

Termsheet

Breaking Barriers: Future Proofing South Africa's Employment Options

Request for Applications
Funding Round 11

25 May 2023

Opening: 29 May 2023
Closing: 17 July 2023 (3:00 pm)

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1st ANNIVERSARY
A DECADE OF INNOVATION AND PARTNERSHIP

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1. Introduction

The world of work is rapidly changing and to remain competitive and grow our economy we must be ready to embrace these changes. The global economic context demands that we empower our workforce to have the right skills to respond to the new challenges including, advancing artificial intelligence.

The recently released World Economic Forum's Future of Jobs Report 2023 assessed the impact of macro trends, as well as technological changes that will affect jobs and skills over the next five years and finds that nearly a quarter of all jobs globally will change. Tellingly, the report also suggests that the biggest threat to jobs is not from technology but from slowing economic growth, the rising costs of inputs and weaker purchasing power among consumers (World Economic Forum Report Future of Jobs Report 2023).

There are many factors, not least of which are the structural constraints, that bedevil our ability to grow our economy. However, in the very least when addressing our employment challenge, we must focus on breaking barriers on both the demand and supply side of the employment equation.

In South Africa we have a significant imbalance in the supply of skills required for the future, while at the same time restrained investment constrains demand for new jobs.

The Jobs Fund would like to partner with future focused organisations that share its intent to find innovative solutions to South Africa's employment challenges. ***This is an invitation to work with us to break barriers to labour market entry by stimulating new demand in growth sectors and improving the supply of appropriately skilled labour.***

2. Targeted Focus Areas for the Funding Round

This 11th Call for Proposals will be implemented using Challenge Fund principles, this means only the best proposals will be considered for funding. ***The Jobs Fund will target funding toward initiatives that focus on interventions that present innovative solutions*** for:

- Stimulating demand for new jobs including enterprise and infrastructure development. The outcome of the intervention must result in growth and sustainability for the enterprise and infrastructure that is enabling and supports ongoing job creation.
- Skilling/Upskilling, matching workseekers to jobs and facilitating new pathways to jobs. The outcome of the intervention must result in a new job being created and or placement into a job.
- A focus on women and youth will be an advantage.

This Call for Proposal ***prioritises economic sectors and/or sub-sectors that are labour absorptive.***

Research indicates that between 2023-2027 the highest level of net job growth will be realised in the following sectors:

- Communications: Digital and technology: Software Developers, Application Programmers, Systems Analysts.
- Social Services: Early Childhood Development, Healthcare, Education, Elderly care.
- Trade: Installation, Repair and Maintenance.

- Construction: Construction labourers and artisans, e.g., carpenters and joiners, electricians, plumbers.
- Agriculture: Agricultural Equipment Operators.
- Logistics and Transportation: Heavy Truck and Bus Drivers.
- Informal Sector.

Refer to Annexure I and Annexure II for a description of the funding windows and barriers and opportunities for job creation in various sectors.

3. Your Application

For applications to be favourably considered, they should **clearly identify the barriers** they intend to address. These could include, amongst others: Access to finance, markets, technology, infrastructure, skills, technical support, market regulations, sector-specific constraints and value chain or supply chain constraints inhibiting firms from creating required jobs. Refer to Annexure II for examples of barriers and opportunities in sectors.

A well-defined plausible theory of change together with realistic timeframe and budget will be an advantage.

Competitive Applications should clearly demonstrate the following:

- The ability to crowd in sector intermediaries/aggregators, technical support, and resources toward achieving greater impact for the intervention and that would facilitate exponential change.
- The ability to unlock blockages to job creation in the sector in which you are active.
- The track record and capacity to implement successful job creation interventions.
- The opportunity for replication or scale.
- The innovation that will result in improving the baseline performance of your current intervention.
- The ability to reach economically marginalised areas such as townships, distressed inner-cities, informal settlements, peri-urban and rural areas.
- The ability to access market support and market access and business development services for small and medium-sized firms including enterprises that operate in the informal economy.
- The ability to incubate and grow enterprises and place them on the path to sustainability.
- The ability to design or unlock access to appropriate financial products for small and medium-sized firms who have traditionally been excluded.
- The ability to raise matched funding - Applicants are encouraged to mobilise other funding in support of their initiative, for example, funding may be sourced from donor funds, foundations and other non-government sources (**refer to Annexure III for Funding Criteria**).
- The ability to establish an effective M&E framework for the proposed intervention. Applicants are expected to propose Specific, Measurable, Achievable, Attributable, Relevant and Time-bound (SMART) indicators for all anticipated project outcomes and

impacts. See Annexure VII for Jobs Fund definitions of Jobs, Indicator Protocols and means of verification.

- Ability to achieve the presented outcomes within the period of 2 years (refer to **Annexure II** for examples of interventions that the Jobs Fund would like to support).

4. How to Apply

Please note the following:

- Applications must be submitted through the Jobs Fund's on-line Grant Management System (GMS).
- Applicants should indicate to which funding window they would like to submit their application viz. Support for WorkSeekers, Enterprise Development or Institutional Capacity Building. **Refer to Annexure I for a description of the Jobs Fund Funding Windows.**
- Applicants must complete all the questions and submit all the information requested at the point of application. **Refer to Annexure IV for Eligibility Criteria.** Applications found to be ineligible will be advised and will not be able to advance further in the application process (**refer to Annexure V for examples of Ineligible applications**).
- All eligible applications will be competitively assessed against the Fund's **Impact Criteria** (**refer to Annexure VI for the impact criteria**).
- The Investment Committee will make the final decision on grant allocations.
- The competitiveness of each project proposal is a key consideration throughout the entire process.

Further information on the application process can be accessed via the Jobs Fund's on-line Grant Management System: <https://jobsfund.praxisgms.co.za>.

5. Opening and Closing Dates

The opening date of the funding round is the 29th of May 2023 and the closing date is the 17th of July 2023:

- Kindly note that the closing date is final, and no applications will be accepted after the closing date.
- Applicants must pay special attention to the key performance indicators that must be reported on, the means of verification required for these indicators and note that depending on the application secondary indicators may be agreed to.
- Applicants to note that if they are successful, they will be required to finalise contracting with the Jobs Fund within a minimum timeframe, the specifics will be communicated during project on-boarding with the Fund.
- Match funding must be available at the point of contracting.
- Successful projects must be ready to implement at the point of finalising the Grant Agreement.
- Applicants must be willing to post opportunities on the SAYouth.Mobi platform.

By applying, the Applicant acknowledges that it (and any implementing partners) will be required to submit to a due diligence process and may from time to time be called on to submit supplementary evidence and documentation to support this process. Failure to do so may result in the application being rejected.

