

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 316 [CW408E]  
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**Ms C Labuschagne (Western Cape: DA) to ask the Minister of Finance:**

- (1) (a) How many jobs have been created since the National Treasury's Jobs Fund was established in 2011, (b) what are the criteria to access the funding and (c) what are the details of the application processes;
- (2) whether the National Treasury will reach the Jobs Fund's target of creating 150 000 jobs by the end of 2016; if not, why not; if so, what is the plan of action in this regard;
- (3) (a) how much has been allocated to the Jobs Fund since its establishment and (b) what impact does it have on the high levels of unemployment in South Africa?

CW408E

**REPLY:**

- (1) (a) Jobs Fund projects have, from inception to the end of the 2014/15 financial year (31 March 2015), reported the creation of 47,967 new permanent jobs.(These are jobs that did not exist but were created by Jobs Fund project partners through the enterprise development, infrastructure or support for work-seekers initiatives they have implemented.) In addition 21,100 placements were made through improving the matching of unemployed persons and vacant positions. Jobs Fund projects have also reported the creation of 13,638 short-term jobs.
- (1) (b) The eligibility and impact criteria differ across the Jobs Fund funding windows, and are published on the Jobs Fund website ahead of each funding round. The standard eligibility criteria that are applicable to all funding windows include tax compliance of applicants; ability to provide matched funding; a logical project concept that demonstrates a plausible job creation impact; a clear link of the project concept to the core business of the applicant; an established track record of implementation; innovation (ie, not a simple business expansion) and no outstanding legislative requirements. Key competitive impact criteria include sustainability beyond the funding request, innovation, additionality, value for money and capacity to implement.
- (1) (c) The Jobs Fund applies a two-stage application process for all grant funding rounds: a Concept Note stage and a Business Case stage. This enables applicants to test their proposed project concepts against the Jobs Fund's mandate criteria without expending undue effort or cost in the initial application.  
At Concept application stage, applicants submit a concise but compelling case of their 'big idea'. Each application is assessed against the Jobs Fund's Eligibility and

Impact criteria. Applications that score above a set threshold are submitted to the Technical Evaluation Committee (TEC). The TEC reviews the Jobs Fund's appraisals and scoring of the concept note applications and recommends successful applications to the Investment Committee (IC) for final Concept stage deliberations. Once the IC concludes its deliberations on the submitted recommended project proposals, those that are successful are invited to submit a full business case application. Applicants have a fixed period to prepare their business case application. On receipt all applications are competitively assessed again. Thereafter the IC considers and makes a funding decision to support or reject the application. Unsuccessful projects are informed in writing of the status of their application and successful applicants commence with the process of contracting with the Jobs Fund.

- (2) No, the Jobs Fund does not expect to create 150,000 jobs by the end of 2016, because project approval, contracting and disbursements have been slower than initially anticipated. Implementation has now gained momentum. As published in the National Treasury's Annual Performance Plan for 2015/19, it is expected that 150,000 new jobs will be contracted for by the end of 2016/17, together with 70,000 work placements and 160,000 training contracts. The table below sets out the current expectation for job creation and placements, which is that by the end of 2016/17 109,278 permanent jobs will be created and 64,655 work-seekers will be placed in jobs. Implementation of projects and full disbursement of the current portfolio is expected to be concluded in 2018/19.

	Inception to date	15/16	16/17	Total by March 2017	17/18	Total by March 2018
<b>Number of new permanent jobs created</b>	47, 967	41, 905	19,406	109 278	9,011	118,289
<b>Number of work-seekers placed in jobs</b>	21, 100	28,646	14 909	64 655	13741	78,396
<b>Total</b>	<b>69,067</b>	<b>70,551</b>	<b>34,315</b>	<b>173,933</b>	<b>22,752</b>	<b>196,685</b>

Note that the above reported performance does not include the number of internships, short-term jobs and training opportunities that the Jobs Fund grant has catalysed.

While projects were off to a slow start in respect of the delivery of reported jobs there has been incremental improvement. However creating a new permanent job through the growth of enterprises and SME's has been slower than initially projected and projects have reported that the general economic climate has been a factor. Other contributing factors include: delays in the disbursement of grant funds because of projects' inability to meet conditions set in the Grant Agreement; their inability to secure total contracted matched funding; the slower pace of implementation; and

projects' inability to secure the right partnerships for the creation of permanent job opportunities.

Projects have indicated that the three year period that was set by the Jobs Fund for the achievement of targets was unrealistic. This is further borne out by the increasing number of projects requesting extensions to their contracted implementation timeframes.

- (3) (a) In establishing the Jobs Fund, the Minister of Finance indicated that the total multi-year allocation to the programme would be R9 billion. This included establishment costs and administration costs. Of this R4.670 billion has been allocated to a portfolio of 87 projects and another R4.565 billion in contributions has been leveraged from project partners. The Fund anticipates that approximately R2 billion will be allocated during the current agriculture funding round. From inception to date the JF has disbursed a total of R2.542 billion to JF partners.
- (3) (b) In the context of high unemployment and an economy that continues to shed jobs, it has always been recognised that the Jobs Fund's target of creating 150,000 jobs was never going to make a singularly significant impact on joblessness in the country or on the unemployment rate. The Jobs Fund serves to stimulate good ideas, risk-taking and investment to discover new ways of facilitating or supporting enterprise development and matching of work-seekers with job opportunities, especially where the costs and risks may be unknown, and where the pro-poor impact, principally in the form of sustainable job creation, may be significantly larger than with conventional approaches. At its core, the aim of the Fund, through its different funding windows, is to operate as a catalyst for innovation and investment in activities which directly contribute to sustainable long term employment creation.

Over and above the 150 000 new sustainable jobs target the Fund also has a learning agenda which can contribute to a better understanding of the support measures and incentives that facilitate job creation. The evidence collected through the Fund's monitoring and evaluation activities will contribute insights into what works and why some job creation models are more effective than others, thus informing future policy decisions and employment programme design.