

Good afternoon ladies and gentlemen,

First and foremost, congratulations to The Clothing Bank for winning the prestigious international award Schwab Foundation's Social Entrepreneur of the Year.

Also a thank you to the Clothing Bank for giving me the opportunity to say a few words at this event.

South Africa and the European Union enjoy an intensive and ever expanding relationship, covering political cooperation, development cooperation and trade. Shared values, common interests and common challenges are at the core of our SA-EU strategic partnership, which is one of only 10 strategic partnerships we have as EU in the world and the only one in Africa.

The European Union is fully supportive of South Africa's National Development Plan to tackle the challenges of inequality, poverty and unemployment. Our bilateral cooperation with South Africa till 2020 includes three priority areas; all of which are aligned with the National Development Plan and were agreed upon jointly with the SA government. These priorities are: one: employment creation, two: education, training and innovation, and three: building a capable and developmental state.

As EU we were invited say a few words at this event because of the financial support we provide to the Clothing Bank through one of our key cooperation programmes, the National Development Policy Support Programme. This is a broad programme with a total budget of 250 million Euros, over 4 billion Rands currently. It is provided in the form of two complementary components.

The first and major component is budget support to the South African government. This provides the opportunity to the government to test new and innovative initiatives which are aligned with its development plans and strategies, but which its own budget would not normally allow for due to being more risky or not yet sufficiently proven.

The second component consists of complementary support programmes in three areas:

1. First, Support to Civil Society Organisations through Calls for Proposals in the areas of employment promotion, sustainable environment, and citizens in action;
2. Second, Capacity building for public financial management, implemented through National Treasury; and,
3. Third, Support to evidence based policy making through to the Programme for Pro-poor Policy Development implemented through the Presidency and DPME.

The objective of our support to Civil Society Organisations is to enhance their role in the achievement of South Africa's key development objectives. In this respect, the EU launched three calls for proposals. One of them, the call in the area of employment promotion was titled 'Skills Development and Job Creation' and covered 4 themes:

First, Skills development and placement assistance, with a focus on youth and women;

Second, Community-based employment creation, including training programmes;

Third, Business Support Services to Small and medium-sized enterprises; and

Fourth, Micro-credit schemes.

In response to this call for 7 million Euros or about 120 million Rands, more than 120 proposals were received, out of which only 9 were selected for funding. I want to stress therefore that The Clothing Bank proposal faced serious competition before we selected it.

This proposal from the Clothing Bank was for a very strong, well-conceived and practical project. Its methodology was very clear and well devised. The project demonstrated the ability to add value to the effort made by civil society in promoting employment opportunities in South Africa. It is innovative, it has potential to be scaled up and replicated. And particularly exciting is also how this initiative brings together civil society, the private sector and government which we believe is absolutely key in order to address the enormous unemployment challenge.

The project's contribution to the promotion of gender equality is also impressive. This is important to us because a key goal of the European Union's Gender Action Plan is to contribute in a measurable manner to women's economic and social empowerment and to contribute to their active participation in the economy. By providing unemployed mothers with an alternative to only depending on government assistance through empowering them to become self-employed business women, The Clothing Bank is making a powerful contribution to these goals that are also key for the EU.

We signed a grant contract with the Clothing Bank in April 2015 to support them with about 10 million Rands. With this funding The Clothing Bank is able to increase its number of beneficiaries; to improve its curriculum; to further develop franchise models and help migrate graduates from the 2 year

programme into the franchising opportunities; and to further integrate monitoring and impact assessment into its operations.

To conclude, as Delegation of the European Union to South Africa we are therefore proud to support this initiative.

My best wishes therefore to The Clothing Bank team with the further implementation of this initiative and to all programme participants with the running of their business and providing for their families!

Thank you very much.