6. About the Jobs Fund

The Fund was launched in 2011 and since then the Fund has successfully launched 10 Calls for Proposals. At the time the Fund was the largest Challenge Fund globally and locally the Fund has catalysed the adoption of the challenge fund principles across a number of government departments.

Together with our partners, we have achieved the following broad outcomes:

- Incentivised and tested innovative approaches to job creation: intervening on both the supply side and the demand side of the labour market.
- Shared risk through a matched funding approach which requires project partners to invest in the project alongside government, at a funding ratio of at least 1:1.
- Successfully partnered with the private and non-state sectors achieving scale and replication of job creation models.
- Facilitated the creation of 195,511 permanent jobs and placements against an overall target of 150,000, and an additional 106,910 shorter term jobs and internships.
- Supported more than 160 interventions targeted at addressing constraints in the labour market and it has used this knowledge to support scale and replication.
- It has leveraged more than R13.1 billion in matched funding contributions from project partners, to achieve more than a 1:2 co-funding ratio, effectively tripling the public investment, allocated toward job creation.
- It has disbursed more than R6.42 billion in grant funding to date, which is 82% of the disbursement target (R7.88 billion) for the life of the Fund.

The Jobs Fund complements various other government interventions aimed at supporting either basic income generation or employment creation, but it is quite distinct from these programmes in that the Fund and its partners focus on initiatives that catalyse new demand that is sustainable, and which can support long-term job creation.

As a challenge fund, the Jobs Fund uses the following approach:

- It offers a financing mechanism that uses competition to identify and support the best solutions to a predefined challenge in this instance job creation. This is achieved through the transparent selection of interventions against predetermined criteria, which always include an assessment of additionality (Would this intervention have been implemented without the support of the Jobs Fund? I.e., has the applicant demonstrated what the additional positive impact or outcome will be if additional resources and capital investment was made into the applicant's proposed intervention, will the results achieved be in addition to what would have been achieved if the applicant had carried on business as usual. We look for a clear articulation of what additional benefits will be achieved over and above the applicant's current baseline activities, i.e., what you would have done anyway in the absence of the capital investment. ***Additionality is not requesting funds to finance your current activities).***

- It aims to identify innovations and new ways of solving the challenge – a Challenge Fund is used where solutions do not yet exist.
- It actively seeks to engage new actors/intermediaries/aggregators both as implementors and financiers by risk sharing and co-investing, i.e., the provision of matched funding see **Annexure III for funding criteria**. The Jobs Fund has deployed public funds in a way that has resulted in the combined investment to support job creation treble i.e., leveraging its financial resources to crowd in resources both financial and technical beyond its own grant contribution.

In advance, thank you submitting your application, we look forward to working with you.

7. Annexure I – Funding Windows

- ❖ **Enterprise Development:** Competitive applications in the Enterprise Development Funding Window include ***initiatives that develop innovative commercial approaches to livelihoods development and long-term job creation in ways that combine profitability with high social impact.*** The interventions should reduce risk, remove barriers to market access or improve or broaden supply chains, demonstrate innovation, and address the business challenges that still exist post the pandemic. Proposals should also indicate what Business Development Support would be provided to small and medium sized enterprises and or emerging farmers and or youth this includes provision of appropriately designed finance products.

Initiatives seeking to co-finance light infrastructure investments will also be accepted under the Enterprise Development Window, provided the applicant demonstrates how the ***infrastructure investment will unlock entrepreneurial and job creation*** in a particular economic sector or geographical area.

Such enabling infrastructure may include: (1) the provision of affordable internet connectivity, (2) the expansion & rollout of technology-enabled platforms that increase productivity or enhance access to markets, and (3) the provision of small-scale and cost-effective infrastructure to enable small businesses or informal businesses to operate, e.g., provision of trading spaces, light manufacturing spaces and related infrastructure.

- ❖ **Support for Work Seekers:** Competitive applications in the Support for Work Seekers Funding Window are those linking active work-seekers, especially women and youth to formal and informal sector opportunities and job placement. Funding proposals could include **demand-led** interventions from (1) Entities that ***match unemployed young people with suitable job opportunities***, and (2) Entities that aim to ***upskill unemployed young people and then match them with suitable job opportunities***.
- ❖ **Institutional Capacity Building:** SMMEs, including those in the informal economy, often cannot absorb a significant government stimulus without the type of well-calibrated support offered by intermediary institutions. Internationally, intermediaries such as sector associations, microfinance institutions, and technology companies have succeeded in reaching and providing SMEs, Micro Enterprises and informal enterprises with more holistic, tailor-made support. There is an opportunity to support such intermediaries to reach more enterprises and build a pipeline of enterprises that are growth oriented. Through the Institutional Capacity Building Funding Window, the Jobs Fund is interested in supporting intermediaries that responds to the current funding gap created by investors focused on short term Return on Investment (ROI). Ideal applications falling under the Institutional Capacity Building Funding Window are those: (1) that will support interventions aimed at ***strengthening institutions through which jobs, livelihoods and enterprises are created or retained***, (2) seek funding for the ***enhancement of the capacity of existing intermediaries to reach more enterprises and workseekers***; and to support them to improve their sustainability and to graduate them to eventually access formal support ecosystems creating demand for more labour.

8. Annexure II – Project Examples

The Jobs Fund invites applications that are focussed on breaking barriers to labour market entry in economic growth sectors. Below are examples of the type of initiatives that the Jobs Fund would be interested in funding. ***Please note the following ideas/examples are for illustration and guidance – the Jobs Fund welcomes all applications that address its core criteria.***

Interventions could address the following:

Example - Communications: Digital and Technology

The shortage of digital and ICT skills and the lack of readily available digital talent pipelines in South Africa is a key challenge. Demand in the sector continues to outstrip supply, there are opportunities for entry level jobs and provision of certification through **micro** credential courses and continuous or on-the-job learning.

Interventions designed to address this shortage by providing demand led training and match to jobs are critical. Partnering with digital intermediaries presents an opportunity to achieve this objective.

Example - Social Services: Early Childhood Development, Healthcare & Elderly Care

The Barriers in the Care Economy are wide ranging and includes: Funding (under funding and managing funding); Regulatory (Skilling, accreditation, registration, infrastructure requirements); viability of business enterprises. There is opportunity for designing and implementing innovative alternative delivery models for ECD and Healthcare including technology enablement. The focus of your intervention could be skilling, training and placement and or all the former together with development of new enterprises.

Example - Trade: Installation, Repair and Maintenance (IRM)

Installation Repair and Maintenance (IRM) provides an opportunity for job creation across many sectors and sub-sectors. One of the biggest barriers to entry in IRM is mainly funding for the often accredited and highly technical skills. Not only is there a high demand for IRM skills, IRM provides a good basis for entrepreneurship as small businesses provide much-needed support in communities.

