

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR ORAL REPLY**

**QUESTION NUMBER: 89 [CO689E]**

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**Mr J J Gunda (ID-NC) to ask the Minister of Finance:**

With regard to the President's announcement in his State of the Nation Address on 10 February 2011 regarding the R9 billion job creation initiative, (a) how have the funds been allocated to serve this purpose, (b) how many small businesses have been aided, (c) how has the youth job subsidies been affected, (d) how many sustainable and decent jobs have been created, (e) how many were filled, (f) which sectors were affected and (g) in which provinces did the job creations occur?

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**REPLY:**

(a) how have the funds been allocated to serve this purpose,

- *As set out in the February Budget, R9 billion is set aside over the current MTEF period – R2 billion this year, R3 billion next year and R4 billion the following year. The Development Bank of Southern Africa has been asked to administer the Jobs Fund, with technical support from the National Treasury. The first call for proposals closed on 31 July this year, and attracted some 2651 applications. The review of these proposals and follow-up consultations with applicants is still in progress. As at 15<sup>th</sup> of November 2011, projects to the value of R352 million have been approved. Disbursements to the approved projects are expected to commence towards the end of November 2011.*

(b) how many small businesses have been aided,

- *The Jobs Fund will not directly deal with small businesses, but it will provide funding to organisations that have the capacity and expertise to support small businesses – including the so-called “incubator” programmes, entrepreneurship support programmes and supplier development programmes of both the private and public sectors, and social investment agencies. Details will be provided by sponsoring organisations as programmes are finalised, but preliminary indications are that at least 20% of jobs fund allocations will go to small enterprise development.*

(c) how has the youth job subsidies been affected,

- *Training opportunities for young workseekers are a focus of many Jobs Fund proposals, often tied to job placement agreements with potential employers. This*

*appears to be a popular structure for indirectly subsidising job creation for young people. Clearly these initiatives are not directly focused on creating new jobs, though they can play a valuable role in improving access to work opportunities and facilitating the transition from school or college to work. Over time, we will need to monitor progress and effectiveness of these projects, thereby contributing to better understanding of what works in the employment services industry and how to improve its functioning.*

(d) how many sustainable and decent jobs have been created, and (e) how many were filled,

- *It is too early to report on job creation numbers. The DBSA estimates that about 115 000 workseekers will be assisted through the projects that have been approved to date, but this is of course just a start in the long term challenge of accelerating creation of sustainable and decent jobs.*

(e) which sectors were affected and (g) in which provinces did the job creations occur?

- *The Jobs Fund first call for proposals received applications covering tourism, manufacturing, agriculture, mining, financial services, social services, wholesale and retail sectors of the economy. The total number of applications came from all 9 South African provinces spread as follows:*

○ Gauteng	39%
○ KZN	15%
○ Western Cape	13%
○ Eastern Cape	10%
○ Mpumalanga	8%
○ Limpopo	7%
○ Free State	4%
○ North West	2%
○ Northern Cape	2%