attractive and lively "market" trading area, where hawkers, local traders, developing SMMEs, as well as regional commercial livestock and fresh produce producers, can trade their wares in a secure, controlled and healthy environment. The expected project results are: (i) informal trading policy (by-law) and SMME-related development and support strategy designed; (ii) infrastructure facilitating movement of people and goods designed; and (iii) preliminary infrastructure erected.	12 months	R1,100,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
37	Fourth	Learning Partnership for Community Based Economic Development (CBED)	Khanya-African Institute for Community-driven Development	Cacadu	The overall objective of this project is as follows: by 2014 an effective multi-stakeholder partnership in Ikwezi/Baviaans has stimulated the expansion of jobs and livelihoods building on local energy, assets and capabilities, poverty is reducing, and the CBED model has influenced policy and practice in South Africa. The specific objective is: by December 2011 stakeholders in Ikwezi/Baviaans have demonstrated an effective and replicable model for a formal multi-stakeholder forum to drive community-based economic development (CBED), using a learning approach. The expected results are: (i) LED multi-stakeholder forum established and operating; (ii) local resources and skills identified and plans developed; (iii) learnings documented and shared nationally and internationally; and (iv) project managed effectively.	24 months	R1,099,299.00
38	Fourth	Invest Buffalo City	Border-Kei Chamber of Commerce	Amathole	The overall objective of this project is to contribute to the intensification of support for enterprises and other economic activities, including business support and local economic development infrastructure and development agencies, by launching a "one-stop-shop" investor and enterprise friendly web platform which will serve to enhance Buffalo City as only "a click away" from being the business destination of choice. The project purpose is the establishment of a consolidated web-based portal that will enable Buffalo City to market itself, will allow the project partners and associates to engage with potential investors and local enterprises in a proactive and streamlined way that improves the city's attractiveness as an investment destination, and will assist local enterprises to get assistance and market their own products or businesses on the worldwide web. The expected results are: (i) cementing of the public/private sector partnerships; (ii) increased awareness of Buffalo City as an investment destination; (iii) building alliances of shared interests within the National and Provincial growth & investment frameworks; and (iv) enterprise assistance & development by enforcing the ideals of being informed or "kept in the loop" on new projects & being able to access relevant investor attractive information.	24 months	R769,402.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
39	Fourth	Tourism Development, Promotion and Marketing	Inxuba Yethemba LM	Chris Hani	The overall objective of this project is to increase the number of visitors to the Inxuba Yethemba municipal area and their length of stay to increase the local revenue derived from tourism, and so stimulate economic growth in the sector and the broader local economy. The following specific objectives will be pursued: (i) to develop the capacity and functioning of the Inxuba Yethemba Municipality to prioritise and develop the tourism sector; and (ii) to develop a common tourism brand and marketing programme for the Inxuba Yethemba Municipality in order to vigorously market the area as a tourist destination. The expected results are: (i) an effective institutional capacity to prioritise, plan, budget for, implement and develop tourism in the Inxuba Yethemba Municipality; (ii) formal establishment and capacitation of a representative Inxuba Yethemba Local Tourism Organisation; (iii) a comprehensive and appropriate tourism marketing campaign and branding for the Inxuba Yethemba Municipality is developed and implemented; and (iv) necessary equipment is purchased for the Middelburg Tourism Office.	12 months	R1,011, 315.70
40	Fourth	Ukhahlamba Heritage & Tourism Economic Strategy	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The overall objective of the action is to develop & capacitate the museums of the Ukhahlamba District Municipality so that they can make a full and lasting contribution to the economic and social development of historically disadvantaged communities in this Municipality, and give inspiration to those in other districts. The specific objective is to cultivate, diversify and capacitate the museums of Ukhahlamba into dynamic institutions that aggressively promote tourism & heritage businesses throughout this district which can assist in addressing the fundamental barriers to economic growth and development, instil & inspire local communities and contribute to the aims of economic clustering in the New Economy. The expected results are: (i) situation & needs of museums & staff established; (ii) goals, objectives and policies for museum displays established; (iii) goals, objectives and policies for museums roles & relationships to tourism established; (iv) capacitation programme for museum staff established; and (v) implementation strategy designed & heritage and tourism economic strategy completed.		R 482,289.72

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
41	Fourth	Building strategic LED partnerships and building capacity of key LED stakeholders in Chris Hani District	Rural Support Services	Chris Hani	The overall objective of this project is to enhance LED capacity of Chris Hani District Municipality (CHDM) and Lukhanji Local Municipality (LM) and to support the Zingquthu community in developing and implementing innovative and sustainable actions that create employment opportunities, reduce the number of households living below the poverty line and promote good governance. The specific objectives are: (i) to facilitate and enable strategic LED partnerships and collaboration between CHDM, Lukhanji LM and other key stakeholders; (ii) to review, refine and further develop a Village Based Economic Development Plan (VBEDP) for the Zingquthu community through an inclusive process of participation; (iii) to develop and implement a comprehensive LED skills training and capacity building programme for CHDM and Lukhanji LM that is aligned with the Intergovernmental Relations Framework Act and promotes good governance; (iv) to develop and implement a comprehensive LED skills training and capacity building programme for Zingquthu community that is aligned with social and development strategies and initiatives and skills requirements; and (v) to implement pilot LED initiative/s as identified in the VBEDP that promotes viable LED and economic development and maximises the community's economic and environmental assets.		R 1,076,373.00
42	Fourth	A Local Economic Development Conceptual Framework for the Cacadu Local Economic Development District Support Team	Cacadu District Municipality	Cacadu	The overall objective of this project is to strengthen the Cacadu LED District Support Team as a catalyst for a new-found LED consciousness, as well as the effective facilitation of LED in the district. This will be achieved through two interrelated specific objectives: (i) to improve LED awareness amongst mandated role players that are within and outside the current Cacadu LED DST; and (ii) to improve understanding and practice with regards to the local government's LED facilitation responsibility amongst the CDM and its constituent local municipalities, as well as departments (provincial and national) and other entities of government supporting LED in this district. Expected results are: (i) a user-friendly LED guideline is developed; (ii) political champions for LED concepts and role clarification re-education process have been identified and mobilised into action; (iii) LED learning and networking sessions are convened; and (iv) an LED friendly decision making instrument is introduced.		R 873,095.15

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
43	Fourth	Strengthening of the OR Tambo District Support Team	OR Tambo District Municipality	OR Tambo	The overall objective of this project is to coordinate the activities of various LED role players and strengthen the development of an integrated district LED support system. The Specific objective is to strengthen the operational capacity of the District Support Team (DST) in the OR Tambo District for effective LED. The expected results are: (i) review the OR Tambo DST action and develop an implementation framework; (ii) build the capacity of the OR Tambo DST members through the dissemination of lessons learnt from the Thina Sinako LED Support Programme and all systems that were developed during the implementation of the programme; and (iii) revive the District LED Forum and assist Local Municipalities to establish their own LED forums.		R 329,280.00
44	Fourth	Elundini Women's Hospitality Cooperative Development	Elundini Local Municipality	Ukhahlamba / Joe Gqabi	The 14 historically disadvantaged, predominantly women-owned B&B's that make up the Elundini Hospitality Cooperative need a strategy for the development of their businesses and capacity to reach their full potentials, which will impact on transformation and the growth and development of the tourism industry in this municipality. This strategy can also be used by Elundini Municipality and the Ukhahlamba (Joe Gqabi) District Municipality for other cooperatives and tourism initiatives in similar situations. Thus, the overall objective is to develop an economic strategy for the Elundini Hospitality Cooperative that will increase tourism income, create entrepreneurial opportunities and sustained employment as well as assist the Elundini & Ukhahlamba District Municipality to achieve their Growth and Development Summit goals for tourism. The expected results are: (i) situation, needs and competitive advantages of Elundini & cooperatives established; (ii) tourism network and quality control systems established; (iii) training for capacity of management and staff identified; (iv) marketing campaign designed; and (v) completed economic strategy for use by the Elundini Hospitality Cooperative & others throughout the UkDM.		R 468,606.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
45	Fourth	Eastern Cape Local Economic Development (LED) Education Consortium	Nelson Mandela Metropolitan University	Province-wide	The overall objective of this project is the mobilisation of higher education institutions behind LED practice in the Eastern Cape. The specific objective is to establish the LED Education Consortium for the Eastern Cape, which will create a collaborative mechanism and environment in which the four universities in the province could jointly develop and implement fully accredited LED short courses and academic programmes in order to respond to the need for a coordinated approach to LED training in the province. The following results are expected: (i) Permanent Secretariat established to direct and coordinate LED research and evaluation in order to meet training and capacity-building requirements amongst potential beneficiaries while developing sources of income which will guarantee the long-term sustainability of the Consortium; (ii) LED Education Forum established where partners, such as Local Municipalities of the Eastern Cape, the Local Government Sector Education and Training Authority (LGSETA), the South African Local Government Association (SALGA), stakeholders and beneficiaries can engage in LED issues; (iii) Accredited LED short courses developed (credit bearing and SAQA registered); (iv) Accredited LED degree qualifications developed (Department of Education approved, and SAQA registered); and (v) LED Academic Departments within the academic divisions of the four institutions linked to the Secretariat.		R 872,920.18
46	Fourth	Mainstreaming women into the centre of the economy	Business Women's Association Queenstown	Chris Hani	The overall objective of this project is to create an enabling and gender-sensitive business environment within the Chris Hani District in order to mainstream women into the centre of the economy. The Specific Objective is to promote and support institutional and organisational development of Business Women's Association Queenstown (BWAQ) for it to be able to enter into a range of activities that are aimed at mentoring young women entrepreneurs, creating a network of support for existing and emerging business women and unleashing the potential of females to influence district-wide LED processes and strategies. The following results are anticipated: (i) BWAQ's organisational capacity built; (ii) women mainstreamed into municipal IDP and LED Planning; (iii) Women Entrepreneurship Programmes designed and implemented; and (iv) Learning & Networking Encounters organised.		R 1,091,866.32
<b>Total grant awarded from LGSF</b>							<b>R 29,687,790.52</b>

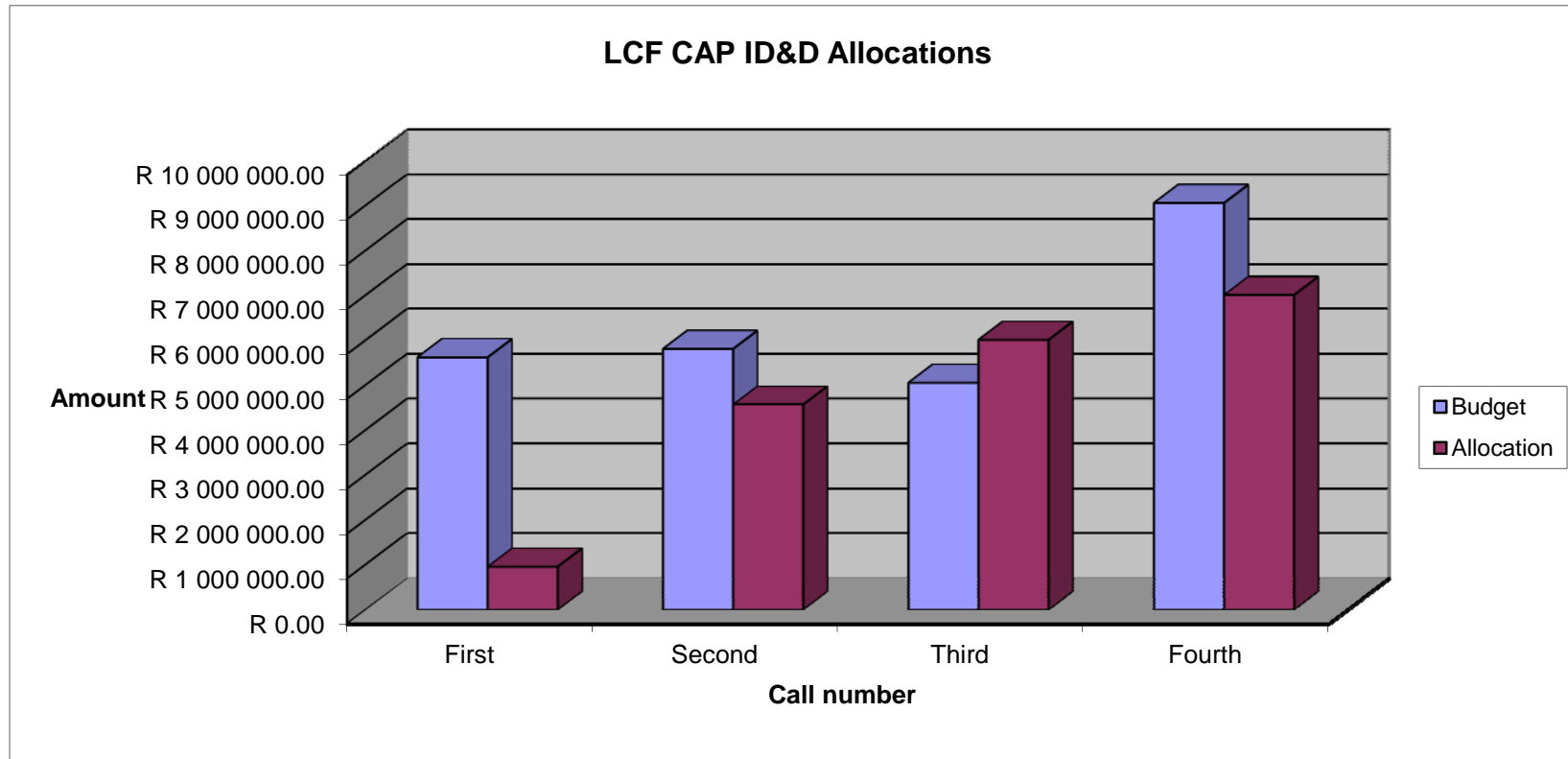
### **3. Grants awarded from the Local Competitiveness Fund**

#### **3.1. Competitiveness Action Plan Identification & Design**

Grants from the Local Competitiveness Fund (LCF) Competitiveness Action Plan (CAP) Identification and Design were allocated under four calls for proposals. The first three calls for proposals were issued under the first tranche of EU funding, and had to be committed by the end of 2007 – what was not committed had to be returned to the EU, and, therefore, was not available for budgeting or allocation purposes after 2007. Special authorisation was obtained to commit more funding than had been budgeted for the third call for proposals, using money that had not been committed under previous calls.