Key labour absorptive IRM sub-sectors include Greening - plumbing, solar/Water Heating and Electrical/Photovoltaic, Automotive: Mechanical and Autobody Repair (out of warranty) and Construction Maintenance: Property, Housing and Hotel Maintenance

Examples of Suitable interventions include:

- Intermediaries that train and partner with large organisations to supply skilled labour to partner organisations.
- Intermediaries that fund the expansion of SMMEs in the IRM space.
- Large organisations that look to de-link IRM supply chain from core business by creating SMME IRM providers.
- Insurer-linked intermediaries that train SMMEs that become pooled providers of insurance IRM services.

- Intermediaries that look to create scalable and sustainable employment through partnerships that enable ecosystem IRM interventions.

Example - Construction

The construction sector can contribute significantly to reducing South Africa's high unemployment levels as it is one of the most labour-intensive sectors in the economy. Small construction businesses face several market constraints that prevent them from participating fully in the sector. These include various barriers that include:

- Lack of appropriate skills and affordable capital.
- Insufficient business and technical capacity to successfully deliver on both public and private sector construction projects.
- Regulatory requirements related to the ability of SMMEs to comply with the Construction Industry Development Board (CIDB) grading requirements.
- Slow payment processes from clients to main contractors and sub-contractors.

One of the possible solutions might include designing an intervention that introduces/improves the participation of SMMEs in the construction industry through various support services and opportunities. In particular, creating partnerships between large-scale contractors and SMME sub-contractors has been shown to improve SMME access to business and skills development. However, this alone is insufficient. SMMEs require further support such as, training to improve their management and technical skills; access to new business systems (such as accounting software); bulk buying of raw materials resulting in favourable discounts which will be shared with the SMMEs; access to finance (working capital loans, invoice discounting, purchase order funding, term loans, etc.), ongoing mentorship with industry experts, and continuous market linkages.

Example - Logistics and Transportation

The transport and logistics sector has undergone significant changes underpinned by technological advancement, brought about by the Covid pandemic and associated supply chain issues and changing consumer patterns. While the sector is expected to grow by 6.1% from 2023 to 2029, the sector's job creation potential remains under threat due to supply shortages and rising input costs. In South Africa, this is further compounded by poor road infrastructure, lack of skilled workers and worker safety, while the sector needs to operate with consideration for their carbon footprint.

Suitable interventions include:

- Intermediaries that facilitate access the safe vehicles to offer entry-level workers appropriate training and placement opportunities to enter the market.
- Advanced training and placement of workers including planners, drivers, maintenance and service staff.
- Introduction and adaptation of low-cost greener technologies and appropriate training
- Introduction of appropriate prediction and route planning software for growth-oriented firms

Example - *Informal Sector*

The number of workers in the informal sector in South Africa is estimated to be between 3 to over 5 million, of which between 1,3 and 2,9 million are informal micro-entrepreneurs. The sector presents a challenging business environment, but it has lower entry-barriers and provides an income opportunity for a huge part of the South African workforce. Key barriers include: Access to Markets including value chain and supply chain integration, infrastructure, technical support, funding and security to mention but a few.

Examples of suitable interventions include:

- Applications that provide a comprehensive enterprise support eco-system for entrepreneurs including women and youth living in economically marginalized areas. This includes access to finance, Business Development Services (BDS), access to markets, access to technical training, infrastructure and mentorship.
- Applications that support businesses to reorganise, grow and expand employment and livelihoods development opportunities for entrepreneurs including women and youth. This could for instance include the provision of financial and non-financial support, supporting access to market etc.
- Applications that enhance small business resilience in the informal sector providing support to enable growth, and or creation of employment and increased economic participation.
- Intermediaries that can support small and medium sized firms located to: (1) develop local markets (products and services) and in so doing enhance the circulation of cash/ money in local economies, (2), meet public procurement requirements and access public procurement opportunities, and (3) take advantage of opportunities that may present themselves within the economic context and expand employment and livelihoods development opportunities for women and young people. This could for instance include export opportunities, localisation of manufacturing or taking advantage of outsourcing / supply chain opportunities provided by larger firms seeking to reduce cost or focus on core business. Additionally, this may include enterprise financing and associated risk-mitigation interventions that facilitate access to more cost-effective finance.

Competitive interventions are those that target participants from economically marginalised areas such as townships, informal settlements, rural areas/ villages and distressed inner-city areas.

Example - *Agriculture*

The agriculture sector remains one of the key drivers of economic growth and job creation in the country. Sector dynamics and risk to sector growth, however, continues to impact investment and hence production. These include:

- Unresolved issues around land ownership.
- Continued drought conditions in key production areas.
- Supply chain issues driven by distance to market, port inefficiencies and poor road infrastructure.
- Reduced competitiveness due to ever-higher imported inflation levels compared to a lack of pricing power.
- Continued higher levels of concentration within the sector.

South African agricultural production continues to increase in concentration. Current estimates are that 15% to 20% of the country's 32,000 commercial farmers produced over 80% of production. This trend, consistent with the global developed market trends, is driven by the continued search for economies of scale and global cost competitiveness. The development of the emerging farmer sector has continued to struggle relative to other sub-Saharan markets negatively impacting job creation potential of the sector.

Key barriers faced by emerging farmers meaningfully participating within the value chain includes:

- The lack of access to appropriate land tenure.
- The lack of access to value chains and markets.
- Lack of access to finance, production inputs, enabling infrastructure and technology, etc.
- Inadequate access to technical and business development skills programmes.
- Insufficient capacity at local level to support emerging farmers.
- Lack of access to sufficiently skilled workforce.

The problem statement for emerging farmers have largely remained intact for some time. Some efforts have been made to address one or more of these barriers however, significant traction has been elusive.

Suitable interventions would focus on a package of support for emerging farmers to address unique barriers listed above and contribute to creation of new and growth in existing farming enterprises. In particular, interventions would be expected to include a combination of some of the following objectives:

- Development of local value chains and facilitating entry for emerging farmers.
- Facilitating access to finance, enabling infrastructure and technology.
- Promotion of demand-led production by emerging farmers coupled with initiatives that promote aggregation of both demand and supply side activities to improve the cost competitiveness of emerging farmers,
- Provision of appropriately structured technical skills, business development skills and mentorship programmes to emerging farmers,
- Development of capacity at local level to expand the provision of support to emerging farmers,
- Advocacy work aimed at encouraging participation within the sector aimed at inclusion of younger generation of emerging farmers, and
- Demand-led skilling interventions aimed at developing a skills base to support sector growth at local level including reskilling of the agricultural workforce to support new technologies and crops.

