

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 3192 [NW3750E]

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3192. Mr T D Harris (DA) to ask the Minister of Finance:

- (1) How many jobs have been (a) created and (b) funded by the Jobs Fund in the (i) 2010-11, (ii) 2011-12 and (iii) 2012-13 financial years;
- (2) what is the cost to the Fund for each job created;
- (3) how are the jobs that have been created monitored;
- (4) what are the criteria for selection for successful applicants?

NW3750E

REPLY:

(1) How many jobs have been (a) created and (b) funded by the Jobs Fund in the (i) 2010-11, (ii) 2011-12 and (iii) 2012-13 financial years?

(a) The Jobs Fund was announced in February 2011 and launched by the Minister of Finance in June 2011 when the first call for proposals was issued. The first funding decisions were made by the Investment Committee in November 2011.

(a) (i) This means that question (1) is not applicable in respect of the 2010/11 financial year as the Jobs Fund was not operational during that period.

(a) (ii) During the 2011/12 financial year, the fund's operations consisted of processing and approving of funding applications.

(a) (iii) Projects approved by the Investment Committee during November 2011 only began implementing their operations at the start of the 2012/13 financial year. Jobs "created" will be considered to be the actual New Permanent jobs created by Jobs Fund supported projects, as reported by the projects in their quarterly reporting cycle and verified by the Jobs Fund Monitoring and Evaluation team. The table below sets out the relevant figures:

Table 1: Jobs Created

	Financial year	(a) Jobs created <i>Actual figures reported by projects in implementation</i>
(i)	2010 - 11	N/A
(ii)	2011 – 12	N/A
(iii)	2012 – 13	2960
	Cumulative total to end 2012-13	2960

(1) (b) In order to respond to the question of how many jobs have been “funded”, this will be taken to be the Total Job Creation Target of projects approved by the Investment Committee over the relevant period, i.e. funding approved for the creation of jobs over the 3 year implementation period of the projects. This is shown in the table 1 below:

Table 2: Jobs Funded

	Financial year	(b) Jobs funded <i>Three year target for all projects approved in the financial year</i>	Expected realisation of target
(i)	2010 - 11	N/A	N/A
(ii)	2011 – 12	65 761 (1 st CFP)	2014 - 15
(iii)	2012 – 13	28 180 (2 nd CFP)	2015 - 16
	Cumulative total to end 2012-13	93 941	

(2) What is the cost to the Fund for each job created?

- An assessment of the total cost per job created is completed at the end of a project’s implementation period. Given that only 2 of the 66 funded projects have completed implementation it would be inaccurate to attempt to calculate the cost per job created to date on the basis of funds disbursed to date.
- The Investment Committee carefully considers the cost per job as part of the selection process. This cost varies considerably depending on the nature of the job being created and the sector in which it is being created.

- The current approved portfolio of 66 Jobs Fund projects will receive R3.480 billion in grant funding, to create 93,941 new permanent jobs (in addition to training 99,952 beneficiaries and placing 53,944 beneficiaries into existing / vacant jobs).
- This represents a cost to the Jobs Fund of R37 044 per new permanent job created. However the Jobs Fund is designed to leverage additional contributions from grantees towards the implementation of the project. When these contributions are taken into account, the overall cost per job is R63 742.

Table 1: Projected Cost per Job

A	Number of approved projects	66
B	Total Jobs Fund grant value	R3.480 bn
C	Planned (Cash) Contributions leveraged from JF partners	R2.508 bn
D	New permanent jobs target	93 941
	Cost to the Jobs Fund per new permanent job created (B/D)	R37 044
	Overall cost per new permanent job created (B+C)/D	R63 742

(3) How are the jobs that have been created monitored?

- Each project approved by the Investment Committee has a job creation target, which is realized over the three year implementation period of the project. Projects are required to report every quarter on the achievement of project milestones and thereafter funds are disbursed against targets achieved. The systemic nature of the projects funded is such that job creation will generally occur towards the end of a project's 3 year - lifespan, with training and internship targets being met sooner in the project lifecycle.
- Beyond the standard quarterly reporting processes, which specifically include the requirement for the submission of hard evidence of job creation by projects, there is a portfolio of evidence database that is used to track the validated and agreed-to evidence base for each grantee. Further, both the DBSA PMU and the NT PMO undertake regular field visits to the projects during which job creation evidence is verified. Finally, the Internal Audit team at DBSA conducts a project-level audit on an annual basis.

(4) What are the criteria for selection for successful applicants?

- The Investment Committee of the Jobs Fund makes the final decisions on selection. When making these decisions, the IC considers:
 - The Investment Strategy of the Jobs Fund
 - The existing portfolio of approved projects

- The eligibility and assessment criteria for the applicable funding window
- The full eligibility and assessment criteria of the Jobs Fund are publicly available on the Jobs Fund website www.jobsfund.org.za. The criteria document is also attached to this response for easy of reference.
- Each window has separate eligibility and impact assessment criteria. Eligibility criteria determine whether the applicant will be considered, whilst the impact assessment criteria are the basis on which applications are competitively assessed against each other.
- Given the different focus, goals and investment determinants of the different funding windows (Enterprise Development, Infrastructure, Support to Work-Seekers, Institutional Capacity Building), both the Eligibility and Impact criteria differ for each funding window (although there is a degree of overlap).
- **Please see attached Jobs Fund Criteria document**