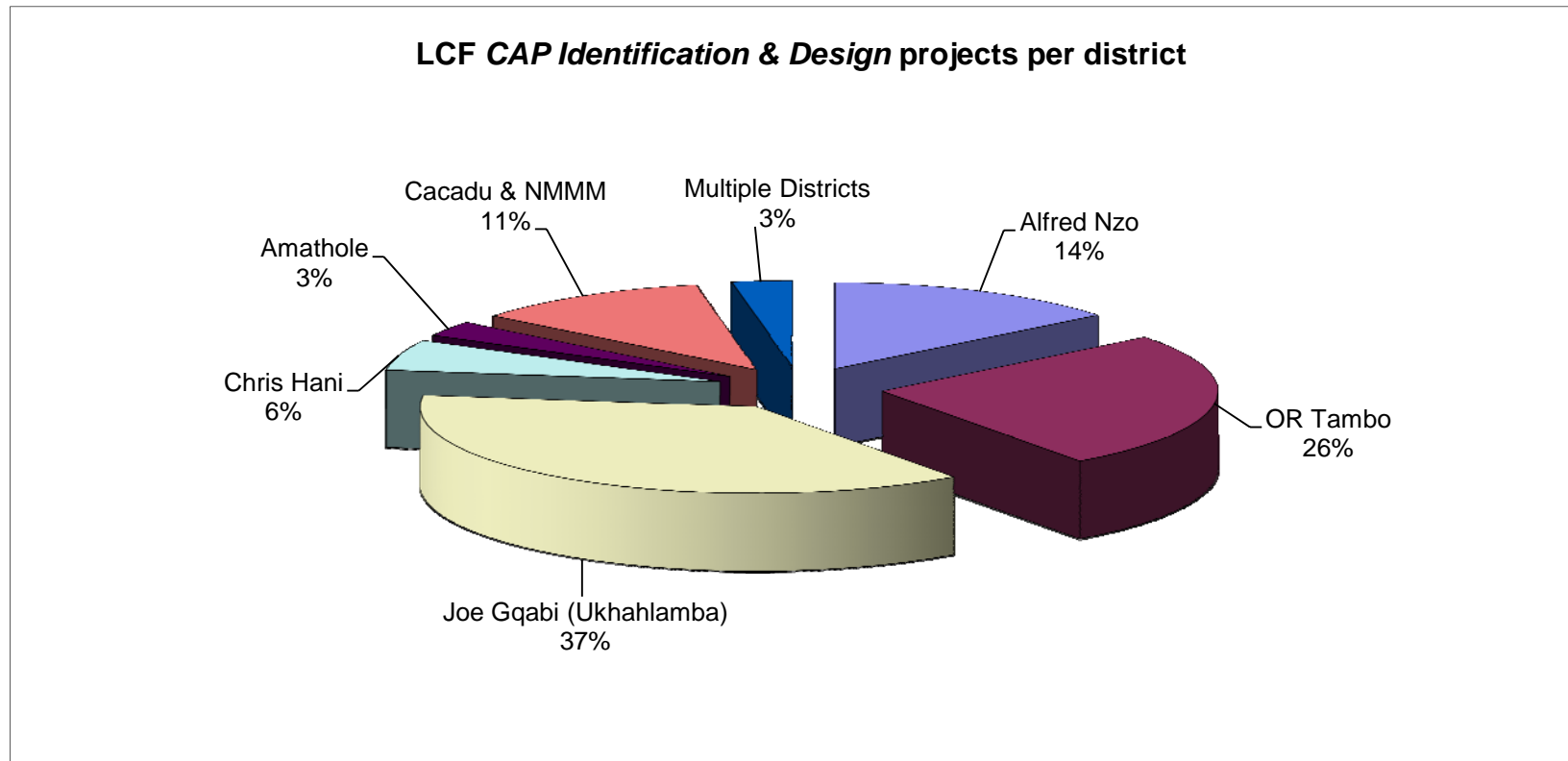
The fourth call for proposals to the LCF CAP Identification & Design was issued under the second tranche of Programme funding. Funds not allocated during that call for proposals was added to the budget for the final call for proposals to the LCF CAP Implementation, as these were two windows of the same fund (the Local Competitiveness Fund), allowing for movement of budgets between the two. For more information on the allocation against the budget for the final call for proposals to the LCF CAP Implementation, please refer to section 3.2.

The diagram below shows the allocations of LCF CAP Identification & Design funds against the budgets for each call for proposals.

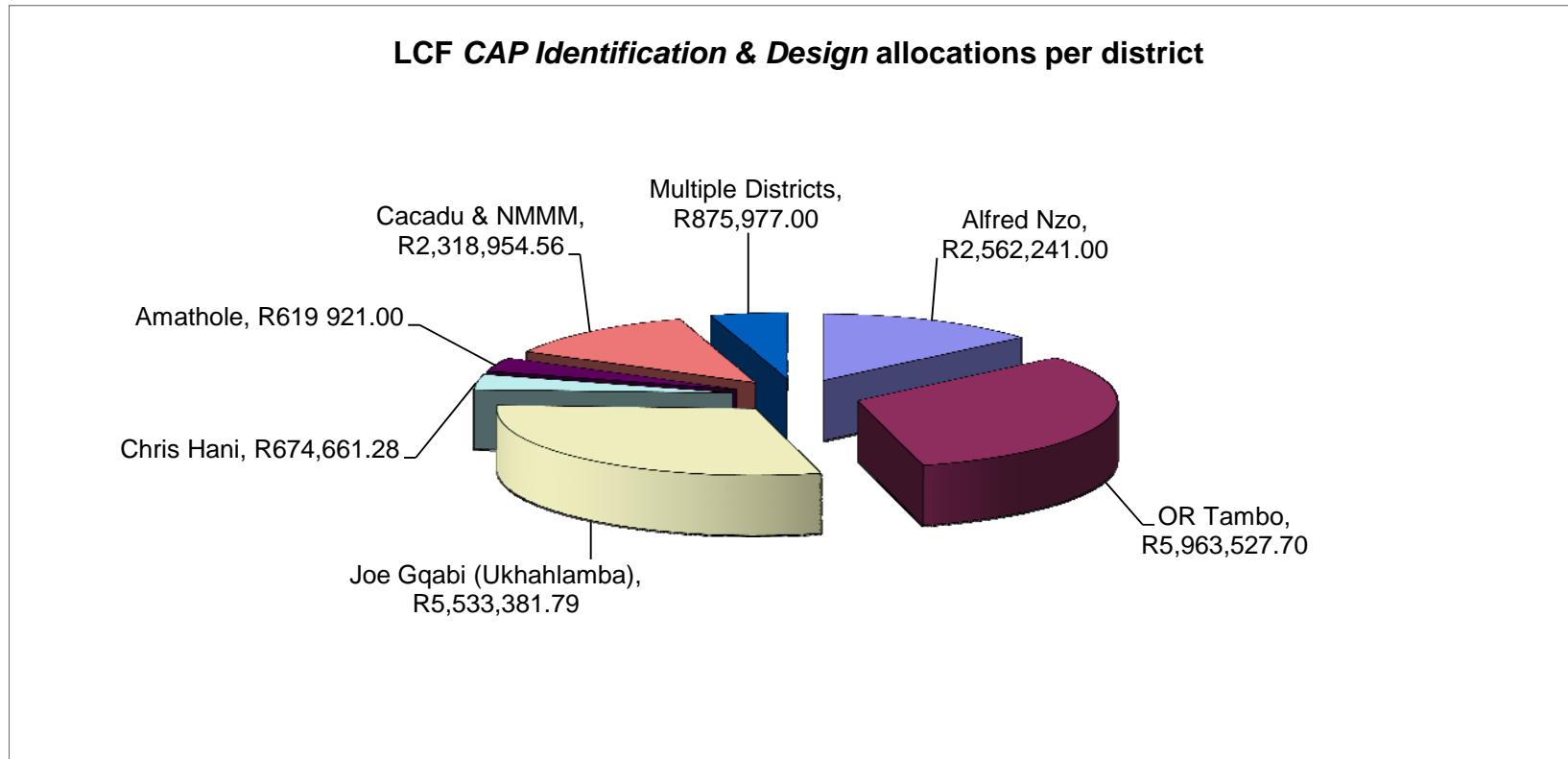


### 3.1.1. Distribution of grant funding and projects per district

The diagrams below show the distribution of LCF CAP Identification & Design grant funding and projects per district:

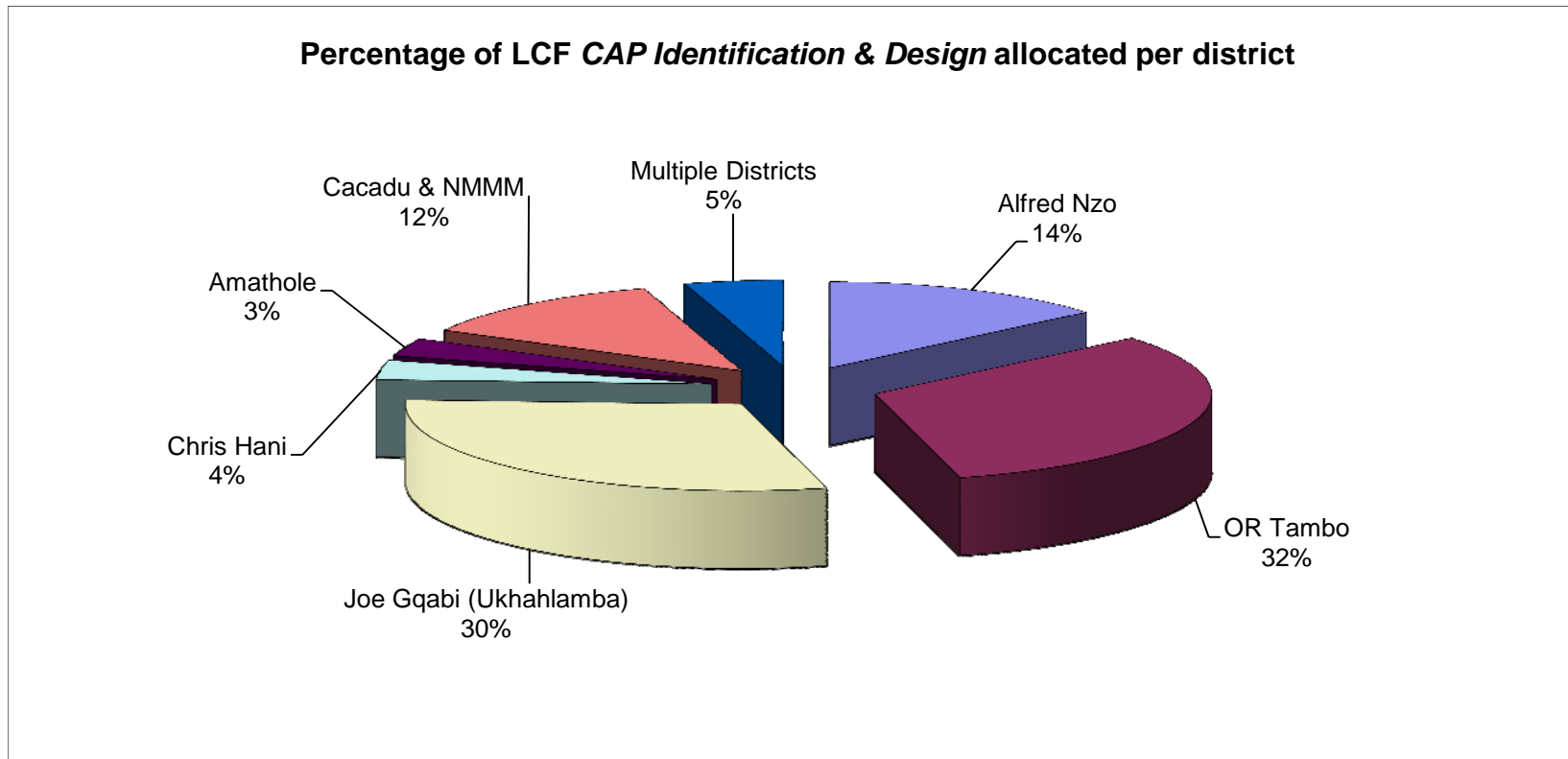


The largest percentage of projects that were awarded grant finance (more than a third of the total number of LCF CAP Identification & Design projects) came from the Joe Gqabi (Ukhahlamba) District, followed by the OR Tambo District, then the Alfred Nzo District, and then the Cacadu District and the Nelson Mandela Bay Municipality.



Although the Joe Gqabi (Ukhahlamba) District produced the largest number of projects that received grant funding, it came second to the OR Tambo District in terms of total value of LCF CAP Identification & Design allocations per district. The Alfred Nzo District received the third largest amount of LCF CAP Identification & Design funding.

The distribution of LCF CAP Identification & Design funding between the districts is further clarified in the diagram below, which shows that the Joe Gqabi (Ukhahlamba) and OR Tambo Districts combined attracted 62% of the LCF CAP Identification & Design funding.



**3.1.2. List of projects to which LCF CAP *Identification & Design* funding was allocated**

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
1	Pilot	Commonage Management in the Blue Crane Route Municipality	Mbumba Development Services	Cacadu	The action involves the assessment measures and preparatory steps for the development of a commonage management policy and accompanying systems in the Blue Crane Route municipality. The main objective or purpose of the project at this stage should be to investigate and plan for a partnership strategy that institutes a workable, contractual relationship between the municipality and those <i>primary</i> users of the commonage that may be broadly termed <i>emerging farmers</i> . Envisaged is a situation where, through education, consultation and an on-going process of relationship-building, the municipality will reintegrate this grouping into the framework of laws, regulations and public obligations governing the commonage. In so doing, the municipality will also strengthen the economic potential of the emerging farming sector. This project will facilitate (i) increased compliance of stockowners with revised commonage management system; (ii) key stakeholders provide feedback on proposed commonage management system and necessary refinements; (iii) various commonage user groups have improved awareness of new commonage management system and their specific rights and obligations in relation to the commonage; (iv) piloting of system and evaluation of outcome with required amendments; (v) final review of all policies, by-laws and procedures relating to commonage management; (vi) finalised system implemented.	4 months	R 116,099.99

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
2	Pilot	Matatiele Lodge, Conference & Training Facility with Municipal Offices	Matatiele Local Municipality	Alfred Nzo	<p>This action will analyse the local, regional and provincial demand, from Provincial Government Departments, Local and District Municipalities, Local Businesses and Regional Tourism, for a regional training &amp; conferencing venue in Matatiele. The project will consider the specialised provision of accommodation to cater for all market sectors, from local reps, conferencing delegates, municipal requirements and tourist standard facilities. It will consider the potential opportunities associated with the anticipated completion of the road through Matatiele, Mt. Fletcher to the Western Cape Province, which will become the shortest, safest and most prominent road between KwaZulu-Natal and the Western Cape provinces. Included in the analysis will be the full spectrum of conferencing, training and accommodation statistics for the neighbouring town of Kokstad, which has been the main regional supplier of conferencing, training and accommodation services to various Eastern Cape Provincial Departments, Municipal employees and District Businesses. The Matatiele Municipality wishes to attract as many of these Departments to their town as possible, and will review all possible alternatives regarding type and size of venue, venue location, infrastructural requirements, operational and financial costs, staffing requirements and costs and ultimate viability. The project will also look into the option of relocating the municipal offices on the same property as the new conferencing and training facility. Following information gathering and consultation, the infrastructural and operational costing of the project will be determined, using engineering input. Should the project prove to be viable, a final business plan will be developed.</p>	4 months	R 282,595.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
3	Pilot	Development of Competitiveness Action Plan for the Cradock Spa	Inxuba Yethemba Municipality	Chris Hani	<p>The main purpose of the project is to facilitate the development of a competitive action plan (CAP) for the Cradock Spa, a wholly owned non-core asset of the Inxuba Yethemba Municipality (IYM) situated on approximately 15 hectares of municipal owned land situated a few kilometres outside the town of Cradock along the Great Fish River.</p> <p>The action will commence with a review of existing feasibility studies (including proposals, plans to upgrade, applications to purchase, etc.) The existing feasibility studies will be updated and used to inform a collective identification of the competitive advantage of the Spa. All of this information will be used to develop a business plan, accompanied by a resource mobilisation strategy. One of the key components of this project is the identification of private sector role-players (both established and emerging) to partner the IYM in the profitable running of the Spa. This action aims to contribute to position the Cradock Spa to become a competitive and sustainable tourist facility, which creates employment, offers business opportunities, meets tourists' needs and stimulates local economic development.</p>	4 months	R 352,610.00
4	Pilot	Development of Local Economic Development (LED) Strategy for Mhlontlo Local Municipality	Transkei Land Service Organisation (TRALSO) in partnership with Mhlontlo Local Municipality	OR Tambo	<p>The project is aimed at developing a Local Economic Development (LED) strategy for the Mhlontlo Local Municipality. Mhlontlo Local Municipality is under OR Tambo District Municipality, which in turn is under the Eastern Cape Province. The project has full support of the municipal structures including political heads. The Transkei Land Service Organisation (TRALSO), a Section 21 company, together with Mhlontlo Local Municipality, a government institution, will implement the project.</p> <p>The objective of the project, which will include research, planning and monitoring activities, is to have a plan outlining the economic vision to stimulate an economic growth for the municipality. The latter will be achieved through identification and prioritisation of programmes, projects and plans needed to make a meaningful intervention to local economic development. There is a commitment from the municipality that the strategy, which will include largely the latter, will be implemented once it has been finalised. The strategy will prioritise pertinent issues against available resources. Also, it will be linked to the Integrated Development Plan (IDP), the Spatial Development Plan of the municipality, the Provincial Growth and Development Plan and the Accelerated and Shared Growth Initiative of South Africa.</p>	4 months	R 206,203.20