Across all sectors interventions should also focus on building the Institutional Capability of intermediaries/aggregators/implementers. In this instance identify the key activities to strengthen an institution's capacity to stimulate demand for jobs, contribute to sustainable livelihood development, stimulate growth of enterprises and reduce the regulatory barriers to employment growth. Applications that focus on the development of ecosystems of support to microbusiness and the informal sector and that seek funding for the enhancement of the capacity of existing intermediaries/aggregators that provide support to the sector will be well received.

9. Annexure III – Funding Criteria

1. The Jobs Fund will only consider applications for a minimum Grant amount of **R5 million**.
2. the initiative must fully be implemented within **two years (24 months)**,
3. **The grant should also be fully disbursed within this period; as should the target number of jobs/ livelihood opportunities, enterprises and other project-specific outcomes.**
4. Post this **two-year** implementation phase, project performance will be monitored and evaluated for a period of **1 year**.
5. The amount of matched funding provided will be key assessment criteria. A minimum cash matched funding ratio of 1:1 for private and public sector and 1:0.5 for NPOs and NGOs is prescribed.
6. Applicants may raise their matched funding contributions from various sources including loans, grants, own cash and must be allocated towards incremental project costs and not existing operating costs of the applicant.
7. Importantly loan funding must comprise of funds directly borrowed by the applicant, i.e., for which it is standing surety.
8. Matched funding does not include sunk costs, projected revenue from the initiative, loans repaid by borrowers or participants and recycled as new loans (in the case of lending projects).
9. The Jobs Fund will consider funding project administration costs and other expenditure that contributes to building the capacity at applicant or grant recipient level, but this should not exceed **20%** of the total funding requirement for Enterprise Development and Support for Work-seekers applications and up to **30%** for Institutional Capacity Building Window.

10. Annexure IV – Eligibility Criteria

The Jobs Fund has pre-determined eligibility criteria. Eligible projects will be assessed for competitiveness based on aspects such as minimum operating experience, infrastructure, administrative capacity to successfully implement the proposed project and demonstrate value for money for the Jobs Fund.

The assessment process commences with a strict appraisal of the project and its compliance with the eligibility criteria. At a minimum, applicants and applications must meet **all** of the following criteria:

1. The funding request must be for a minimum grant size of **R5 million**.
2. Applicants must demonstrate the ability to secure matched funding in the form of direct cash contributions at a minimum level of **1:1** for private and public entities, and **1:0.5 for NPOs, NGOs**. Demonstrating ability to secure matched funding include the following:
 - a. **Self-funded matched funding:** this must include a written undertaking from the Applicant to contribute matched funding supported by a sufficiently strong financial position as evidenced by the Applicant's Annual Financial Statements.
 - b. **Matched funding from third parties:** this may include the following:
 - i. a formal written undertaking from funders that matched funding has been secured and will be made available towards the project.
 - ii. an application made to a potential funder.
 - iii. an undertaking by a funder to support the Applicant with matched funding to implement the project.
 - iv. progress made toward securing the committed matched funding e.g., a letter from the funder stating the process and timeframe to finalising the funding application and unmet conditions that the Applicant has to satisfy in order to be considered for funding.
3. Applicants must be in full compliance with governance and administrative requirements (including Tax Compliance).
4. The Lead Applicant, which is the entity that is applying to the Jobs Fund, and who will enter into a contract/Grant Agreement with the Jobs Fund must be solvent, must have been operating for more than two years, and have complete audited or reviewed annual financial statements for the previous two financial years.
5. The Lead Applicant must provide detailed management accounts (covering balance sheet, cash flow and Income & Expenditure statements) for the period from last Audited/Reviewed financial Statements to the end of the last full month before the close of the application, i.e., 31 May 2023. Listed entities may submit their latest interim financial statements where management accounts are not available. This may need to be supplemented by additional information from an authorised representative.
6. Project Implementer/implementing partner, which is the entity charged with the successful execution and completion of the project's activities must have a track record of more than three years of technical experience in the area of interest.

7. The initiative should take a maximum of **2 years (24 months)** to achieve the project targets. Initiatives that can demonstrate realistic/plausible impact (e.g., job creation) in a shorter period will be considered more competitive.
8. Applicants need to acknowledge that while the intellectual property (IP) will reside with the applicant, all successful applicants must permit the Jobs Fund to use the concept for learning and dissemination purposes. The learning material will be developed in conjunction with the owner of the IP and will not be used for commercial dissemination.
9. Existing/ previous Jobs Fund Partners will only be eligible to respond to the call if they meet **ALL** of the following additional criteria as of **31 March 2023**:
 - a. The project must have reached at **least 50%** of its contracted implementation period in any one of their Jobs Fund funded projects.
 - b. Performance on applicable contracted job and placement targets combined must be **greater than 50%** since inception date in any one of their Jobs Fund funded projects.
 - c. The project must have reached **at least 50%** inception to date expenditure as measured against total contracted expenditure in any one of their Jobs Fund funded projects.

Note: Conditions outlined in paragraph 9 shall also apply to where an existing/previous Jobs Fund Partner will be an implementing partner in the 11th CFP application; and where the applicant has been an implementing partner in any of the Jobs Fund funded projects

11. Annexure V – Ineligible Applications

Examples of ineligible applications include:

Funding exclusively for research and development costs.

1. Funding for the bailout of distressed applicants.
2. Training activities that are not demand led and that do not result in a job placement. There must be a conversion from training to placement.
3. Initiatives with large capital investment but minimal short to medium term job-creation potential.
4. Funding of initiatives that will not deliver on their intended performance outcomes within two years of implementation (e.g., new forestry and orchard development).
5. On-lending projects that do not adequately demonstrate that they have a finance ready pipeline of projects to support.
6. Projects receiving support for the same initiative from other public programmes which may lead to *double counting of jobs or other social impact indicators* or double-dipping into public funds; or
7. Projects with commercial application that is overly dependent on grant funding.

12. Annexure VI – Impact Criteria

In line with the Jobs Fund challenge fund principles, the following impact criteria will be used to select the most competitive projects:

1. **Social Impact:** Initiatives should demonstrate clearly the social impact of the project with emphasis on participants in economically marginalised areas. This includes social impact such as the ability of the intervention to create new jobs, support businesses, provide self-employment to informal sector businesses and participants, etc. Initiatives should be informed by a theory of change that clearly links the proposed intervention to the intended social impact. This link should be plausible, demonstrable and measurable, and should not rest on unrealistic assumptions. Social impact metrics must be measured as per Jobs Fund indicator protocols as articulated in this Terms of Reference see Annexure VII. The initiative should also identify project-specific indicators (i.e., measures established by the applicant for their specific project – refer to the Indicators Example document in the downloads section of the Application Form).
2. **Additionality:** The Jobs Fund aims to support initiatives that would not have taken place without Jobs Fund support and risk sharing because other funders consider the risk of failure too high or the projected financial return too low. Applicants should provide evidence of this in their application. The Jobs Fund will not distort or displace any current and ongoing market activity or investment, rather it will step in and share risk in a manner that will make it more attractive for other funders to participate. Applicants will be required to identify those risk components in the intervention that cannot be funded commercially, and which require grant funding to crowd in other funders. For NPOs, the Jobs Fund will consider funding project administration costs and other expenditure that increases the capacity of these organisations to deliver on their mandates, but this should not exceed **20%** of the total funding requirement for Enterprise Development and Support for Work-seekers and up to **30%** for Institutional Capacity Building Window. The Jobs Fund will also be open to co-finance costs that enhance collection, collation and access to information on informal enterprises and or the informal sector in general. For existing Jobs Fund applicants, funding requests must specifically finance activities not already covered by previous Jobs Fund grant allocations. All applicants will be requested to provide details on their previous and current applications for public sector funds.

