

THE JOBS FUND

REPLICATING AND SCALING HOME-GROWN SOLUTIONS FOR JOB CREATION AND POVERTY ALLEVIATION

The Jobs Fund Mandate

The Jobs Fund offers a targeted programme of support for effective labour market interventions that promise job creation in the short to medium term, and the uptake of successful job creation models by the market in the long term.



Test innovative projects that stimulate supply and demand for labour



Share successful models



Models adopted by pioneering organisations



Wider market adoption over the medium to long term

Four Funding Windows

The Jobs Fund explores options for tackling barriers to job creation by providing public funding through four Funding Windows:

- 1 Enterprise Development**
 - Reduce risk, remove barriers to market access/ improve supply chains.
 - Develop new business models/ products/ markets.
 - Stimulate demand for labour.
- 2 Institutional Capacity Building**
 - Improve operational efficiencies, remove barriers to doing business, catalyse innovation and potential for job creation.
 - Assist organisations that can influence labour demand.
 - Unlock institutional barriers to job creation.
- 3 Support for Workseekers**
 - Links work-seekers to formal sector job placements.
 - Rapid access to employment and work-related training for the unemployed
 - Improve the supply of labour.
- 4 Infrastructure Investment**
 - Co-financing critical missing infrastructure.
 - Improve the business environment for SMMEs.
 - Encourage employment-linked investment.
 - Reduce cost and risk barriers that inhibit innovative enterprise models, partnerships, ideas and projects.

Challenge Fund Principles

The Jobs Fund operates on challenge fund principles.



Competitive and transparent



Risk-sharing between the Jobs Fund and Partners



Projects are co-financed (target ratio 1:1)



Partnerships and collaboration



South Africa Sizwebenzi



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SUPPORTING SUSTAINABLE EMPLOYMENT

PROGRESS

(as at 30 Sep 2019)



153

approved projects



R9 bn

allocated to the portfolio



R14.1 bn

committed in matched funding from partners



118 867

new permanent jobs facilitated



250 124

people trained



56 660

permanent placements facilitated

DEMOGRAPHICS

(as at 30 Sep 2019)

118 867 new permanent jobs

56 660 permanent placements

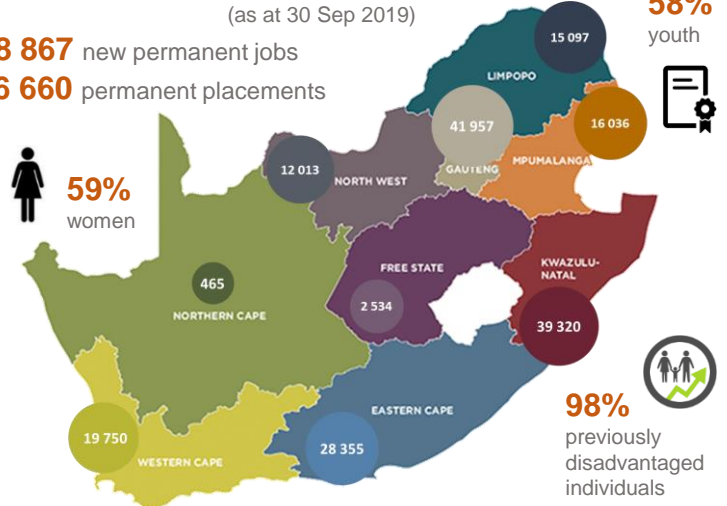


59% women

58% youth



98% previously disadvantaged individuals



The Jobs Fund has a growing body of knowledge on the key elements required for successful job creation interventions. We continue to build on this and share it with the market.

ALIGNMENT TO SOUTH AFRICA'S DEVELOPMENT PRIORITIES

South Africa's challenges require a mix of innovative funding instruments that can support innovation, de-risk projects and encourage more effective partnerships delivered through a well-capacitated and skilled organisation. The Jobs Fund has tested a number of these approaches, some of which are included below.

PRIORITY: ECONOMIC TRANSFORMATION AND JOB CREATION

Supporting Inclusive Growth in Informal, Township and Rural Economies

The Jobs Fund supports informal sector interventions that graduate small and micro enterprises out of dependency and into viable enterprises.