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
5	Second	Development of a Business Plan for an Educational Resource Centre in Ugie, Elundini Local Municipality	PG Bison Ltd	Ukhahlamba / Joe Gqabi	<p>The overall objective of the Development of a Business Plan for a Resource Centre in Ugie, Elundini Local Municipality project is to improve the skills base in Elundini Local Municipality thereby improving the employability of residents and capacitating individuals to take advantages of opportunities for self-employment, specifically with regard to the PG Bison investment. The resource centre could increase skills levels, increase literacy and numeracy levels, lead to increased employment and self employment in Elundini and allow the local community to take advantage of spin offs from the PG Bison investment in Ugie.</p> <p>This project therefore aims to conduct a skills needs assessment, a case study analysis of already operational resource centres in South Africa and to develop a business plan that will assist PG Bison and Ukhahlamba District Municipality to operationalise a resource centre in Ugie. The needs analysis will allow the local population and local stakeholders to participate in the process and ensure that the resource centre speaks to the needs of the community. The case study analysis will draw from national experiences as a project such as this is unprecedented in Elundini and can benefit from the lessons learnt with similar projects. A business plan will include marketing, operational, staffing and financial plans and will put forward a feasible plan to establish a functional resource centre.</p>	5 months	R 390,142.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
6	Second	Camdeboo Satellite Aquaculture Project	Camdeboo Bream cc	Cacadu	<p>The Camdeboo, situated in the west of the Eastern Cape Province, is a predominantly rural area, characterized by high levels of unemployment, particularly of women. The locality is largely comprised of vast, isolated, farms which rely on the irrigation dams and reservoirs for water in order to sustain crops and livestock. Currently, these dams are not utilized to their full potential and present a tremendous opportunity to introduce a new employment generating set of economic activities to the Camdeboo region.</p> <p>The project is based on the development of an existing pilot project to establish an economically, institutionally and environmentally sustainable aquaculture and fish distribution venture, namely the "Camdeboo Satellite Aquaculture Project", which will include a Central Farm, several Satellite Farms and a Processing Plant. This venture is initially likely to provide a supplementary livelihood to an estimated 200 people, specifically aimed at women, in the area through the optimal utilization of existing water sources and the large potential female labour force.</p> <p>The following specific activities will be undertaken: Environmental Impact Assessment; Project and Site Design; Feasibility Study; Supplier and Input Assessment; formulation of a Training Plan, Operating Manual, Marketing Plan, and Business Plan; as well as the identification and appraisal of various Associates, Sub-contractors, Stakeholders and implementing Partners in terms of the individual Satellite Farms and the Processing Plant. Of particular importance would be to establish the expected profits generated by each separate legal entity as well as for each individual employed by or participating in the project in order to demonstrate the economic viability of the project. Possible future expansion of the project also needs to be quantified in terms of expansion of initial Satellite Farms and also introduction of new Satellite Farmers.</p>	6 months	R 745,685.57

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
7	Second	Rhodes Guest House Training Centre	Ntombi Guest House – Sandra Reeders	Ukhahlamba / Joe Gqabi	<p>Rhodes is a rural peripheral town in the Eastern Cape Province. Unemployment is high, but the town boasts numerous Guest Houses, B&amp;Bs and tourist activities, such as the nearby Tiffindell Ski Resort, which attracts 10 000 visitors annually. The town is in the ideal position for a Guest House Training Centre.</p> <p>The proposed Centre, to be run by Sandra Reeders, will consist of a Guest House, Restaurant, Arts and Craft Shop, Farm Stall and lecture room. The Centre will train learners in all aspects of Guest House Management, Kitchen Skills, Gardening (herbs and vegetables), Waitressing and Eco-tourism. The Guest House and Restaurant will be utilised as a practical training venue. An arts and crafts outlet will be linked to the centre to encourage local artists and crafters to produce products for sale to the many visiting tourists. Artists and Crafts from other towns will also be encouraged to use this facility as an outlet for their products. Learners will also have an opportunity to use their newly acquired skills and produce items (home made preserves, pickles, fudge, cultural crafts etc.) during their spare time to generate an income. Learners will also be encouraged to produce fruit and vegetables and other farm produce to sell at the Farm Stall. The grant will be used to identify and employ the services of a short-term expert who will: (i) conduct a feasibility study and needs analysis for a Guest House Training Centre with a Guest House, restaurant, farm stall and craft shop; (ii) prepare a business plan, budget and design a training programme for the facility; (iii) identify potential learners and trainers in Rhodes and surrounds; (iv) identify possible training institutions for accreditation that meet the needs of the learners and trainers; (v) identify a suitable mentorship programme for learners once they have left the facility; (vi) offer affordable hospitality/tourism skills training for the young women from previously disadvantaged communities; (vii) prepare a business model that can easily be replicated in other towns in the Ukhahlamba Municipal region.</p>	4 months	R 217,990.45

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
8	Second	Training Design for Ugie Forestry Development	Idyoki Public School	Ukhahlamba / Joe Gqabi	<p>The iDyoki public school is the lead applicant in this proposal. This proposal seeks to obtain funding on behalf of the iDyoki Public School in order to redesign their current programmes in the field of skills development. The wish to redesign their programme came as a result of the huge ASGISA led initiative of the huge growing forestry and related industry that established itself during the past year in the Ugie district. The new training programme is envisaged to be related to the direct employment potential within the forestry sector as well as the indirect employment potential coming from this sector.</p> <p>The iDyoki Public School wishes to position itself as a lead skills provider in this area. This can only be done if it can make an informed decision on the status of the skills required and the skills that are currently in place. The grant will be used for the following activities: (i) formalise a project steering committee and develop a project plan; (ii) develop a terms of reference and reach consensus and agreement on the Terms of Reference; (iii) conduct research through holding of workshops, developing questionnaires, interviews with the investors; (iv) visit similar industrial development projects; (v) from these inputs develop the Gap analysis report; (vi) research current learning materials and develop a proposed training programme; (vii) make presentation and reach consensus on the development of training programmes; (viii) develop an implementation strategy.</p>	4 months	R 339,903.69

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
9	Second	Ekhephini Community Radio Station	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The Ekhephini Community Radio Station situated in Barkley East was awarded a broadcasting licence in June 2006 and received premises from the Senqu Municipality from which to operate. Several very enthusiastic youth from the community received broadcast training, programme development and technical training. They are sufficiently skilled technically, but the lack of progress thus far is due to their lack of business skills, insufficient information about their target audiences and their inability to develop a business plan for the community radio station. The project will include the hiring the services of an expert to conduct detailed research and develop a business plan for a community radio station in the Ukhahlamba District Municipality region. The research will identify whether a community radio station in the Ukhahlamba region will be feasible, sustainable and meet the needs of Local and Regional Government, the business sector and surrounding communities, as well as, meet skills development training needs and create employment opportunities for the youth. The following specific activities will be undertaken: (i) develop a Business Plan incorporating marketing and sustainability strategies; (ii) conduct a feasibility study; (iii) develop a needs analysis; (iv) perform a cost benefit analysis; (v) conduct a demographic analysis of prospective target audiences; (vi) develop a broadcast and business training programmes for learners; (vii) develop relevant programmes for broadcast purposes.	6 months	R 176,292.88

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
10	Second	Integrated Village Renewal Programme	Is'baya Development Trust IT579/2001	OR Tambo	<p>The High Value Crops Production Programme (HVCP) is a collaborative initiative of Is'Baya Development Trust and the Agricultural Research Council. The programme was initiated in 1998 and since then Is'Baya Development Trust and the Agricultural Research Council -Institute for Subtropical Crops (ARC/ITSC) have been involved in the introduction of these crops into the OR Tambo district and later also the Chris Hani district of the Eastern Cape.</p> <p>Over the past 8 years +/- 33 000 plantings of high value crop trees have been completed in some 100 villages in 3 District Municipalities, at over 1 000 homesteads. The high value crop trees include orange, nartjie, mango, guava, banana, litchi, and avocado.</p> <p>In addition, over 35 trial sites have been established with a range of herbs including lavender, oreganum, thyme, marjoram, rosemary, rose geranium, melissa, lemon grass and catnip.</p> <p>Once the Integrated Village renewal Programme (IVRP) is designed, it will be implemented in at least 30 villages that are currently part of the HVCP. The IVRP will be aimed at the following: (i) rural villages make the transition from subsistence farming to commercial production; (ii) farmers have access to timely and quality technical services; (iii) farmers can convert these inputs into improved food security and livelihoods.</p> <p>The grant will be used for the preparation of a Feasibility Study and Implementation Plan for the IVRP consisting of the following elements: (i) baseline survey of each village (social, agricultural &amp; geotechnical); (ii) technical support plans (village production plans, farmer training &amp; support, procurement); (iii) village infrastructure &amp; basic services; (iv) nurseries &amp; other related agri-business development; (v) facilitation, capacity building &amp; training needs; (vi) government programme linkage &amp; support (LED/IDP/PGDP); (vii) marketing strategy; (viii) economic analysis &amp; assessment; (ix) financial &amp; business models; (x) communications; (xi) monitoring &amp; evaluation; (xii) Village Resource Centre.</p>	6 months	R 697,780.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
11	Second	Sinenjongo Cultural Craft Centre	Sinenjongo Cultural Craft Project	Ukhahlamba / Joe Gqabi	<p>The Sinenjongo Cultural Crafts Project, situated in Barkley East, was initiated by the local Tourism Association and the Eastern Cape Tourism Board as a poverty alleviation project and has been operational since 1998. The project supports the development of rural, unemployed women, youth and the disabled. It has outgrown its current premises and needs to become a self-reliant enterprise. The project involves research and the development of a business plan for a Cultural Craft and Training Centre from which products from the whole of the Ukhahlamba District Municipal area with artistic and cultural value are produced and sold along with a range of products. The business plan will include the costing of the proposed centre to confirm its viability and sustainability. The project will also assist in the following: (i) developing a database of cultural crafters; (ii) identifying an entrepreneurial skills training programme for cultural crafters; (iii) identifying employment opportunities by creating a new market outlet for people involved in arts and cultural craft production; (iv) identifying regional, national and possibly international markets for the locally produced products; (v) assist in identifying unique products for these markets.</p>	4 months	R 112,147.77

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
12	Second	Planning the Going Green Eco-Centre	Going Green Eco Solutions cc	Nelson Mandela Metro	<p>The specific objective or purpose of the proposed Going Green project is to make tangible progress (in the form of a competitiveness action plan) towards establishing the Going Green Eco-Centre - an inspirational, educational tourist facility - on a 3.1 ha peri-urban site already acquired in Ward 40 of the Nelson Mandela Bay (NMB) in the Eastern Cape. Although the boundaries of the Ward encompass many beautiful features (including the Van Stadens flower Reserve, the majestic Lady's Slipper mountain, lovely game parks and many pristine beaches) it is also the home of several comparatively impoverished communities such as the Witteklip, St Albans (including the prison), Greenbushes and Seaview communities. The site is ideally positioned near an exit of the N2 freeway (well-frequented by tourists on the Garden Route) and directly adjacent to the St. Albans station of the narrow-gauge railway line used by the world-famous steam train, the Apple Express.</p> <p>The main units to be housed (in time) at the Eco-Centre will be the following: a visitor centre, a green research and product evaluation (GRAPE) unit, a conference facility, a shop, an education unit, eco-friendly overnight accommodation, a consulting service, a tea garden and a clinic.</p> <p>The following activities will be undertaken during the development of the competitiveness action plan: (i) investigation of regional socio-economic and healthcare needs; (ii) investigation of building construction considerations, tourist attractions and similar ventures; (iii) drafting the project plans for the Eco-Centre with special attention given to the core attraction - the visitor centre (during the planning phase specialists will be consulted in order to advise on a number of issues including: <i>architecture; security needs; water and soil management needs; food and medicinal plant gardens; indigenous gardens; waste management; sanitation; education and school curriculum integration needs; disabled access and special needs; environmental impact issues; energy efficiency and renewable energy options; the research facility needs and animals at the centre</i>); (iv) conducting a workshop aimed at further consultations with specialists.</p>	6 months	R 702,464.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
13	Second	Heritage Homestead Survey	Fair Trade in Tourism South Africa	OR Tambo	<p>This project is aimed at the production of a complete business plan, ready for funding for the concept known as Heritage Homesteads. Heritage Homesteads is a unique concept: a historically-correct, cultural centre providing an experiential attraction for local and international tourists, whilst preserving the history and culture of the area. Heritage Homesteads will ultimately be established throughout South Africa, and possibly throughout southern Africa, and will operate as a franchise model.</p> <p>Each Heritage Homestead will have a number of standard components and then particular deviations appropriate to the area in which it is constructed. Each Homestead will be owned by the community, either in the form of a trust or a Section 21 Company. The community will appoint a landlord to be responsible for the upkeep of the homestead as well as the renting of premises to tenants. These tenants will include: a restaurant, a tour operator, a curio shop, an agricultural activity, arts and crafts workshops, display area for cultural activities such as dancing etc. Each tenant will be a trademark user for Fair Trade in Tourism, not only ensuring a principled development approach, but also providing access to essential niche markets. Architecturally, the Homestead will be authentic to the particular area in which it is established.</p> <p>This project will result in a complete business plan, including feasibility studies, marketing plans, operational plans, financials and development strategy in order to secure financing for the first Heritage Homestead to be constructed on communal land near the Nelson Mandela Museum in Qunu.</p>	6 months	R 501,805.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
14	Second	Competitive Action Planning for Crop Production in Lamoen and Cegceyana Villages	Nkosi Ngangomhlaba Development Trust	Chris Hani	<p>The proposed action aims at promoting commercial agricultural development in the areas under the jurisdiction of Nkosi Ngangomhlaba Development Trust. This trust was established in 2006 to enhance the role played by the traditional leaders in promoting socio-economic development. During the Trust's strategic planning session, held in October 2006, agriculture, particularly crop and vegetable production, was identified as a key economic activity that could unite local communities around one common economic vision. This has been in line with the District Integrated Development Plan (IDP) which identifies agriculture as the main economic driver in the area.</p> <p>The project targets land of about forty two hectares, in Lamoen and Cegceyana villages of the Emalahleni Local Municipality. This land is currently used to plant maize. The trust believes that farmers are currently not producing to the maximum capacity of the available land, due to poor agricultural methods employed and the lack of necessary skills to produce for markets. A soil assessment and feasibility study will be undertaken to determine the soil type and the relevant crops to be planted, and an environmental impact assessment will be undertaken to ensure an environmental friendly agricultural practice. Market research will identify market demand and potential supply options. Finally, a comprehensive and well-costed business plan, aimed at the introduction of a more commercial approach to agricultural production on the land, will be developed.</p>	6 months	R 322,051.28
15	Second	Market Research and Business Plan Development for Maize in the OR Tambo District Municipality	Transkei Land Service Organisation (TRALSO)	OR Tambo	<p>Maize is produced massively in most rural areas in the OR Tambo District Municipality. The crop is one of the most suitable in the province and which people are used to planting. Be that as it may, the surplus cannot be marketed – maize rots in large quantities and discourages many not to be involved in maize production for commercial purposes, in spite of large government resource allocation for maize planting.</p> <p>The grant will be used to conduct market research for maize and develop a business plan to ensure that people benefit from what the maize market in the country has to offer. The market research will produce information on market segmentation, market trends, needs of customers, and the dynamics of price.</p>	6 months	R 362,144.50