Assessment of the competitiveness of the application will give consideration to the following: Has the applicant demonstrated what the additional positive impact or outcome will be if additional resources and capital investment was made into the applicant's proposed intervention, will the results achieved be in addition to what would have been achieved if the applicant had carried on business as usual. We look for a clear articulation of what additional benefits will be achieved over and above the applicant's current baseline activities i.e., what you would have done anyway in the absence of the capital investment.

Additionality is not requesting funds to finance your current activities).

3. **Sustainability.** Initiatives should be able to convincingly demonstrate a path to commercial sustainability (for the initiative and for enterprise development projects, the sustainability of participants is also critical) beyond the term of the Jobs Fund grant. This should illustrate the sustainability of the jobs created as well as the sustainability of the project itself. The vision for sustainability going forward and beyond the period of JF funding will be carefully assessed, and successful applications will lay out a realistic path to sustainability that is

rooted in the experience of implementation, and not reliant on unrealistic assumptions. NPOs and other entities reliant on donor funding may not necessarily be financially sustainable beyond the JF project period but should present a strong case for JF support based on the anticipated impact of the project and potential for sustainability in the long run. Applications should identify key measurable milestones over the project period to trigger funding.

4. **Matched funding, value for money and risk apportionment:** The Jobs Fund defines value for money in terms of risk-sharing, economy, efficiency, effectiveness and equity. The Jobs Fund aims to leverage existing resources available within the economy. The amount of matched funding provided within the proposed intervention will be a key assessment criterion. Applicants must demonstrate value for money in converting Jobs Fund resources into impact and learning relevant to enhanced job creation. The Jobs Fund looks for the best ratio of outcomes achieved to total costs incurred i.e., the higher matched funding leveraged, the more competitive the project will be. While the JF will require direct cash matched funding contributions at a minimum level of **1:1** for private companies and public sector organisations and **1:0.5 for NPOs/NGOs**. Contributions of **In-kind** matched funding will increase the competitiveness of the project but **will not count towards the cash match funding requirement**; Applicants will need to demonstrate the risk carried by all parties compared to income derived from the project and what value the initiative will create for participants.
5. **Innovation:** Initiatives must describe what is new or innovative in the proposed initiative and whether this is replicable. This implies that applications should not be simple extensions of existing programmes whose funding is ending. The innovation should entail at least notional innovation e.g., it represents a new, innovative and pioneering approach that departs from other, similar initiatives that have tried to address similar problems or overcome similar barriers. Furthermore, innovation must be contextual and relevant to the current economic context and must demonstrate how the challenges presented and/or exacerbated by the pandemic and lockdown will be innovatively solved for/addressed.
6. **Scale/Replication:** The initiative must show how partners will be leveraged to multiply the outcomes; how costs will be kept low while increasing outputs; how and the extent to which the intervention/job creation model is replicable. Applications must demonstrate how the initiative will achieve scale/replication in terms of operations/product distribution/access to new markets/increased employment etc. Initiatives must outline the key activities that will be undertaken to achieve this outcome.
7. **Contribution to Systemic Change:** Applications that contribute to broader impact in the sector/industry/value chains or economically marginalised area as well as learning beyond the confines of their specific initiative are preferred. Applications should therefore demonstrate how through this initiative consideration will be given to barriers to market growth; regulations and policy; market information; infrastructure; institutional capability; access to finance; effective supply and demand and how these would be addressed through/by this initiative.
8. **Capacity to implement:** Applicants must demonstrate relevant experience, organisational capacity, key capabilities and the existence of a potential pipeline of participants to be supported. In the case of a consortium, applicants must elaborate on the consortium composition, it must be logical and value-adding, and it must leverage the market position and capabilities of market players. Furthermore, applicants must demonstrate an

appreciation of their proposed project's value/supply chain, local specific context and the determinants of success. Applicants must have appropriate systems to collect, consolidate and report on financial and progress performance. As part of the application process, applicants will be requested to provide supporting documents that show their track record within their particular industry and/ or in the economically marginalised areas in which they will implement the project.

13. Annexure VII – Indicator Protocol Reference Sheets

Applicants are requested to pay special attention to the job definitions below as well as the means of verification that must be submitted quarterly. The Jobs Fund will track the following high level performance indicators. Successful applicants will be required to self-report every quarter and submit the means of verification documentation. Disbursements are contingent upon projects in the minimum achieving eighty percent performance against their quarterly target and the submission of evidence to support performance reports.

Overview - Measurement Indicators
<p>This is an overview of each of the programme indicators. More detail and definitions are contained in the pages that follow.</p> <ul style="list-style-type: none"> • Number of new permanent / fixed-term/ seasonal jobs created <ul style="list-style-type: none"> - Indicator 1: Number of new permanent positions/jobs (i.e., have signed a permanent employment contract). - Indicator 1.1: Number of new seasonal positions/jobs (e.g., these employees only work during specific periods, i.e., festive season, school holidays, month-end, long weekends, harvest season, etc.). - Indicator 1.2: Number of new fixed term positions/jobs (at least a 12-month contract). • Number of placements beyond project partners <ul style="list-style-type: none"> - Indicator 2: Number of beneficiaries placed in currently vacant permanent positions/jobs beyond project partners. - Indicator 2.1: Number of beneficiaries placed in currently vacant seasonal positions/jobs beyond project partners (e.g., these employees are work during busy periods, i.e., festive season, school holidays, month-end, long weekends, etc.). - Indicator 2.2: Number of beneficiaries placed in currently vacant fixed term positions/jobs beyond project partners (at least a 12-month contract). • Number of placements with project partners <ul style="list-style-type: none"> - Indicator 3: Number of beneficiaries placed in currently vacant permanent positions/jobs with project partners. - Indicator 3.1: Number of beneficiaries placed in currently vacant seasonal positions/jobs with project partners. - Indicator 3.2: Number of beneficiaries placed in currently vacant fixed term positions/jobs with project partners (at least a 12-month contract). • Indicator 4: Number of short-term jobs (fixed term contracts of less than 12 months). • Indicator 5: Number of beneficiaries completing timebound internships. • Indicator 6: Number of trained beneficiaries. • Indicator 7: Number of self-employed informal sector entrepreneurs/business owners. • Indicator 8: Number of employed informal sector workers.