A2Pay

- ❖ A2Pay provides spaza shop owners with point of sale technology to bring vital pre-paid services and products to peri-urban and rural communities.
- ❖ Participants undergo business management training and mentorship.
- ❖ Spazas are expanding their product offering as demand for services increases.
- ❖ A2Pay have rolled out to over 3,000 spazas and created as many jobs.
- ❖ This tech is now being considered by SASSA for the payment of grants.

A2pay[®]
transactions of value



Most funding products do not match the earning profile/ income stream of the SMME/SHF. The Jobs Fund combines grant and commercial sources of funding to reduce the cost of capital for emerging farmers and SMMEs

Hortfin Fund

- ❖ Hortin and the Jobs Fund have established a R600m funding mechanism for emerging farmers.
- ❖ The grant portion from the Jobs Fund reduces cost of capital for farmers.
- ❖ This is a sustainable fund – the interest rate margin will cover its operational costs; thereby ensuring more emerging farmers will benefit.

HORTGRO
Growing Fruit IQ



South Africa Sizisebenzi



ALIGNMENT TO SOUTH AFRICA'S DEVELOPMENT PRIORITIES

PRIORITY: ACCESS TO HEALTHCARE

Access to Quality Health Care in Marginalised Communities

The Jobs Fund supports projects offering services in the healthcare sector, offering both support for workseekers and entrepreneurs, as well as better healthcare access for community members.

Unjani Clinics

- ❖ Unjani Clinic is an Enterprise Development initiative that empowers black women nurses to own and operate their own primary healthcare clinics.
- ❖ This owner-operator model is developed to serve “bottom of the pyramid” and under-served markets.
- ❖ The project develops new businesses, creates new jobs within each clinic and promotes affordable primary healthcare.



PRIORITY: EDUCATION AND SKILLS TRAINING

Improved Educational Outcomes and Better Bridging of Youth to Jobs

The Jobs Fund supports interventions that capacitate beneficiaries with training programmes that improve their chances of securing employment or self-employment.



Columba Leadership

- ❖ Columba delivers a programme to school-going learners that assists them in developing 21st century workplace skills such as critical thinking, problem solving, communication, resilience, self-awareness and leadership.
- ❖ Beneficiaries are based in schools in disadvantaged areas.
- ❖ Young people develop skills that can assist them once they leave school; whether in tertiary education, in their own enterprises or in the work environment.

SmartStart

- ❖ The focus of the project is to improve access to early learning in the most vulnerable areas in South Africa while creating self-employment and employment opportunities for fellow community members.
- ❖ This project will establish owner-managed Early Childhood Development (ECD) centres for the benefit of the community.



PRIORITY: INVESTMENT IN CRITICAL OR MISSING INFRASTRUCTURE

Incentivising Private Sector Investment

The Jobs Fund supports investment in new training centres, business hubs, and local market facilities which catalyses further investment and job creation.

Automotive Industry Development Centre (AIDC) - Nissan

- ❖ AIDC has built an incubation hub and training centre that supports artisans and black-owned automotive component suppliers.
- ❖ The project produces qualified artisans and capacitated SMMEs that manufacture and supply automotive components.
- ❖ In April 2019, Nissan announced that they had won the bid to produce the Nissan Navara locally, resulting in a further R3-billion investment from Nissan International.



ALIGNMENT TO SOUTH AFRICA'S DEVELOPMENT PRIORITIES

PRIORITY: 4TH INDUSTRIAL REVOLUTION

Developing the Skills of Tomorrow

The Jobs Fund supports interventions that focus on the scalability of labour resources for the digital economy.

CCI Careerbox

- ❖ The business process operations (BPO) industry has developed into a key job creator in South Africa but there is a lack of available skilled human resources.
- ❖ The CCI Careerbox project is a skills development catalyst that offers training to previously disadvantaged, unemployed, unskilled, and inexperienced youth.
- ❖ The delivery model enables it to impact source, recruit, train, and place large groups of candidates into employment within 2 to 6 weeks.



ADDRESSING UNEMPLOYMENT THROUGH PARTNERSHIPS

The Jobs Fund has over 100 partners and through these partnerships have been able to intervene across multiple sectors of the economy.



"The Jobs Fund has managed to crowd-in substantially more funding from its project partners than it invests (almost doubling government's investment to date). As a result, we are able to reach significantly more beneficiaries than anticipated, thereby broadening impact."

Najwah Allie-Edries – Head of the Jobs Fund