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
16	Third	Assessing Agri-Tourism Demand and Supply in the Eastern Cape Province	Fair Trade in Tourism South Africa (FTTSA)	To be determined following research and analysis phase of project; but to be one or more of following--- Alfred Nzo, Amathole, OR Tambo	The overall objective is to assist in building a competitive agri-tourism cluster with partnership of commercial and previously disadvantaged farmers, which will improve rural agricultural livelihoods through diversification from plain agriculture to agri-tourism in the Eastern Cape Province. The specific objective is to assess the tourism potential in the agriculture sector and to assist producer groups to improve their capacity for establishing viable, competitive and sustainable agri-tourism enterprises in the Eastern Cape. During the implementation phase FTTSA and Border Rural Committee (BRC) will provide a service platform to the cluster through training and the facilitation of business development services.	6 months	R875,977.00
17	Third	R63 essential oils cluster agri-processing initiative.	Amathole Economic Development Agency (AEDA)	Amathole	The overall objective is to develop rural enterprise utilising competitive advantage, and add value to the existing natural resource thereby optimising socio-economic benefits to the targeted communities. The specific objectives are: (i) to determine the extent of feasibility and viability of value-addition, specifically oil cleaning and tourism-friendly locally-driven product development, (ii) to prepare comprehensive business plan for agri-processing with technical and financial forecast ready for implementation stage, and (iii) to develop a governance system and build skills of beneficiaries to benefit fully from the future enterprise.	6 months	R 619,921.00
18	Third	Makana Edutourism Partnership	Rhodes University	Cacadu	The overall objective is to develop and diversify sustainable tourism in the Makana area and to achieve this through stimulation of entrepreneurship, employment and pro-poor growth through identification of opportunities in and around edutourism. Edutourism is defined as 'travel for the purpose of formal or informal education and life-long learning in unique natural, historical and multi-cultural environments.' Grahamstown and Makana region appear uniquely positioned to capitalise on this growing market given the wealth of world-class education institutions together with abundant historical, cultural and environmental resources that could serve as a basis for educational tourism.	6 months	R754,705.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
19	Third	Mount Frere Forestry Evaluation and Pole Treatment Plant	Singisi Forest Products Pty Ltd	Alfred Nzo	The overall objective is to position Mount Frere within the district as a centre for timber value-adding. The District has many Department of Water and Forestry operated commercial timber woodlots which are due to be transferred to the local communities. These woodlots have been poorly managed and require significant cleansing and re-assessment. The intention of the project is to provide an extensive forestry asset evaluation, determining all existing resources and evaluating the potential for district expansion. The project is to evaluate the existing forestry assets in the Umzimbubu region, verify all potential new areas for afforestation and analyse the viability of erecting a pole treatment plant in the Mount Frere region.	6 months	R 521,571.00
20	Third	Anchoring Local Economic Development on Tourism and Environmental Rehabilitation Ventures	Crane Resorts SA (Pty) Ltd	Alfred Nzo	The overall objective is to establish the feasibility of a duck hunting enterprise in the Ongeluksnek Valley and surrounding areas. The project also seeks to provide a detailed map of target areas for trout and duck management, and provide the rationale for the linkage of those areas with even bigger areas in the future. The specific objectives are to establish a business plan for a duck hunting enterprise, to establish the infrastructure and resource requirements to make the project feasible, and to determine the different institutional arrangements available to include the local community so that they benefit most. This project seeks to generate a globally unique and competitive local economic project based on the tourism potential of the remote rural area.	6 months	R731,304.00
21	Third	Cedarville Agri – BEE Village	Scientific Roets (Pty) Ltd	Alfred Nzo	The overall objectives are to achieve (i) the adding of value to locally produced raw agricultural products (meat, wool, eggs, poultry, maize and vegetables); (ii) self-employment, capacity building and job-creation amongst currently unemployed people of Cedarville; (iii) to create a harmonious, vibrant country town which is a healthy place to live and work. The specific objective is to produce a fundable Business Plan that documents the product ranges, services, skills requirements and market linkages of a financially and technologically viable demand-, client- and market-driven Agri-BEE Village in the town of Cedarville.	6 months	R287,280.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
22	Third	Goxe Agri-Tourism Business Management & Marketing Strategy	Alfred Nzo District Municipality Public Entities	Alfred Nzo	To identify and implement an overall business management strategy and operational plan for the Goxe farm, through encompassing three complementary local business ventures. The three enterprises are an existing, but low profile, cut-flower project, a proposed vegetable production unit and a potential eco-tourism facility. The specific objective is to identify a management strategy, business plans and partnerships that will encompass all three ventures and ensure their competitive advantage and economic sustainability, enabling sustained employment and income for the Goxe farm and its employees.	6 months	R739,491.00
23	Third	Rock Cliff Community Tourism Development Research	Yezinyanya Research cc	Ukhahlamba / Joe Gqabi	The overall objective is to confirm that tourism enterprises established in the Rock Cliff area will be a viable proposition and contribute to realising the Ukhahlamba District Municipality's Growth and Development Strategy Agreement that tourism commit to the partnering and mentoring of emerging tourism entrepreneurs and in so doing alleviate poverty and the lack of employment. The specific objective is to develop a research document that reports on the viability of establishing sustainable and competitive tourism enterprises and an implementation strategy within the Rock Cliff community.	5 months	R243,520.00
24	Third	Rhodes Airfield	Walkerbouts Country Retreat (Pty) Ltd	Ukhahlamba / Joe Gqabi	The overall objective is to facilitate access to a remote area. The means to improve such access is by performing a thorough analysis of the potential feasibility of an airfield to be located outside the town of Rhodes. The specific objective is to conduct an Environmental Impact Assessment, develop a feasibility study including a cost benefit analysis and from there to develop a Business Plan.	6 months	R469,920.00
25	Third	Business Plan for a Peach and Vegetable Processing Facility	Senqu Local Municipality	Ukhahlamba / Joe Gqabi	The overall objective is to determine whether there is an opportunity to take a local resource, namely peaches and vegetables, and to process them in order to create cash income and new jobs. At present the peach resource has little or no economic value and vegetable production is mainly for home consumption although small amounts are traded at village level. The specific objective is to produce a valid business plan. This will determine to what extent some form of fruit and vegetable processing activity can be viable and sustainable in the Sterkspruit area of Senqu. The proposed action will carry out technical appraisal of production potential (augmented where this is realistic through existing irrigation potential) and feed this into a professional business planning process.	3 months	R311,417.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
26	Third	Ntabankulu Forestry and Processing Initiative	Ntabankulu Local Municipality	OR Tambo	The municipality has limited income generation opportunities. The objective is therefore to harness the afforestation and processing potential in a priority area within the Ntabankulu Municipality. The specific objectives are (i) to explore the establishment of a joint venture between small scale saw millers and community members; (ii) transfer of Gomo Plantation (DWAF Category B Plantation) to local stakeholders; (iii) develop a management plan for existing afforestation; (iv) planning expansion of the forestry resource base in Gomo area; (v) preparation of a business plan for saw milling / plantation development; (vi) development of a resource mobilisation strategy to facilitate project implementation.	6 months	R459,234.00
27	Fourth	Thaba Lesoba Tourism, Cultural & Heritage Economic Strategy	Yezinyanya Research cc	Ukhahlamba / Joe Gqabi	The overall objective of this action is to design a viable & competitive economic strategy for the youth-owned Thaba Lesoba cultural village that will contribute to realising Local and District aims of economic clustering that provides employment and grows local economic potentials for historically disadvantaged youth. The following results will be achieved: (i) situational, needs and gap analysis to assess current situation & future potentials, (ii) cultural & heritage centre design & operation strategy with cultural heritage route, and (iii) completed economic strategy that informs the Sakhile Youth Group's economic decisions.	7 months	R390,665.00
28	Fourth	Tiffindell Women's Aquaculture Research	Yezinyanya Research cc	Ukhahlamba / Joe Gqabi	The overall objective of this project is confirmation that aquaculture will be a viable economic proposition and contribute to realising Local and District aims of economic diversification to encourage job creation and alleviate poverty in historically disadvantaged communities, especially women. The completed research is intended to act as a first step in eradicating poverty and creating employment for women, as well as giving the community a clear understanding of LED and the ways in which we are able to develop and build on current resources and reduce grant dependence. The following results will be achieved: (i) situational, needs & gap analysis reporting on the current situation of the Tiffindell Women's Group (TWG) & local fishing industry with potentials, (ii) completed design of a hatchery with operational & marketing strategy, and (iii) completed business plan & feasibility study used by the TWG for hatchery implementation.	12 months	R751,664.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
29	Fourth	Development of Tourism Opportunities for the Rhodes Tourism Node	Walkerbouts Country Retreat (Pty) Ltd	Ukhahlamba / Joe Gqabi	The overall objective of this action is to create employment and improve skills for the youth in the area by attaining an informed opinion on the development of additional tourist attractions to the Ukhahlamba region and Rhodes in particular. The specific objective is to have an accurate assessment of the cost and benefit of investing in additional tourism attractions so that this may be used as a planning tool to guide investment in the region. The intended result is a business plan that can be used to apply for implementation funding. Two facilities are expected to be at the core of the business plan: (i) a vulture feeding site with a viewing hide and (ii) a botanical garden, both of which will provide sustainable employment for local residents.	12 months	R347,548.00
30	Fourth	Forestry Outgrowing Development	Teba Development	Ukhahlamba / Joe Gqabi	The overall objective of this action is a sustainable, profitable and increased contribution to the local economy from the local forestry industry. The specific objective is the development of community and individually owned commercial forestry plantations in the Eastern Cape through outgrower contracts and/or partnerships that are mutually beneficial to the land owners and PG Bison. The following outputs will be achieved: (i) operating principles and guidelines are established for outgrower contracts and partnerships on communal and private land, (ii) acceptability of outgrower contracts by a sample of communal and private land owners is determined, and (iii) a final outgrower system, including policy, principles, practices, is established. The following results will be achieved: (i) guidelines and principles are acceptable to all partners, (ii) percentage of targeted land for expanded production that can be contracted with communal and/or private land owners, and (iii) PG Bison adopts the system developed by the project.	12 months	R722,171.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
31	Fourth	Feasibility Study for the Development of a Conservation and Development Area within the Ukhahlamba District	South Africa National Parks Board (SANParks)	Ukhahlamba / Joe Gqabi	The overall objective of this action is the achievement of a better life for all by developing sustainable opportunities for economic growth, diversification and employment through the Ukhahlamba District's competitive advantages. SANParks, ECParks and the Ukhahlamba District Municipality have the decision-making tools available to assess the feasibility of the establishment of a conservation-based LED project. The conservation and development area is anticipated to act as a catalyst for economic growth in the district. The following outputs will be achieved: (i) a case study report that will identify the financial models to be employed, (ii) a map of the study area based on conservation planning, (iii) a feasibility study that provides an assessment of models/scenarios, (iv) a land change management programme to improve the sustainability of existing land uses, (v) a land owner willingness assessment that reviews the willingness of identified landowners to enter into the various land use scenarios/profiles/models with SANParks, (vi) a spatial land inclusion plan representing the conclusions of the land owner willingness assessment, (vii) an extensive programme for public participation, (viii) progress reports to the steering committee members, and (ix) temporary employment creation for some community members as fieldworkers during the feasibility stage. The expected result is a completed Feasibility Study.	12 months	R1,060,000.00
32	Fourth	Waste Recycling Value Chain Analysis and Development of a Municipal-Community Partnership Model for Cleansing Services in KSD Local Municipality	King Sabata Dalindyebo Local Municipality	OR Tambo	The overall objective of this action is to contribute to the effective implementation of the King Sabata Dalindyebo (KSD) waste management plan. The specific objectives are: (i) to conduct research on waste recycling value chain activities for the benefit of the KSD local municipality, and (ii) to design a community-municipal partnership model as an alternative method of rendering cleansing services in KSD municipality. The following results will be achieved: (i) project management staff assigned, (ii) all relevant stakeholders mobilised, (iii) a project advisory committee established, (iv) the project advisory committee trained, (v) waste recycling value chain report, (vi) communities and stakeholders mobilised, (vii) approximately 10 cooperatives registered, (viii) approximately 10 cooperatives trained, (ix) community-public partnership models (MCP) research report, (x) business case for MCP exists, (xi) approximately 10 contracts/service level agreements developed and signed, (xii) 5 cooperatives mentors' contracts developed and signed, and (xiii) a monitoring and evaluation report.	12 months	R769,384.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
33	Fourth	Development of a Viable Competitive Action Plan for Nduli Nature Reserve in Mthatha	King Sabata Dalindyebo Local Municipality	OR Tambo	The overall objective of this action is to ensure that the planning and expansion of Nduli Nature Reserve maintains and enhances the integrity of its ecological and scenic resources, enables its financial sustainability, and is integrated and coordinated with the development and planning of the surrounding areas. The specific objective is to design a viable competitive action plan for the development of Nduli Nature Reserve, offering conference centre facilities, accommodation and environmental education. The following outputs/results will be achieved: (i) 2 management personnel appointed, (ii) local tourism sector stakeholders mobilised, (iii) Project Advisory Committee (PAC) established with stakeholder forum, (iv) PAC members trained in their roles and responsibilities, (v) feasibility study report, (vi) Environmental Impact Assessment Record of Decision, (vii) developed environmental education awareness programme, (viii) public-private partnership model designed, (ix) architectural plans developed and approved, (x) business plans developed, (xi) operational plans developed, (xii) resources mobilised, (xiii) private investors identified and contracted, and (xiv) monitoring and evaluation.	12 months	R907,658.00
34	Fourth	Sand Quarry Mining Development Initiative	Ntabankulu Local Municipality	OR Tambo	The overall objective of this action is to create mechanisms for the beneficiation of the available natural resources so as to curb poverty and unemployment, and thereby contribute to regional economic growth and an improved quality of life for previously disadvantaged communities in OR Tambo. The specific objective is to develop a viable competitive action plan (CAP) for the maximum exploitation of a natural resource that is based on a mining potential for the benefit of the Ntabankulu community. The following results will be achieved: (i) stakeholders involved and committed to the project, (ii) PSC established, (iii) pre-feasibility validity report exists, (iv) communities in 15 wards made aware of the project and their buy-in secured, (v) land resolutions obtained; (vi) feasibility study report exists, (vii) Record of Decisions issued, (viii) Environmental Management Plans drafted, (ix) 2 Community Trusts & 9 Cooperatives registered, (x) mining permits and licenses secured, (xi) partnership agreements signed with private mining companies, (xii) 105 community members trained, (xiii) business plans developed, (xiv) financial and non-financial commitments secured from stakeholders, (xv) a rollout implementation plan exists, and (xvi) monitoring and evaluation reports exist.	12 months	R992,893.00

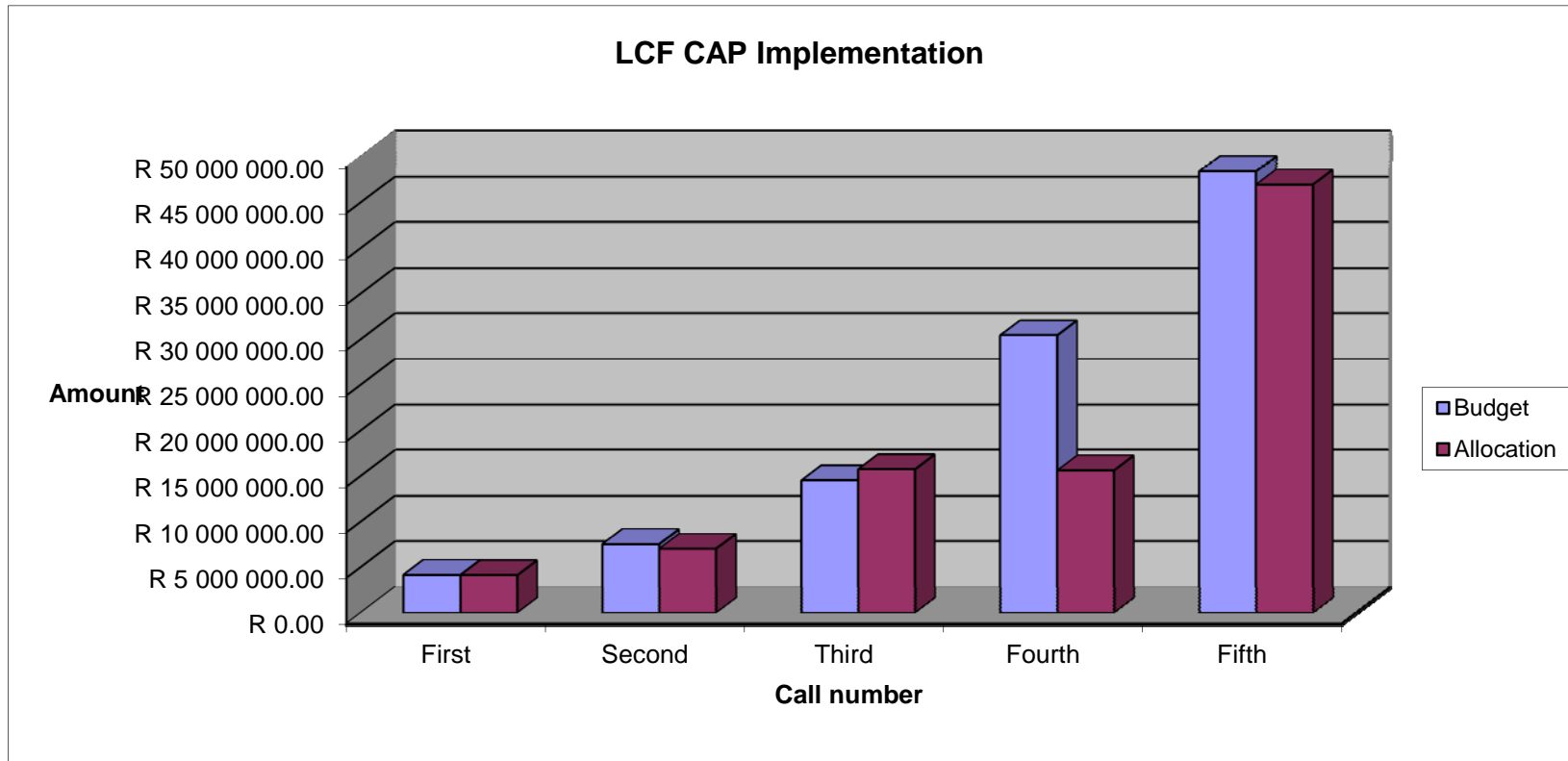
Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
35	Fourth	Mlengane Eco-Tourism Development Project	Nyandeni Local Municipality	OR Tambo	The overall objectives of this action are to contribute to the national objectives of creating employment, fighting poverty, reducing dependency, decreasing vulnerability, empowering and developing the skills of the rural poor, and to contribute towards the Nelson Mandela Tourism Development Corridor. The specific objectives are: (i) to capitalise on the economic stimulation of the area, (ii) to capitalise on indigenous natural resources, and (iii) to concentrate support for groups with most difficult access to economic and financial channels. The following results will be achieved: (i) stakeholder buy-in and involvement, (ii) project steering committee established, (iii) Mlengane Community Trust registered, (iv) land-use agreements signed, (v) feasibility study report, (vi) Record of Decision from DEDEA, (vii) architectural designs and plans exist, (viii) business plan developed, (ix) a community-public-private partnership model designed, (x) partnership agreements signed with tourism private investors, (xi) database of SMME opportunities, (xii) training needs analysis report, (xiii) capacity building and training programme designed, (xiv) 1800 community members trained, (xv) financial and non-financial commitments secured from stakeholders, and (xvi) monitoring and evaluation reports exist.	12 months	R1,066,426.00
<b>Total grant awarded from LCF: CAP Identification &amp; Design</b>							<b>R 18,548,664.33</b>