Number of new positions/jobs

Objective to which Indicator responds: Sustainable employment created and enabled through a portfolio of funded initiatives.

Definition of the Indicator: A new* permanent/ seasonal/ fixed term (fixed term of at least 12 months) position/job that has been created as a result of the project, for which an employment contract/agreement has been signed. The new position/job not directly maintained or paid for using Jobs Fund grant funds.

*New = the position/job did not exist in the project before – it has been created as a result of the efforts of the project. For example: The growth of an incubated SMME necessitates the need to create new positions/jobs within the company to handle the new workload as it expands. New staff are hired to fill these newly created positions/jobs – this speaks to creating demand for labour.

Please note that internships/ learnerships *cannot* be counted under new job indicators. All internships/ learnerships are to be counted under Indicator 5.

Sub-indicators:

Indicator 1: Number of new permanent positions/jobs

A new* position/job that has been created as a result of the project, for which a permanent employment contract has been signed. The new position/job is expected to exist beyond the grant funding period and is not directly maintained or paid for using Jobs Fund grant funds.

Indicator 1.1: Number of new seasonal positions/jobs

A new position/job that has been created as a result of the project, but it is seasonal (i.e., time spent in the position/job is not full time and the employee only works during specific periods/seasons/holidays). The opportunity is expected to exist for that period each season/year/holiday and is also expected to exist beyond the grant funding period. It is not directly maintained or paid for using Jobs Fund grant funds.

Indicator 1.2: Number of new fixed term positions/jobs

A *new fixed term (at least a 12-month contract) position/job that has been created as a result of the project, for which a fixed term employment contract has been signed. The new position/job is not directly maintained or paid for using Jobs Fund grant funds.

Unit of Measurement and Disaggregation:

The unit of measure for this indicator is a person (participant).

The total aggregated figure of new permanent positions/jobs created should be broken down in terms of geographic location, gender, age, salary band and race as stipulated in the progress reporting framework.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE

Reported numbers will be validated by signed employment contracts/agreements, the Jobs Fund Standard Schedule of Evidence and / or other generally acceptable means of verification.

DATA ANALYSIS & REPORTING

These jobs can be reported once the employment contract has been co-signed by the employee and employer.

Each JF Partner will present the data in their quarterly and annual progress report as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.

Number of beneficiaries placed in currently vacant positions/jobs beyond project partners

Objective to which Indicator Responds: Improved employability of the unemployed (especially women and youth).

Definition of the Indicator: These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by companies/enterprises other than the project partners in currently vacant* permanent/ seasonal/ fixed term (fixed term of at least 12 months) position/job.

*Currently vacant = the position/job already exists but is currently not filled. For example: A large corporate has 250 vacancies for client liaison officers and they are battling to find suitably qualified employees. A work seekers project trains young unemployed graduates in work readiness, sales and communication and these graduates are then placed in the currently vacant positions/jobs, thereby filling these vacancies – this speaks to the supply of labour.

Please note that internships/ learnerships *cannot* be counted under placement indicators. All internships/ learnerships are to be counted under Indicator 5.

Sub-indicators:

Indicator 2: Number of beneficiaries placed in currently vacant *permanent positions/jobs* beyond project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by companies/enterprises other than the project partners in currently vacant* permanent positions/jobs.

Indicator 2.1: Number of beneficiaries placed in currently vacant *seasonal positions/jobs* beyond project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by companies/enterprises other than the project partners in currently vacant* seasonal positions/jobs (i.e., time spent in the position/job is not full time and the employee only works during specific periods/seasons/holidays).

Indicator 2.2: Number of beneficiaries placed in currently vacant *fixed term positions/jobs* beyond project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by companies/enterprises other than the project partners in currently vacant* fixed term (at least 12 months) positions/jobs time.

Unit of Measurement and Disaggregation: The unit of measure for this indicator is a person (participant). The number of participants placed by companies/enterprises other than project partners should be broken down in terms of geographic location, gender, age, race and salary band.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE
Reported numbers will be validated by signed employment contracts/agreements, the Jobs Fund Standard Schedule of Evidence and / or other generally acceptable means of verification.
DATA ANALYSIS & REPORTING
<p>These placements can be reported once the employment contract has been co-signed by the employee and employer.</p> <p>Each JF Partner will present the data in their quarterly and annual progress reports as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.</p>

Number of beneficiaries placed in currently vacant positions/jobs with project partners.

Objective to Which Indicator Responds: Improved employability of the unemployed (especially women and youth).

Definition of the Indicator: These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by one of the project partners in currently vacant* permanent/ seasonal/ fixed term (fixed term of at least 12 months) position/job.

*Currently vacant = the position/job already exists but is currently not filled. For example: A large corporate has 250 vacancies for client liaison officers and they are battling to find suitably qualified employees. A work seekers project trains young unemployed graduates in work readiness, sales and communication and these graduates are then placed in the currently vacant positions/jobs, thereby filling these vacancies – this speaks to the supply of labour.

Please note that internships/ learnerships *cannot* be counted under placement indicators. All internships/ learnerships are to be counted under Indicator 5.

Sub-indicators:

Indicator 3: Number of beneficiaries placed in currently vacant permanent positions/jobs with project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by one of the project partners in currently vacant* permanent positions/jobs.

Indicator 3.1: Number of beneficiaries placed in currently vacant seasonal positions/jobs with project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by one of the project partners in currently vacant* permanent seasonal positions/jobs (i.e., time spent in the position/job is not full time and the employee only works during specific periods/seasons/holidays).

Indicator 3.2: Number of beneficiaries placed in currently vacant fixed term positions/jobs with project partners.

These are the participants that may have successfully completed the work seekers training and/or mentorship programmes as well as (where applicable) the time bound internship and have been employed by one of the project partners in currently vacant* fixed term (at least 12 months) positions/jobs.

Unit of Measurement and Disaggregation: The unit of measure for this indicator is a person (participant). The number of participants placed in project partners should be broken down in terms of geographic location, gender, age, race and salary band.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE
Reported numbers will be validated by signed employment contracts/agreements, the Jobs Fund Standard Schedule of Evidence and / or other generally acceptable means of verification.
DATA ANALYSIS & REPORTING
<p>These placements can be reported once the employment contract has been co-signed by the employee and employer.</p> <p>Each JF Partner will present the data in their quarterly and annual progress reports as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.</p>

Short term jobs

Name of Indicator: **Number of new short-term positions/jobs**

Objective to which Indicator Responds: Temporary employment created and enabled through a portfolio of funded initiatives.