### 3.2 Competitiveness Action Plan Implementation

Grants from the Local Competitiveness Fund (LCF) Competitiveness Action Plan (CAP) Implementation were allocated under five calls for proposals. The first three calls for proposals were issued under the first tranche of EU funding, and had to be committed by the end of 2007 – what was not committed had to be returned to the EU, and, therefore, was not available for budgeting or allocation purposes after 2007. Special authorisation was obtained to commit more funding than had been budgeted for the third call for proposals, using money that had not been committed under previous calls.

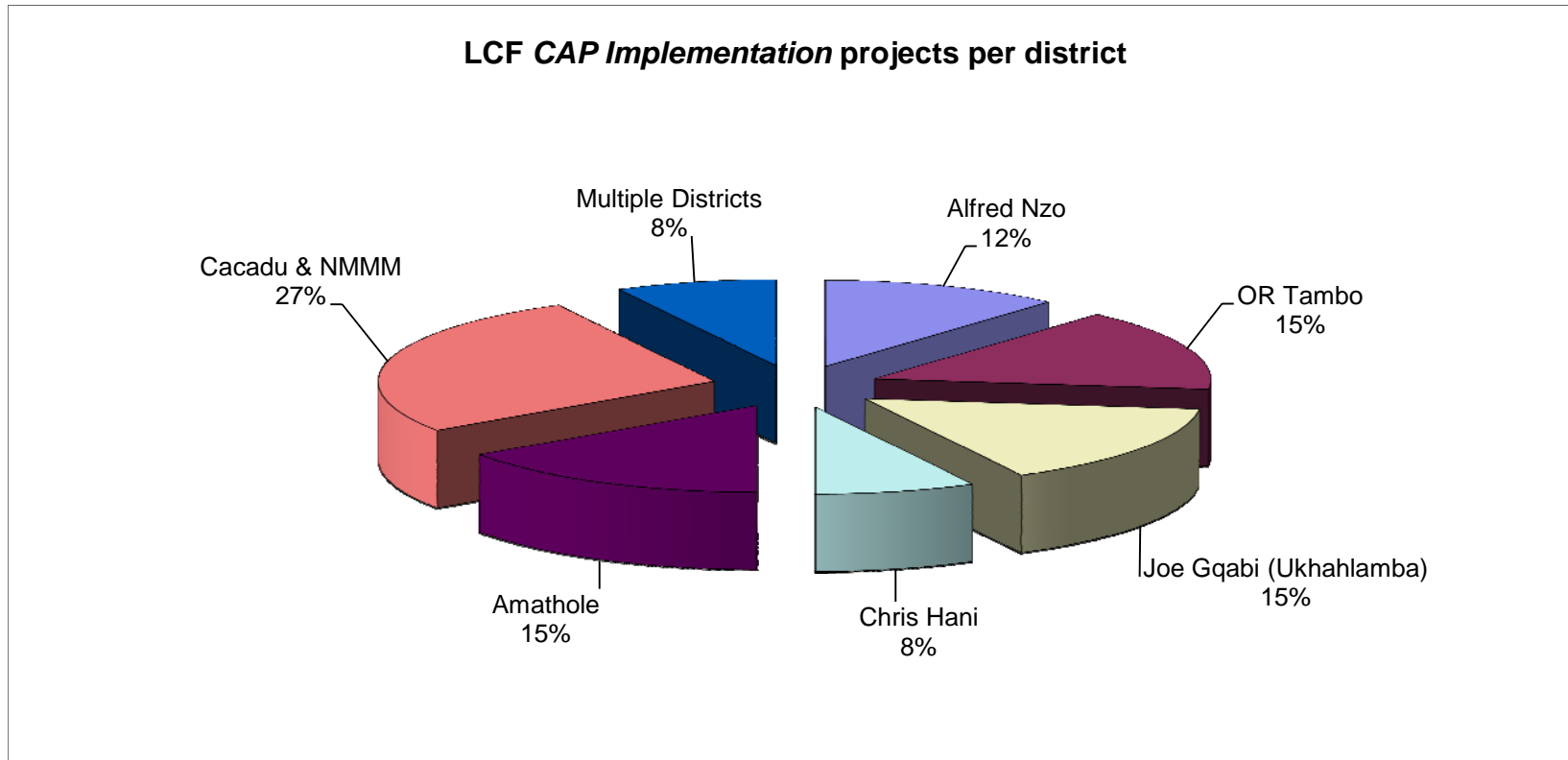
For the second tranche, funds that were not committed during the fourth call for proposals were included in the budget for the fifth and final call, as were funds not allocated under the fourth call for proposal to the LCF CAP Identification & Design – as explained in section 3.1, budgets could be moved between the LCF CAP Identification & Design and the LCF CAP Implementation, as these were two windows of the same fund (the Local Competitiveness Fund).

The diagram below shows the allocations of LCF CAP Implementation funds against the budgets for each call for proposals. The quality of applications submitted during the fourth call for proposals was not high enough to allow the grant fund evaluation committee to commit more than 51% of the budget for that call. Corrective action was taken for the fifth and final call for proposals, mainly through improved coordination and rigour of the application support process, allowing 97% of the LCF CAP Implementation budget under the second tranche to be committed after the fifth call.

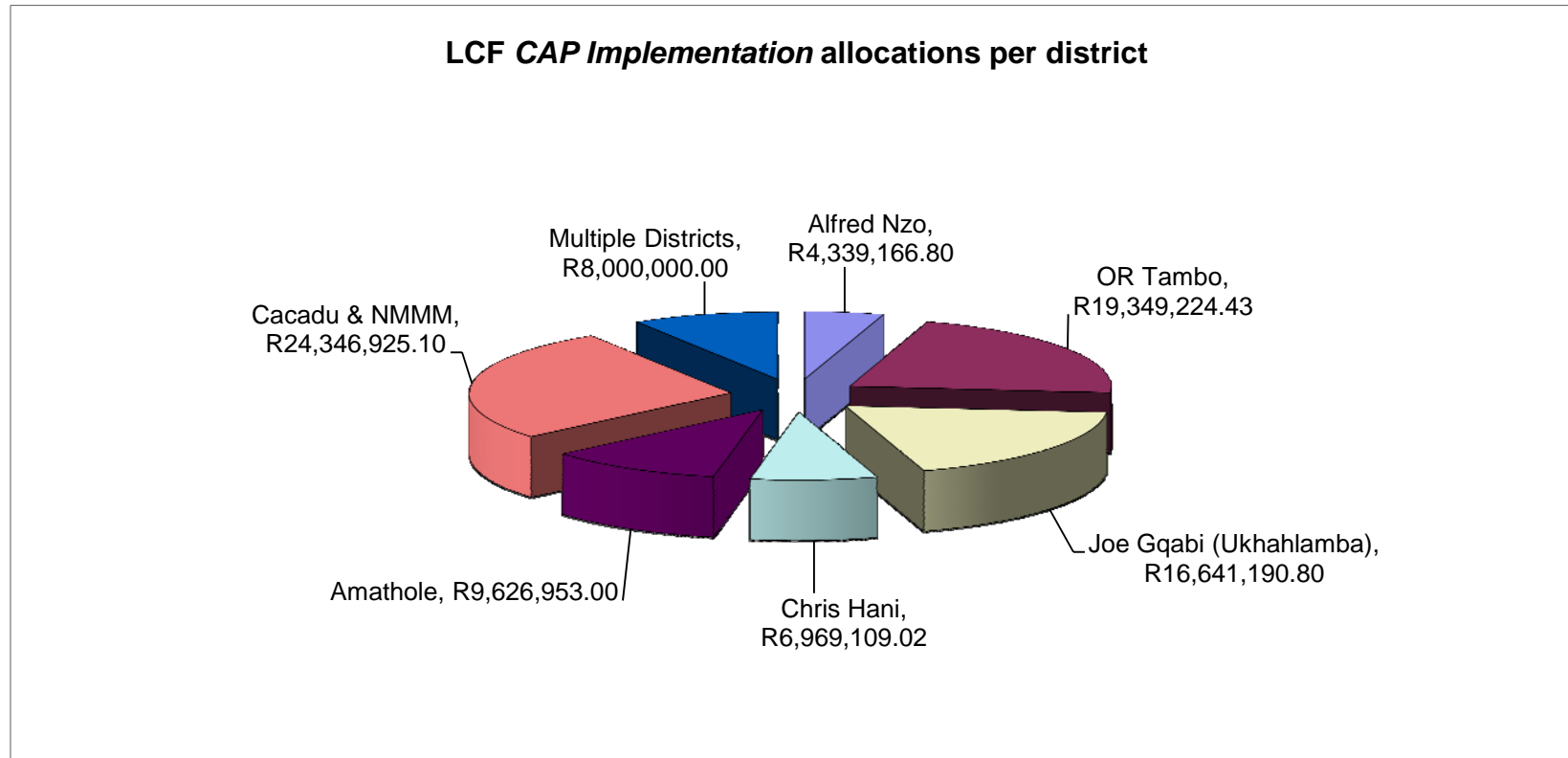


### 3.2.1. Distribution of grant funding and projects per district

The diagrams below show the distribution of LCF CAP Implementation grant funding and projects per district:

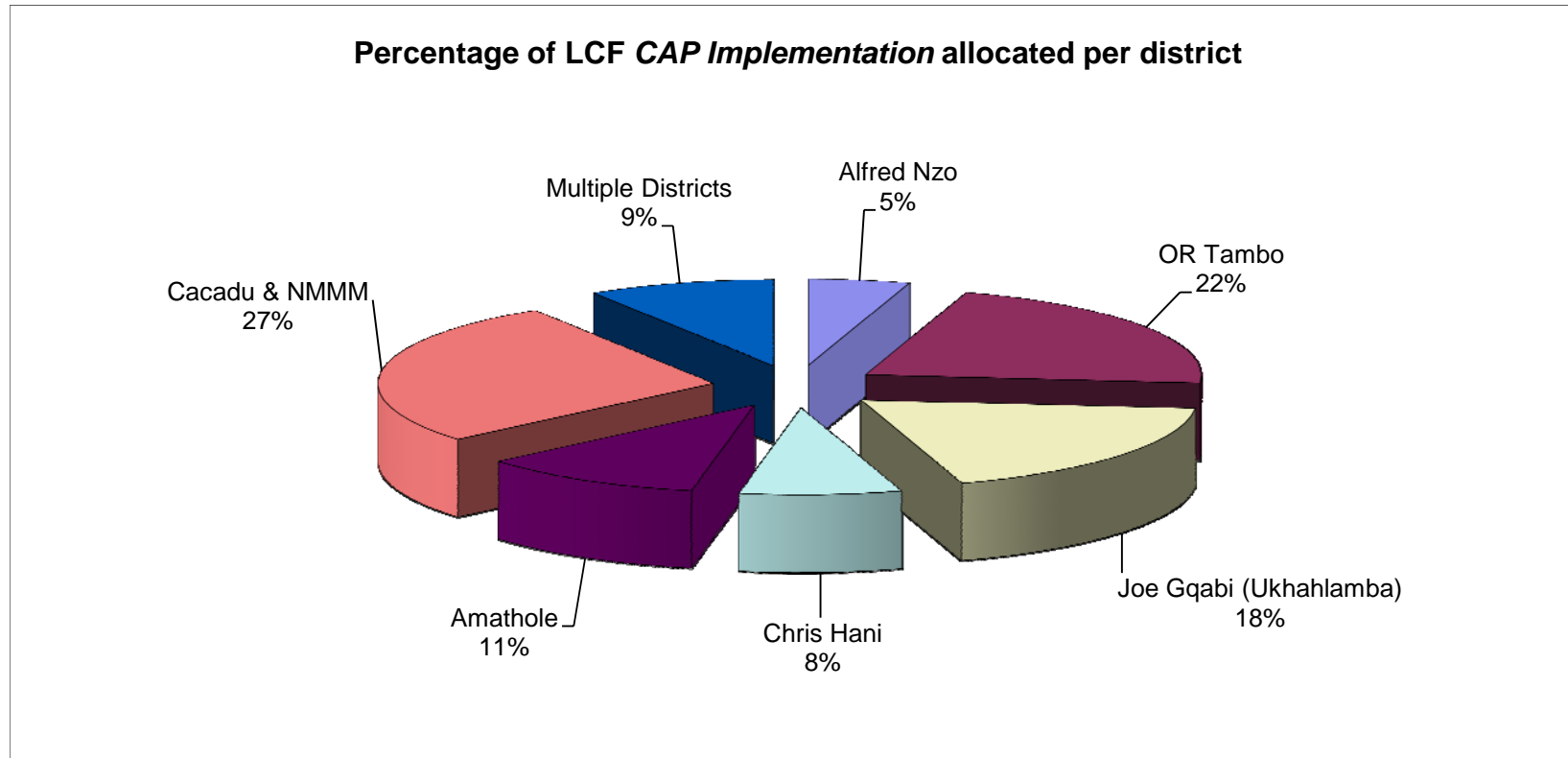


The largest percentage of projects that attracted LCF CAP Implementation funding came from the Cacadu District and the Nelson Mandela Bay Municipality (27%), followed by the Amathole, OR Tambo and Joe Gqabi (Ukhahlamba) Districts, which generated 15% of the total number of LCF CAP Implementation projects each.



The Cacadu District and the Nelson Mandela Bay Municipality attracted the largest amount of LCF CAP Implementation funding, followed by the OR Tambo District and then the Ukhahlamba District. R 8 million of funding went to projects that covered more than one district.

The distribution of LCF CAP Implementation funding across the districts is further clarified in the diagram below. The Cacadu District and the Nelson Mandela Bay Municipality attracted 27% of the LCF CAP Implementation funding, followed by the OR Tambo District, with 22%, and the Joe Gqabi (Ukhahlamba) District, with 18%.



**3.2.2. List of projects to which LCF CAP Implementation funding was allocated**

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
1	Pilot	Makana Goat Village Coop Ltd	The Makana Goat Farmers Co-operative Limited in Partnership with Makana Municipality, Sombhulula and Scientific Roets	Cacadu	The grant funding will be used to prepare the production units of the enterprise (Makana Goat Village Cooperative). Activities in this regard include developing the infrastructure of each of the 9 production units and the lucerne (alfalfa) production unit which forms part of the business entity, capacity building in goat production and business management, purchasing of the start-up livestock, and finalizing the institutional arrangements that will govern the enterprise. This activity will also investigate and secure market-linkages (the EU-cheese quota of 5,000 tons of cheese annually is one of the markets that will be investigated) in preparation for the development of the processing unit.	13 months	R 4,079,733.45
2	Second	Development of Mehloing Hiking Trail	Mehloing Community Tourism Trust	Alfred Nzo	This project is aimed (i) at improving the quality and profile of the Mehloing Hiking Trail in order to increase the occupancy and turnover, and (ii) at improving management and operation of the trail. The grant funding will be used to undertake the following activities: appoint trail designer in order to upgrade the trail and its facilities; construct and upgrade the trail based on the improved design; appoint trail maintenance officers; appoint a training assessor/provider and provide training that will lead to improved business management skills; appoint a business mentor that can assist The Trust with complex and strategic management issues; develop and implement the marketing strategy in order to maximize the national and international profile of the trails; develop additional services with income potential such as a portage system that will contribute to additional income generation opportunities; assess the existing information systems and operations and identify technical information systems required; develop an ongoing alien vegetation clearing system so that the trail conforms to environmentally sound principles.	15 months	R 1,050,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
3	Second	Freedom Trail	The Freedom Challenge	Cacadu, Chris Hani Ukhahlamba (Joe Gqabi), Alfred Nzo	The Freedom Trail is an existing mountain bike trail that runs from Pietermaritzburg to Cape Town passing through some of the most remote and fascinating areas of the Eastern Cape. A total of 1400 km of the trail are in the Eastern Cape. The project is an initiative undertaken in conjunction with the Wilderness Foundation and National and Provincial Conservation and Tourism agencies and community organisations. The common goal is to ensure that a mountain bike trail running across South Africa will become a well branded tourism product that delivers tangible economic benefits to rural communities in a responsible and sustainable manner. The following activities are to be undertaken over a period of 18 months: Formalisation of traversing arrangements; Mapping of the route; formalisation of existing relationships; development of a trail narrative; trail marking; trail guiding services; trail accommodation & accommodation upgrades; additional marketing activities.	18 months	R 2,500,000.00
4	Second	Cata Food Basket	Border Rural Committee	Amathole	The project comprises the setting up of an agriculture company to exploit the considerable economic potential of a recently refurbished flood irrigation scheme. The overall objective is to set up a well-established, viable business that employs at least forty local people in permanent positions, and has commenced with value-adding operations in fodder and wheat, to increase its margins and absorb more local labour, and is poised to commence with production and bottling of fruit jam. The specific objective is to establish a variety of viable primary production operations, such as vegetable production, wheat production, fodder production, and deciduous fruit orchards, and to establish a variety of value-adding activities, including flour production, baking of bread, fodder production, and washing and bagging of vegetables. The expected results are: (i) company establishment and support; and (ii) company management.	18 months	R 1,560,140.00
5	Second	Inxu Agricultural Cooperative Development	Umnga Farmers Training Group	Ukhahlamba / Joe Gqabi	The purpose of this application is to obtain production capital for the Inxu Agricultural Co-operative in order to re-start the agricultural production enterprises in order to create job opportunities as in the past for the community members of the St Augustine's community. The main project activities are: (i) design of a detailed induction programme on the agreed terms of reference of the funding contract, the budget and the implantation plan; (ii) the identification of role players as contract producers; (iii) capacity building of participants, directors, role-players and contracted producers; (iv) project implementation and production; (v) contract deliveries of produce to the Inxu Agricultural Co-operative; (vi) value adding & marketing by the co-operative; (vii) assessment of all activities through the National Department of Agriculture's Excellence Model; (viii) aftercare by the implanting agent; (ix) final handover & withdrawal.	18 months	R1,882,466.80

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
6	Third	'LEAP' – Local Economic Partnership for Socially and Economically Excluded Groups in Alfred Nzo Municipality	Save Act Trust	Alfred Nzo and Ukhahlamba / Joe Gqabi	The overall objective is to implement sustainable local economic development activities that build on the resources and capabilities of participants and which equip them with the means to withstand shocks and 'climb out of poverty', and in so doing, be an example to others in their community and beyond. The specific objective is to implement a complementary set of economic and social interventions tailored to local conditions so as to increase impact on poorer socially excluded groups. The project will achieve its objectives by a variety of means including, training, Study Tours, extension and promotion of savings and social funds schemes.	24 months	R2,138,294.00
7	Third	Elundini Livestock Improvement Project	Teba Development	Ukhahlamba / Joe Qgabi	The overall objective is to assist farmers to significantly increase the amount of livestock that they can sell, increasing their incomes by R8,000 over the project period. The specific objective is to improve the knowledge of farmers to increase birth rates and reduce death rates in sheep and goats in order to improve the quantities of animals entering the supply chain. The way to achieve this is through basic animal health products being available to farmers on a regular basis and farmers having knowledge about causes and prevention of animal health problems. The project approach is to offer service and advice that farmers want through mentoring based on a facilitative learning approach.	18 months	R4,209,799.00
8	Third	Umthathi Africulture Project	Umthathi Training Project Trust	Cacadu	The overall objective is the conservation of biodiversity through the development of an alternative supply of natural resources and local resource-use practice to support and enhance sustainable plant-based livelihoods that are underpinned by biodiversity in the Eastern Cape. This will be done by promoting the sustainable management of indigenous botanical resources – for medicine, crafting, food and other economically beneficial activities. The specific objective is to develop training and advocacy programmes to support and enhance sustainable resource management and skills in the cultivation of traditionally used indigenous medicinal plants to reduce stress on wild plant populations; to supply cultivated indigenous plants for training and livelihoods; and to develop an infrastructure to generate project income for long term sustainability.	18 months	R4,000,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
9	Third	COMSEC Business Development Services	The Eastern Cape Job Creation Trust (COMSEC)	Cacadu (Nelson Mandela Bay Municipality)	The overall objective is to facilitate service delivery to small, medium and micro enterprises either directly or through intermediary organisations, in order to broaden the base of entrepreneurship and self-employment. Intended target groups and beneficiaries include small and micro enterprises, community cooperatives and aspirant entrepreneurs, survivalist enterprises and career seekers. The specific objectives are (i) facilitating the promotion of entrepreneurship and small enterprise activity, (ii) increased access to BDS through refined outreach strategies, (iii) provision of market driven small business skills training programs, (iv) effective linkages to existing BDS programmes, e.g. UYF BDSVP, (v) roll out of successful COMSEC model to the greater Cacadu District, (vi) development of small business advisors through the COMSEC internship programme, (vii) addressing "market access" challenges encountered by SMMEs through "opportunity management", (viii) improved access to tender opportunities, (ix) educating the SMMEs sector on the administration surrounding tendering, and (x) improving awareness on tendering.	12 months	R842, 525.60
10	Third	Tyelela Meander	Amahlathi Tourist Association	Amathole	The overall objective is to contribute to the economy of the Amahlathi area through tourism, through the coordination and joint marketing of the tourist potential of the area. The specific objective is to develop a tourist route in Amahlathi and coordinate a sustainable tourism sector that will catalyse the development of a successful tourism industry in the area. Envisaged outcomes include (i) existing small tourist businesses growing into sustainable enterprises that will become important employers, (ii) existing businesses forming partnerships to create improved BEE by transferring skills and creating opportunities for new businesses to thrive, (iii) new businesses created to service identified gaps in the market, (iv) an environment attractive for investment in the area, and (v) improved quality of service through training and quality control.	18 months	R4,494,613.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
11	Fourth	Compost Project – Working for Water	Mayibuye Ndlovu Development Trust	Cacadu	The overall objective of the action is the enhancement of the citrus industry in the Sunday River Valley through increased production yields. The specific objective is to roll out the existing pilot of manufacturing quality compost with alien plants as a primary source of input material. The main output will be a fully-fledged compost production process that is able to meet existing demand. The following results will be achieved: (i) 3 trucks for supply to the compost site and delivery to customers, (ii) 2 chippers for the cutting and chipping of reeds and trees, (iii) an additional 3 local SMMEs to harvest alien plants, (iv) 50 people employed at the alien plant removal point in this chain, (v) 20 people employed in the actual compost manufacturing process, (vi) SMME and manufacturing staff trained, and (vii) a full-time project manager.	12 months	R4,753,628.00
12	Fourth	Phase 2 of the project (expansion)	Walmer Hydroponics Co-operative	Cacadu	The overall objective of this action is to attack the joblessness engulfing the Walmer Township and ultimately the Nelson Mandela Bay Metro. This emerges from its project purpose of consolidating the current Walmer Hydroponics project into an urban agricultural incubator that enables locals in the township and the greater municipal area to competently exploit the local agricultural market. The following results will be achieved: (i) a pack shed and cool room, (ii) a retail shop for the sale of produce from site, (iii) one mini truck delivering produce to main clients, (iv) 50 fully trained unemployed locals, and (v) fertilisers and chemical inputs over 12 months to enhance yield and manage spoilage.	24 months	R2,411,987.92

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
13	Fourth	Upper Tsitsa Falls Tourism and Agriculture Project	Landmark Foundation	Ukhahlamba / Joe Gqabi	The overall objective of this action is to establish the best adventure tourism business in the country that serves as a model in community-private sector partnership, and to develop a concurrent and integrated agriculture project. The specific objective is to develop a sustainable business through an integrated partnership that results in the economic, social and environmental enhancement of the people living in the community of the upper Tsitsa Falls. A viable partnership venture in tourism and agriculture will be set up. The following results will be achieved: (i) development of the Tsitsa Falls Nature Reserve as a nature setting that would be appropriate and appealing to the adventure tourist, (ii) development of tourism accommodation facilities that cater appropriately for the likely guests that would visit the area, (iii) development of additional adventure tourism products in the region inclusive of zipline, kayaking adventures, horse-riding, hiking trails, fly-fishing adventures, abseiling activities, and river-rafting adventures, (iv) development of 50 hectares of agricultural land as a fresh produce supply source for the local communities and the tourism operations, and (v) development of the organisational structure and expertise through training and mentoring.	24 months	R5,500,000.00
14	Fourth	Forests for a Future	Border Rural Committee	Amathole	The overall objective of this action is that, by mid 2010, the Cata Forestry Company has established forestry as a key local industry in Cata through the creation of accessible plantations that will realise approximately R13 million for the community when harvested. The following outputs are expected by mid 2010: the Cata Forestry Company has planted a minimum of 180 ha of pine plantation (of which 138 ha is planted through the implementation of this proposal), and has spaced a minimum of 115 ha of wattle plantation (of which 42 ha is spaced in terms of this proposal). The intended results are: (i) the Forestry Company is established on clear and appropriate terms, and (ii) the Forest Company works in terms of the operational plan contained in the grant fund proposal, i.e. sets up its business within the stipulated time and cost parameters, manages its operations effectively, and implements all systems introduced in order to improve performance.	18 months	R1,752,200.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
15	Fourth	Positioning of the Alfred Nzo District as a primary tomato growing region	Ubunye Youth Primary Co-operative	Alfred Nzo	The overall objective of this project is to provide sufficient infrastructure, operational, technical and administrative support to ensure commercial sustainability of two hydroponics enterprises. The specific objectives are (i) to supply new tunnels to two project sites, (ii) conversion of water systems to solar/gravity systems, (iii) erection of product storage facilities, (iv) creation of an on-site seedling nursery, (v) installation of fully-operational hydroponics systems, (vi) formulation of entity institutional and operational policies, (vii) sourcing of packaging and marketing materials, (viii) designing of operational management plan and training of beneficiaries, (ix) setup of administration and financial systems and beneficiary training, and (x) project mentoring. The following results will be achieved: (i) expanded project infrastructure, (ii) on-site seedling nursery, (iii) working operational, administration, financial systems and budgets, (iv) beneficiary capacity to manage technical, operational, administrative and financial systems, (v) enterprise institutional policies, (vi) enterprise operational procedures, (vii) established private sector marketing support networks, and (viii) established operational and technical support services network.	14 months	R1,150,872.80
16	Fifth	Langlaagte Hydroponics Berry Production Project	Marblessharp 142 (Pty) Ltd t/a Berry Nice Berry Co.	Chris Hani	The overall objective of this intervention is to create employment and empowerment of farm workers that are resident on the farm Langlaagte, through part-ownership of a new berry business. The specific objective is to establish and operationalise a viable agricultural business growing and selling berries. The following results are expected: (i) a viable and functional berry business established; (ii) farm workers' cooperative strengthened through capacity building and utilisation of funds from operating surplus to support projects that improve the long-term economic status of farm workers on the farm; (iii) value chain and new product development takes place with production of jams, syrups and other products; (iv) market development and marketing; (v) the model is publicised and promoted as a solution to the problem of unemployed farm workers.	24 months	R3,491,427.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
17	Fifth	Rhodes Airfield Implementation	Walkerbouts Country Retreat (Pty) Ltd	Ukhahlamba / Joe Gqabi	This project is based on the feasibility study, cost benefit analysis, EIA and Business Plan for the establishment of an airfield near Rhodes that was done with the help of a LCF CAP Identification & Design grant. The overall objective of this project is to improve access to Rhodes and the surrounding area, thereby contributing to local economic development and thus improving the quality of life of all of the people in the area. Results to be achieved include: (i) completion of the Rhodes airfield to operational status, i.e. runway, perimeter fence, terminal building, staff accommodation, water supply and reticulation, re-alignment of power line, access establishment, wind-sock installation, and electricity supply to buildings; and (ii) a significant increase in the number of visitors that will result in increased employment opportunities and consequently, a big contribution to local economic development.	12 months	R5,048,925.00
18	Fifth	Makana Edutourism Project	Grahamstown Foundation Sec 21	Cacadu	This project is based on the feasibility study undertaken with the help of an LCF CAP Identification & Design grant. The overall objective is to contribute to the inclusive development of the Makana local economy by building on the region's existing competitive advantages in education, the arts and tourism to develop and market new, inclusive edutourism products and packages. The specific objectives are to (i) build a new edutourism brand, presence and marketing infrastructure within the Grahamstown Foundation, and (ii) develop and market inclusive edutourism products and packages. The following results are expected: (i) Makana Edutourism office, management and governance arrangements established; (ii) Makana Edutourism brand developed; (iii) Makana Edutourism marketing and operations infrastructure developed; (iv) inclusive Makana Edutourism products and packages developed; and (v) Makana Edutourism products and packages marketed and strengthened.	24 months	R3,797,878.00
19	Fifth	Keiskammahoek Wild Trout	Border Rural Committee Sec 21	Amathole	The overall objective of this project is to establish a viable recreational trout fishing business in the Northern Keiskammahoek region that is owned by the community. The specific objective is to cater for the needs of trout fishermen looking for an exceptional angling experience. There are two results that will be produced by the action, namely: (i) the establishment and growth of a sustainable wild trout fishery of exceptional quality; and (ii) an enhanced natural environment, characterised by a higher water table, the proliferation of diverse indigenous vegetation, and greater aesthetic appeal.	24 months	R1,820,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
20	Fifth	Establishment of a Farmer Support Unit within the Kei Fresh Produce Market	Kei Fresh Produce Market Sec 21	OR Tambo	This project's overall objective is to enhance production yields and the capability of participating farmers in the OR Tambo region to supply quality produce to the market, thereby improving their profitability and sustainability. The specific objective is to establish a Farmer Support Unit attached to the Kei Fresh Produce Market (KFPM) to support farmers in 10 targeted production centres. The Farmer Support Unit will mobilise resources for local producers, facilitate training for the producers, provide information on market trends, facilitate mentoring programmes, and support the farmers in managing their production plans. The following results are expected: (i) Farmer Support Centre established; (ii) farmers in the selected production centres supported to improve the quantity and quality of agricultural production; (iii) preparation, packaging and grading of fresh produce supplied by the selected production centres to the KFPM improved; and (iv) farmers from selected production centres supported to market their produce.	24 months	R4,631,545.00
21	Fifth	Masihlule Integrated Waste Recycling for Local Economic Development	Integrated Waste and Recycling Services cc (IWARS)	Cacadu	This project's overall objective is to create a viable, zero waste recycling system for the Makana and Ndlambe Municipal Areas that creates sustainable employment and new sources of income for its participants, formalises informal waste recycling, and improves the lived environment of citizens. The specific objectives are the following: (i) to expand the existing Masihlule project in Makana by consolidating and developing its waste recycling infrastructure and systems in the Makana Municipality and developing new waste recycling infrastructure and systems in the Ndlambe Municipality, and linking this infrastructure with downstream processing initiatives; (ii) to employ, train and equip existing informal waste recyclers and additional unemployed people to work in, own and manage the waste recycling infrastructure purchased through this project, and (iii) to create an integrated waste management system that supports both municipalities and mobilises citizens to support separation of waste at source as a first input into the recycling system. The following results are expected: (i) strengthened and capacitated waste management system established for Makana and Ndlambe; (ii) Buy-Back Centres and Processing Facilities fully operational in Makana and Ndlambe; (iii) waste transit systems established and operational at unlicensed landfill sites; (iv) waste workers appointed, trained and equipped; (v) waste-worker owned management structures set up and capacitated; and (vi) new recycling businesses established to add further value to the outputs of the Buy-Back and Processing Centres.	24 months	R4,461,172.13