Definition of the Indicator: A new position/job that has been created as a result of the project, which will exist for a finite period of time (*less than* 12 months in duration) and does not offer a permanent contract to the participant (e.g., construction work, technical assistance, etc.). The position/job is not expected to exist beyond the funding period and may be supported by Jobs Fund grant funds.

Please note that internships/ learnerships *cannot* be counted under short term jobs. All internships/ learnerships are to be counted under Indicator 5.

Unit of Measurement and Disaggregation:

The unit of measure for this indicator is a person (participant). The figure for new short-term positions/jobs should be broken down in terms of geographic location, gender, age, salary band and race, as stipulated in the progress reporting framework.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE

Reported numbers will be validated by signed employment contracts/agreements, the Jobs Fund Standard Schedule of Evidence and / or other generally acceptable means of verification.

DATA ANALYSIS & REPORTING

These jobs can be reported once the employment contract has been co-signed by the employee and employer.

Each JF Partner will present the data in their quarterly and annual progress report as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.

Completed internships

Name of Indicator: **Number of beneficiaries having completed time bound internships**

Objective to Which Indicator Responds: Improved employability of the unemployed (especially women and youth).

Definition of the Indicator: These are the participants that have completed work experience opportunities with potential employers over a pre-determined period of time and have signed internship contracts with the potential employers.

Unit of Measurement and Disaggregation: The unit of measure for this indicator is a person (participant). The number of participants offered internships should be further broken down in terms of geographic location, gender, age and race as stipulated in the progress reporting framework.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE

Reported numbers will be validated by signed internship contracts, letters/certificates of completion and the Jobs Fund Standard Schedule of Evidence.

DATA ANALYSIS & REPORTING

These participants can only be reported once they have **completed** their internships.

Each JF Partner will present the data in their quarterly and annual progress reports as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.

Trained beneficiaries

Name of Indicator: **Number of trained beneficiaries**

Objective to Which Indicator Responds: Improved Employability of the unemployed (especially women and youth).

Definition of the Indicator: This is the number of participants that have successfully completed the entire training and mentorship programme as designed by the JF Partner (as outlined in the grant agreement) and have received their qualification/certificates. The training and mentorship programmes are expected to be strongly linked to employment opportunities for successful participants. Each individual is only to be counted once, upon completion of the training intervention.

Unit of Measurement and Disaggregation: The unit of measure for this indicator is a person (participant). The number of participants, who complete the training and mentorship programme, should be broken down in terms of geographic location, gender, age, race and previous qualifications (NQF Level) as stipulated in the progress reporting framework.

This indicator will be reported on a quarterly basis. It may, however, be aggregated and audited on an annual basis as part of the required audit activities stipulated in the grant agreement.

DATA SOURCE

Reported numbers will be validated by training schedules, training attendance registers, certificates/letters of completion and the Jobs Fund Standard Schedule of Evidence.

DATA ANALYSIS & REPORTING

Like internships, participants can only be reported as trained once they have **completed the training intervention**.

Each JF Partner will present the data in their quarterly and annual progress reports as guided by the reporting framework provided by the Jobs Fund. Data will be analysed to understand the progress against targets and milestones. Data from all projects will be aggregated to enable programme level analysis and reporting.

Self-employed informal sector entrepreneurs/business owners

Name of Indicator: **Number of self-employed informal sector entrepreneurs/business owners**

Definition of the Indicator: This indicator measures the point at which micro business owner can be counted as gainfully self-employed in their business. It measures improvement in a business owner's income from baseline (i.e., when they join the support initiative) to at least 6 months.

Two categories of informal sector entrepreneurs are included below:

Firstly, those micro business owners that are supported from a baseline income of below the Upper-bound Poverty Line (UBPL) to a point where they are earning equal to or greater than the prevailing line, as determined by Stats SA on an annual basis.

Secondly, those micro business owners that are supported from a baseline income of below the National Minimum Wage to a point where they are earning equal to or greater than the minimum wage threshold (per hour or per day as the case may be).

In both instances, the entrepreneur's gross income is baselined and then measured over a consecutive six-month period (at a minimum) to track improvements.

The business owner can only be counted as a job once he/she meets a minimum agreed to threshold of personal income from the business.

Unit of Measurement and Disaggregation: The Unit of Measure for this indicator is the informal sector entrepreneur. Data collected for the measurement of this indicator is to be disaggregated in terms of gender, age, geographic location, informal sub-sector, income category.

DATA SOURCE

Data sources for the collection of gainful employment information on the entrepreneurs will include self-reported financials generated by the entrepreneurs. Such information should demonstrate gross profits from entrepreneur businesses that are, at a minimum, equivalent to or greater than the prevailing Upper-bound Poverty Line.

DATA ANALYSIS & REPORTING

These jobs can only be reported once the business owner achieves the minimum thresholds over a period of 6 months (this is an average over 6 months). It is important to note then, that **there is at least a 6-month lag in reporting** (i.e., these jobs cannot be reported until the micro business owner has been tracked for at least 6 months and that he/she has reached the minimum stated threshold).

Entrepreneur business data will be reported by all contracted partners on a quarterly basis. Prior to reporting of these data to the Fund Manager (Jobs Fund), the contracted partner shall ensure the validity and reliability of such data.

Informal sector jobs
Name of Indicator: Number of employed informal sector workers
<p>Definition of the Indicator: An informal job created that pays the equal to or greater than the National Minimum wage hourly rate.</p> <p>Informal sector jobs are those jobs that have been created as a result of this intervention.</p>
Unit of Measurement and Disaggregation: The Unit of Measure for this indicator is the informal sector employee. Data collected for the measurement of this indicator is to be disaggregated in terms of gender, age, geographic location, informal sub-sector, income category.
DATA SOURCE
Data sources for the collection of employment information on employees will include employment declarations by the employer, co-signed by the employee. Such declarations should include information nature of the position, the stated wage, the employment tenure, etc.
DATA ANALYSIS & REPORTING
<p>These jobs can be reported once the employment declaration has been co-signed by the employee and employer.</p> <p>Employee data will be reported by all contracted partners on a quarterly basis. Prior to reporting of these data to the Fund Manager (Jobs Fund), the contracted partner shall ensure the validity and reliability of such data.</p>

14. Annexure VIII – Theory of Change & Results Chain

All applicants must be able to fully articulate the theory of change for the proposed intervention and be able to develop a result chain for the proposed intervention. The following examples are only for illustrative purposes.

Communicating a Project's Theory of Change and Developing its Results Chain

This document outlines the difference between a Project's Theory of Change and Results Chain and provides illustrative examples of each.

A Results Chain is a diagram that depicts the causal linkages between an initiative and the anticipated outcomes and impact: linking the inputs, activities and outputs with outcomes and a desired impact.