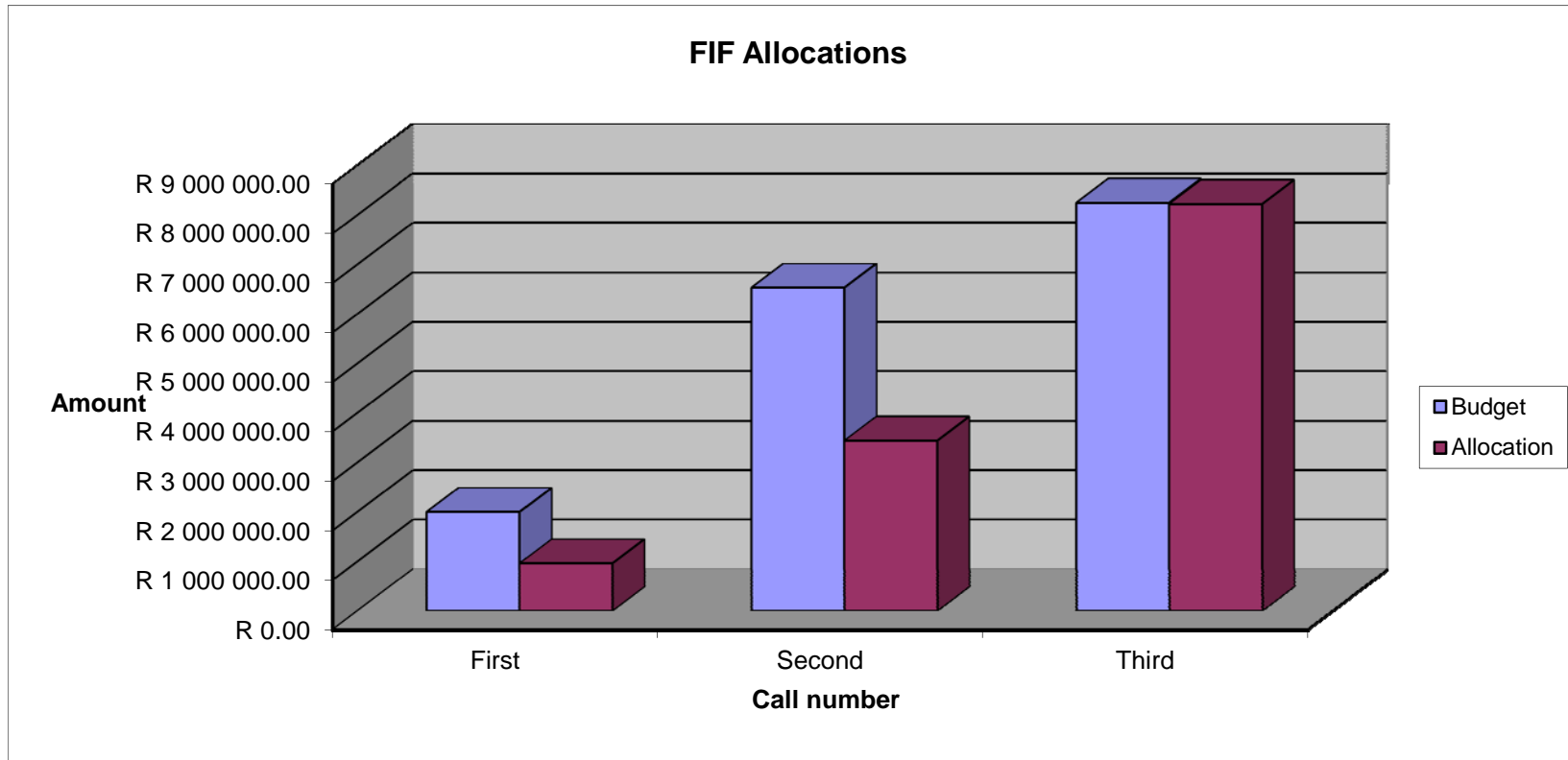
Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
22	Fifth	Phase 2 of the Ncise Hydroponics Project	NSM Networking Services Sec 21	OR Tambo	The overall objective of this project is to contribute towards improved agricultural incomes and a better standard of living for the Ncise Community near the Mthatha Airport. The specific objective is to develop phase 2 of the Ncise hydroponics project by constructing and operating Galvanised Hydroponics producing High Value Crop Tunnel Farming Systems and improving the knowledge and skills of workers and management. The following results are expected: (i) management team set up and ready to lead implementation of project; (ii) infrastructure and equipment established in readiness for production; (iii) staff employed and capacitated for increased production; and (iv) crops produced and successfully marketed.	18 months	R4,705,037.00
23	Fifth	Establishment of Commercial Agricultural Production in the OR Tambo District of the Eastern Cape Province	Is'Baya Development Trust	OR Tambo	This project focuses on the first phase of the commercial production aspect of the Integrated Village Renewal Programme (IVRP), providing homestead site-infrastructure, training and capacity development, formation of co-operatives and access to markets for the first 29 villages in the scheme. The overall objective of this project is to create economically self-sustaining and socially cohesive rural communities in the Eastern Cape. A key specific objective is to establish community-based commercial agricultural production in villages that are part of the IVRP in the OR Tambo district. The following results are expected: (i) basic infrastructure is installed at target sites, on a critical needs basis; (ii) technology is transferred, long-term technical support system implemented and production activity implemented; (iii) cooperatives are established and training programme is developed and completed; (iv) critical markets are effectively accessed and qualitatively engaged; and (v) a monitoring & evaluation system is designed and implemented.		R 5,287,725.05
24	Fifth	Sithembene Women's Networked Garment Enterprise	Sithembene Women's Enterprise	OR Tambo	The overall objective of this project is to establish the Sithembene Women's Networked Garment Enterprise in the King Sabata Dalindyebo and Nyandeni Local Municipalities as a successful and sustainable business that produces high quality garments and creates jobs, income, skills and dignity for women. The specific objective is to build on the knowledge, production skills and market exposure of the Sithembene Women's Development Enterprise (SWDE) and the sewing capacity of associated women's cooperatives to establish a new networked garment factory that can produce in sufficient volumes to meet market demand. The following results are expected: (i) new factory building constructed and equipped; (ii) production network and quality control systems established; (iii) capacity of management and staff developed; (iv) marketing campaign designed and implemented; and (v) financial viability achieved.		R 4,724,917.38

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
25	Fifth	Up-scaling the Fort Hare Pilot Ilima Agri-Park Model to a fully-fledged Regional Support Facility	University of Fort Hare	Province-wide	The overall objective of the up-scaled Agri-Park model will lead to the promotion of micro- and small- to medium-scale agricultural enterprises towards the betterment of rural livelihoods and economic self-sustenance. More specifically, the aim is to establish Agri-Parks and similar establishments as an economic development and support hub for the promotion of sustainable, low-cost, conservation agricultural production and value adding models that will enable small-scale rural farmers to effectively participate in public and private sector markets. The following results are expected: (i) ecologically optimal and cost-efficient primary agricultural production and processing systems established and consolidated in participating communities; (ii) viable markets established for rural small-scale agricultural enterprise; (iii) community-centred entrepreneurial organizations consolidated and/or established; and (iv) University of Fort Hare capacity and role consolidated in research & development, knowledge and training to support sustainable small-scale agriculture.		R 5,500,000.00
26	Fifth	Emalahleni Sorghum Mill	Ibuyambo Sorghum Cooperative Ltd	Chris Hani	The overall objective of this intervention is to ensure sustainable incomes to farmers and increased local employment from development and strengthening of the sorghum value chain. The specific objective is to strengthen and develop the value chain for sorghum in the Emalahleni local area, primarily through providing a grain mill locally. The following results are expected: (i) security of supply through improved viability of sorghum producers; (ii) sorghum processing facility (mill) is developed and operated as an profitable company; (iii) established market share for locally milled sorghum products; and (iv) skills and capacity adequate for ongoing production, processing and marketing.		R 3,477,682.02
<b>Total grants awarded from LCF: CAP Implementation</b>							<b>R 89,272,569.15</b>

## **4 Grants awarded from the Financial Innovation Fund**

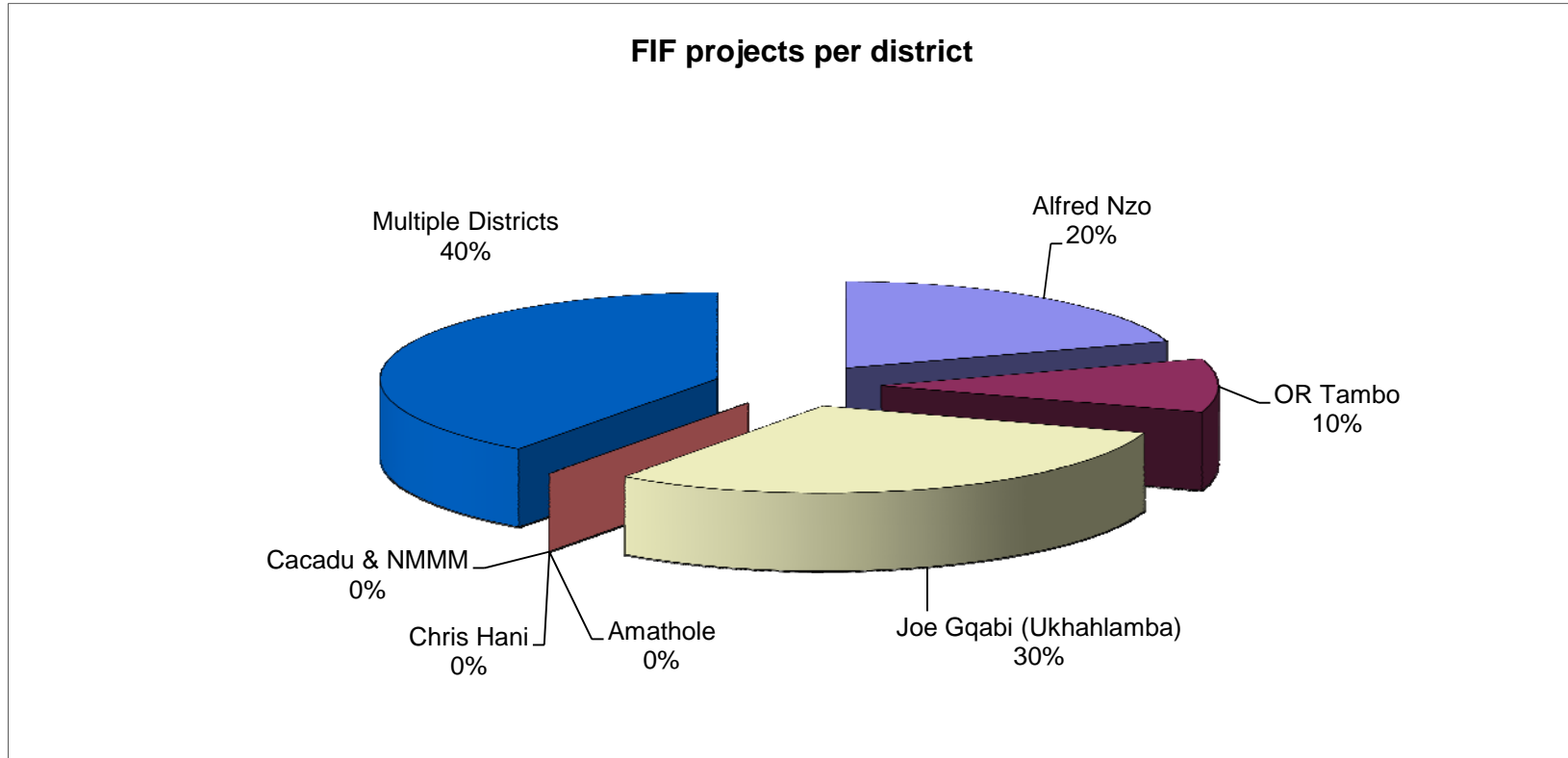
Grants from the Financial Innovation Fund (FIF) were allocated under three calls for proposals. The first two calls for proposals were issued under the first tranche of EU funding, and had to be committed by the end of 2007 – what was not committed had to be returned to the EU, and, therefore, was not available for budgeting or allocation purposes after 2007. One call for proposals to the FIF was issued under the second tranche of Programme funding.

The diagram below shows the allocations of FIF funds against the budgets for each call for proposals. The first two calls for proposals did not attract a sufficient number of high quality applications to allow the grant fund evaluation committee to commit the full budgets for those calls – 48% of the budget allocated to the first call was allocated, and 53% of the budget for the second call was allocated. Improved coordination and rigour of the application support process, including facilitation of input into priorities in the microfinance sector, allowed for the allocation of more than 99% of the budget for the final call for proposals to the FIF.

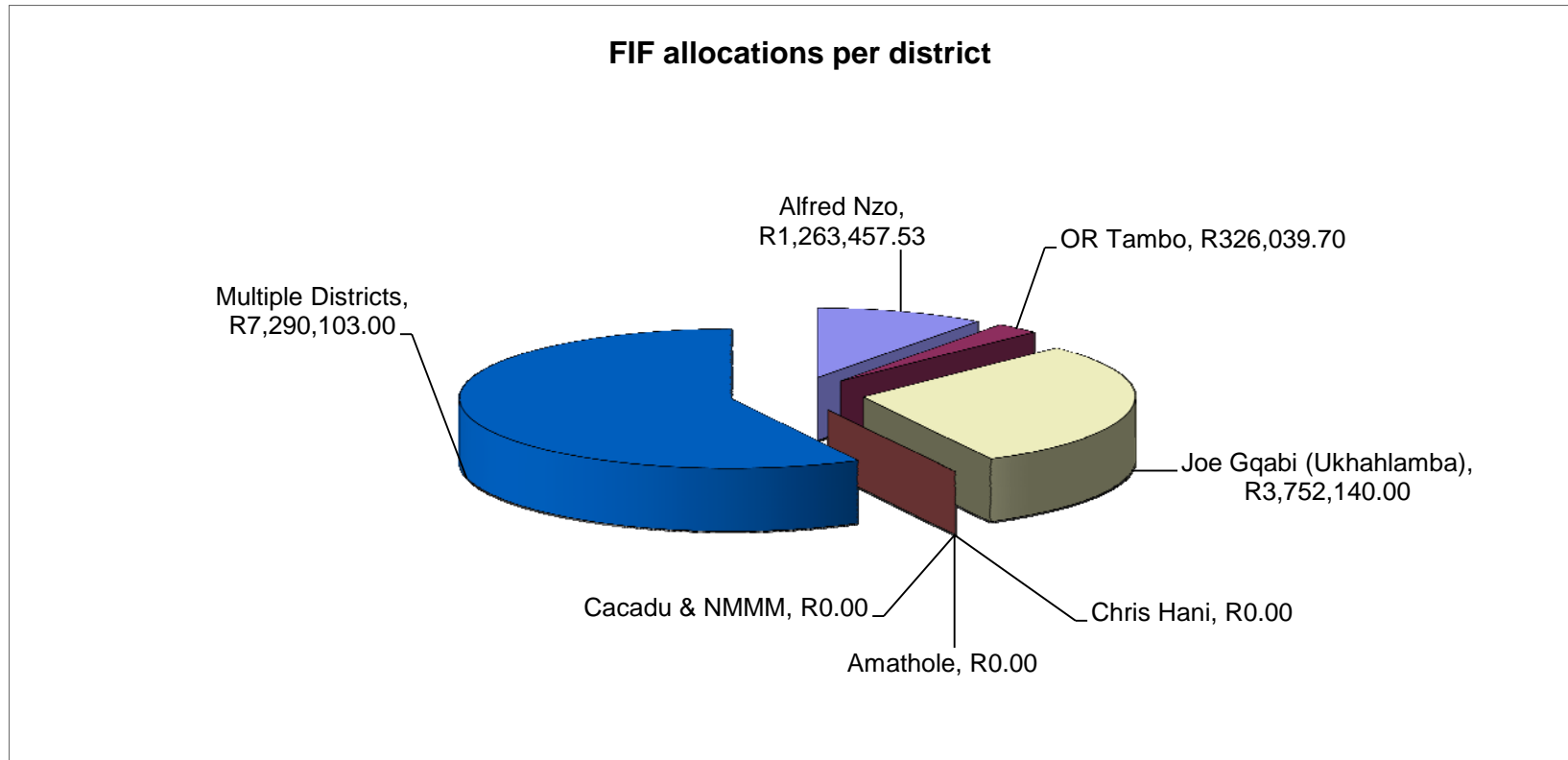


#### 4.1. Distribution of grant funding and projects per district

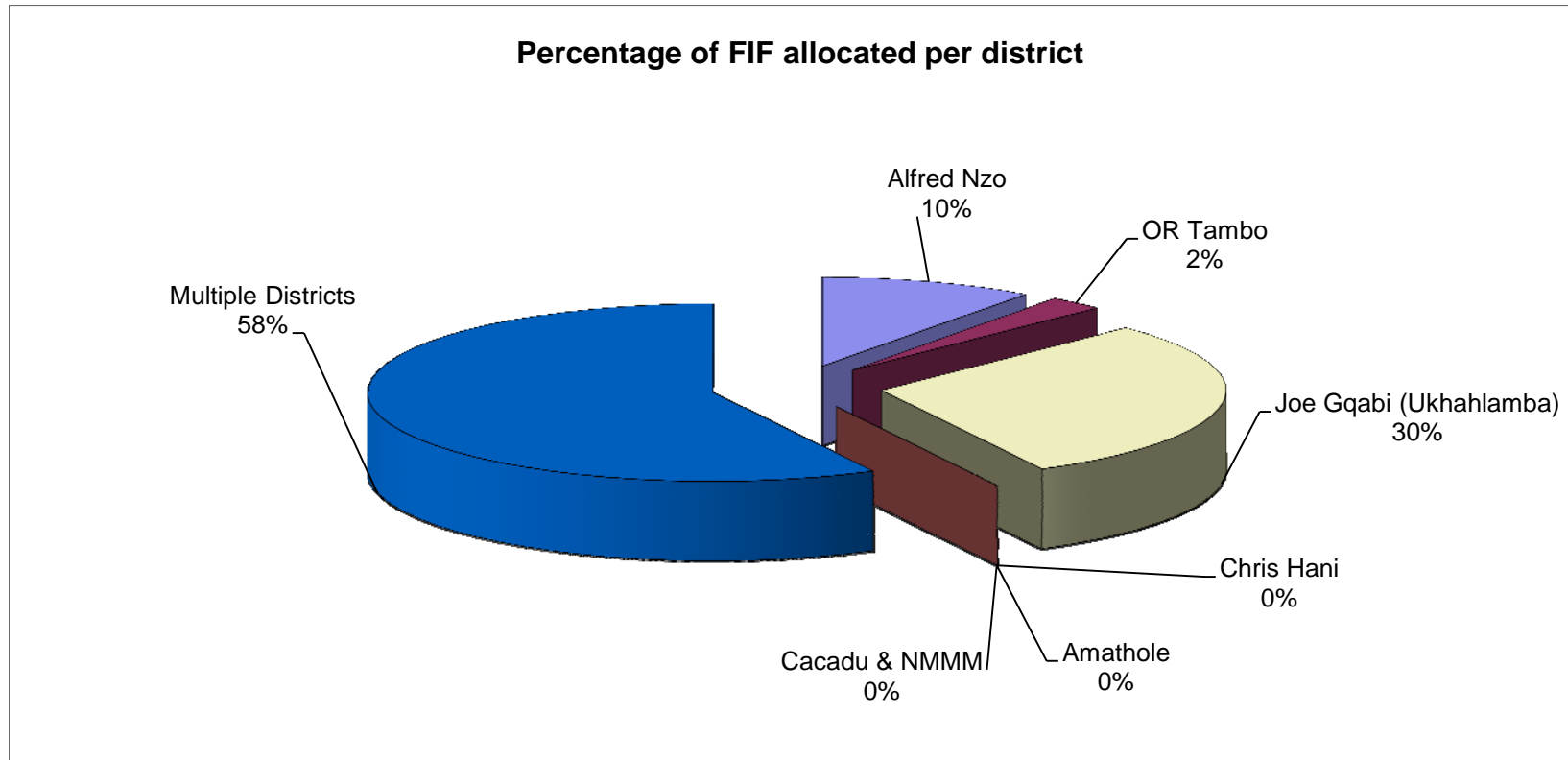
The diagrams below show the distribution of FIF grant funding and projects per district:



The largest percentage of projects that attracted FIF funding covered more than one district – three of these were projects that attempted to make strategic interventions in the microfinance sector in the Eastern Cape. Thirty percent of FIF projects were located in the Joe Gqabi (Ukhahlamba) District, followed by 20% in the Alfred Nzo District.



The bulk of FIF funding was allocated to projects that covered more than one district (58% - see the table below). The projects that were awarded funding in the Joe Gqabi (Ukhahlamba), Alfred Nzo and OR Tambo Districts were mainly microfinance initiatives that were started under the National Government's Khula initiative, but now required funding to consolidate and extend their reach and range of services to poor borrowers in terms of a group lending approach.



#### 4.2. List of projects to which FIF funding was allocated

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
1	Pilot	Alignment of Insurance Products with Micro Lending Operations	Matatiele Financial Services	Alfred Nzo	Matatiele Financial Services (MFS) is a development micro finance organisation that issues micro loans to the poor and marginalized rural communities, especially to businesses owned by women in village centres. Both start-up and existing businesses in the Eastern Cape and KwaZulu Natal are supported, using limited resources. MFS, which currently has a database of 2000 active borrowers that are serviced by two loan officers, reaches the poor by using village centres as points where business information is shared and new clients are recruited. MFS aims to become an efficient micro finance institution in the north east region of Alfred Nzo district as well as Mt Fletcher in the Ukhahlamba district. MFS plans to recruit six credit officers trained in efficient lending skills and to open a new office in Mt Fletcher to service existing clients and to minimise transport costs. Low interest rates, uncomplicated application procedures, and village centres within walking distance of clients will make microfinance more accessible to the poor. MFS will offer clients life cover, business insurance and insurance to cover the loan in collaboration with one or two insurance companies. Training in default management, client services, risk management, time management and good practices will enable staff to provide relevant financial advice to clients in village centres. The board members will be trained on HR systems such as disciplinary and grievance procedures, employment contracts and performance management systems. The Village centre office bearers will be trained in bookkeeping.	18 months	R 363,457.53

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
2	Pilot	New approach to micro-lending in disadvantaged areas of Eastern Cape	Eyethu Community Finance Centre (ECFC)	OR Tambo	Khula established the Eyethu Community Finance Centre (ECFC) in 1999 in Mt. Frere. ECFC provides group lending up to R10,000 as developmental loans to disadvantaged entrepreneurs, especially women and youth. It gives general business advice and support savings mobilisation. Thina Sinako has awarded a grant to ECFC to address the issue of limited access to finance of thousands of people living in rural areas who cannot be served by traditional banks. The grant will be used to open a new office in Bizana which will improve delivery of loans in our targeted areas; research the demand for and design educational and housing loans; develop a training strategy and provide training in the areas of customer relations, business management, lending methodology, risk management and organisational development; and mentor and support aftercare of clients by providing training and ad hoc business development support. New staff will be familiarised with ECFC procedures and manuals. As the organisation grows, the upgrading of skills of other staff will be essential in order to ensure our effectiveness. In its first year of operations Eyethu CFC provided 50 loans and has grown to our current portfolio of approximately 1,300 active borrowers. We want to grow constantly and our focus for 2007-2008 is to 1) improve the effectiveness of the provision of our services to customers in Tsolo and Ntabankulu, 2) design new products (educational and housing loans), 3) upgrade skills of our personnel to improve the delivery of our loans and 4) do more consumer education in order to improve our risk portfolio management.	18 months	R 326,039.70

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
3	Pilot	New phased incremental training, mentorship and micro lending approach to develop entrepreneurs in the Ukhahlamba district	Tiholo Entrepreneur Support Centre	Ukhahlamba / Joe Gqabi	<p>Tiholo Entrepreneur Support Centre is the only institution that provides micro enterprise finance and ad hoc business development services to the rural communities in the Ukhahlamba District. It focuses on group lending to micro entrepreneurs. Tiholo serves the district within a 200 km radius from its base office in Lady Grey. Its current client base consists of 95 % female borrowers, mainly in the youth segment of the population.</p> <p>The Thina Sinako grant is being used for the development of new training and evaluation programmes by Tiholo. These will improve its loan recovery rates and the sustainability of the institution by strengthening its risk assessment capacity and methodology, and by introducing a process of evaluation of entrepreneurial skills and competencies of new and existing borrowers as part of its loan assessment procedures. If necessary, Tiholo will provide the required training and mentoring for borrowers to address any lack of required skills. A new formalised phased incremental training and mentoring program will cater for first time borrowers and start up entrepreneurs entering as new members of groups. It will operate through the various stages of the incremental lending cycle and up to the development of fully independent individual entrepreneurs as individual borrowers of Tiholo. A need has also been identified to provide larger loans to individual borrowers that have graduated through the various incremental group lending cycles. Expansion loans are also offered to established individual micro entrepreneurs with sufficient business skills and collateral security as first time borrowers of Tiholo.</p>	18 months	R 275,808.00
4	Second	Innovative Approach to Loan Portfolio Expansion and Contract Finance	Business Finance Promotion Agency (BFPA)	Chris Hani, Amathole, Cacadu	<p>The overall objective is to contribute to the achievement of the operational and financial mid- and long-term sustainability of BFPA.</p> <p>The specific objectives of the project include i) upgrading the internal business operation model through the improvement of loan portfolio management, including scoring methodology and quantity surveyor facilities and ii) expanding lending operations into new geographical areas of the province to increase the client base.</p> <p>The expected result areas will include:</p> <ul style="list-style-type: none"> <li>• Re-designing the evaluation of contractor finance applications and oversight of the contractor loan portfolio.</li> <li>• New IT system put in place for loan tracking and networking of local offices operations.</li> <li>• Opening new branch/satellite offices.</li> <li>• Developing and capacitating PFPA human resources.</li> </ul>	24 months	R900,000.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
5	Second	Innovative Approach to Buoyant Micro Credit Expansion	Matatiele Financial Services	Alfred Nzo	To explore different innovative methods of supporting micro finance institutions in Alfred Nzo District Municipality so as to ensure sustainability, with the use of apex type funding for on-lending. The proposed action seeks to increase the micro loan portfolio in both MFI's but with minimised risk exposure. It also seeks to strengthen its operational capacities, to put sound financial, IT and HR management systems in place and to share knowledge and information between ECDC, Eyethu Community Finance Centre, Matatiele Financial Services and other MFI's in the Eastern Cape.	24 months	R900,000.00
6	Second	Innovation in rural micro finance in Eastern Cape	Eastern Cape Rural Finance Corp Ltd (t/a Uvimba Finance)	All DMS	The objectives of this project are to develop a replicable model of community-owned, accessible, relevant and sustainable local Financial Services Co-operatives; and to foster the creation of an enabling legal and supportive institutional environment for FSC's at a local level and at a provincial public sector and corporative level. This will be achieved by research into past failures of previous models as well as successful models and the piloting of an alternative cooperative based model of Financial Services with selected MFI's in the Eastern Cape. The project's specific purpose is to improve Uvimba's capacity to provide effective capacity building and networking support to MFI's implementing the model, so that the selected FSCs/MFIs are able to consolidate their operations and sustainability.	24 months	R900,000.00
7	Second	Organisational development and capacity building for long term sustainability	Thlolo Entrepreneur Support Centre (TESC)	Ukhahlamba / Joe Gqabi	The objective for the project is for TESC to achieve long term sustainability and financial self-sufficiency of the organisation. This will allow the organisation to fulfil its mission, which is to develop entrepreneurial activity in the region through the provision of micro-credit or micro-finance and capacity building and training support to emerging entrepreneurs. The specific objective is to expand the client base of the organisation, and optimising the organisation's financial performance by its improving loan management capacities. The means to achieve this objective will be (i) to increase client retention and satisfaction and grow client base through the development of product range and increase in number of loans granted; (ii) implement new loan portfolio management system; (iii) network with other MFIs in Eastern Cape.	24 months	R741,677.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
8	Third	Automated invoice-based (factor) finance to increase SME participation in Ukhahlamba Municipality contracts	Ukhahlamba District Municipality	Ukhahlamba / Joe Gqabi	The Ukhahlamba District Municipality is piloting this intervention and is supported by the Eastern Cape Development Corporation (ECDC). The ECDC, a public entity, has a mandate to support SMEs with finance, but has found that identification of credit-worthy SMEs is costly, since they are not aware of which companies are winning tenders. Furthermore, ensuring repayment of loans has been a severe challenge. ECDC will therefore co-fund the intervention, and will make available loan funds to enable the implementation of the intervention model, which will identify directly the companies that win tenders and link to that loan finance. The overall objective of the intervention is to broaden the provision of credit to SMEs so that they have greater opportunity for successful participation in municipal contracts. The specific objective is to pilot the development and implementation of a system that links SMEs that obtain municipal contracts with factor (invoice-based) loan opportunities. The broadening of credit to SMEs will be possible as SMEs that would not ordinarily be eligible for loans will be able to access operational bridging loans using their invoice payments as collateral. The following results are expected: (i) municipal business processes adapted to increase SME opportunities; (ii) application, approval and loan recovery processes automated; (iii) SMEs registered on system and loans issued; and (iv) local municipalities in the Ukhahlamba district municipal area included and lessons shared.		R 2,734,655.00
9	Third	Financial Information Dissemination Centres in the Eastern Cape	Walter Sisulu University	Province-wide	The overall objective of this intervention is to improve the sustainability and reach of financial services through provision of financial product information and financial skills to consumers and SMMEs. The specific objective is to pilot an appropriate method of disseminating understandable and appropriate information on available financial services and provide training in financial management to insure the appropriate use of financial services and products. The following results are expected: (i) information on financial products/services aimed at SMMEs and low and middle income earners collated and expressed in simplified form; (ii) pilot financial information centres established; (iii) financial management skills of selected SMMEs and individuals developed; and (iv) lessons from the pilot analysed and requirements for expansion established.		R 2,746,991.00

Ref.	Call	Project title	Grant recipient	District	Brief description	Project duration	Amount
10	Third	Strengthening of WSU to undertake microfinance research and capacity building in support of a robust microfinance sector in the Eastern Cape	Walter Sisulu University	Province-wide	The overall objective of this project is to strengthen support to the micro-finance sector in the province by developing local capacity to undertake micro-finance research and training. The specific objective is to build a microfinance research and training programme within the Walter Sisulu University that will strengthen providers of microfinance and their clients within the Eastern Cape. The following results are expected: (i) microfinance knowledge centre and research programme established within the Walter Sisulu University; (ii) microfinance training programme established within the Walter Sisulu University; and (iii) Walter Sisulu University's research and training offering marketed within the Province and its profile within the microfinance sector consolidated.		R 2,743,112.00
<b>Total grants awarded from FIF</b>							<b>R 12,631,740.23</b>