A Results Chain is a clear representation of the stated initiative and should:

- Show what the project is doing and why they are doing it.
- Display the connections in the results chain and the causal linkages, i.e. Is there a clear and logical flow between the inputs, activities, outputs, outcomes, and impact? Is it easily understandable?
- Be results-oriented, i.e., indicates the desired results from the intervention (e.g., increase the number of operational SMMEs to promote new job creation and stimulate local economic development).
- Contain sufficient information to display the logical connections between different project elements but is not overly complex.

Illustrative examples of Results Chains are included below.

A Theory of Change (ToC), on the other hand, is a description of the logical causal relationships in an intervention and the multiple levels of conditions or preliminary results that are needed to achieve a long-term result. It can be presented in text or diagrammatic form, or both. The ToC provides the 'big picture' of the initiative and summarises work at a strategic level, while a results chain illustrates, at implementation level, the casual links in the change process (i.e., activities, outputs, outcomes, impact).

For example:

The SMME Incubator project aspires to be a progressive SMME finance and development model for South Africa and seeks to change the way that SMMEs are supported. The project is based on the theory that the provision of appropriate expansion finance for SMMEs (blended finance consisting of part loan and part grant funding), together with business management training and sector-specific mentorship will result in increased business activities, job creation and local economic development. The second theory informing the project is that the development of a SMME Incubation Hub (offering both virtual and on-site support) that actively links small business to large business supply chains will create mutually beneficial and sustainable partnerships that encourage business growth. There is greater recognition that small and large firms do not exist in separate worlds but are rather part of a complementary ecosystem of industrial production, technological change and innovation. Contributing to this new paradigm is the belief that small businesses are much more agile than large businesses, and thus can serve a complementary role, by being able to more readily respond to market and big business need,

thereby creating shared value. The job creation benefits of the project are that as the supported SMMEs grow and secure new business, they will hire additional employees.

OR

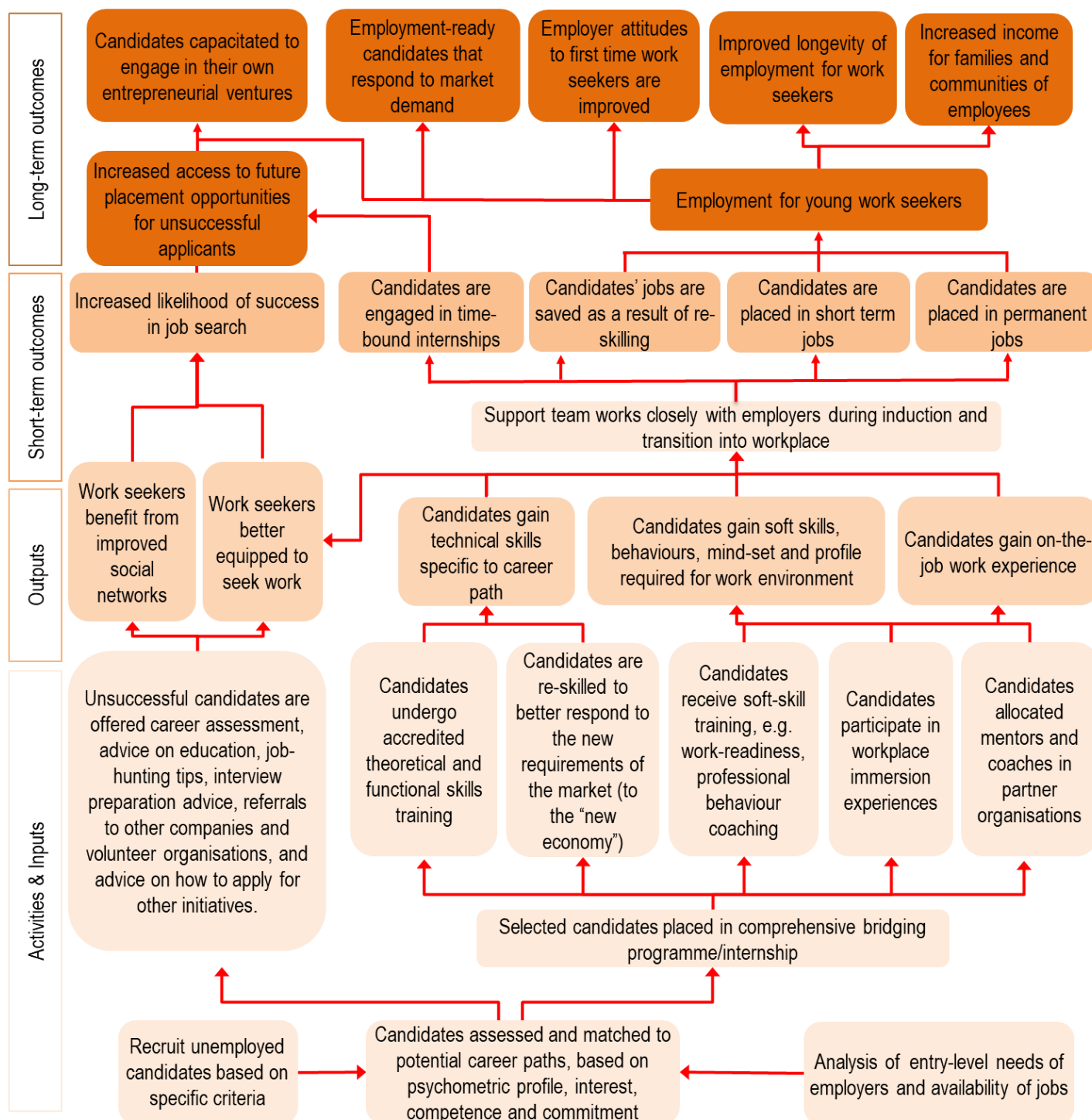
If you provide growth-orientated SMMEs with business management training, sector-specific mentors, access to new networks, linkages to markets (particularly larger business supply chains) and access to blended finance (part loan but subsidised by grant funding) through an easily accessible virtual and physical incubation hub,

Then, SMMEs are likely to adjust their business practices and the following outcomes are achieved:

- *SMMEs improve their business models*
- *SMMEs secure appropriate and affordable blended finance for growth*
- *SMMEs increase quality of goods/services*
- *SMMEs improve cost efficiency*
- *SMMEs secure off-take for goods/service, thereby increasing sales*
- *SMMEs build business resilience*
- *SMMEs reduce their risk-profile and are able to secure further expansion finance from more traditional financiers*
- *Large businesses secure required products/services from SMMEs*
- *Jobs are created through business growth and supply linkages*
- *SMMEs successfully graduate out of the incubator and become stable businesses*
- *An incubation hub that is self-sustaining (through the loan repayment model)*

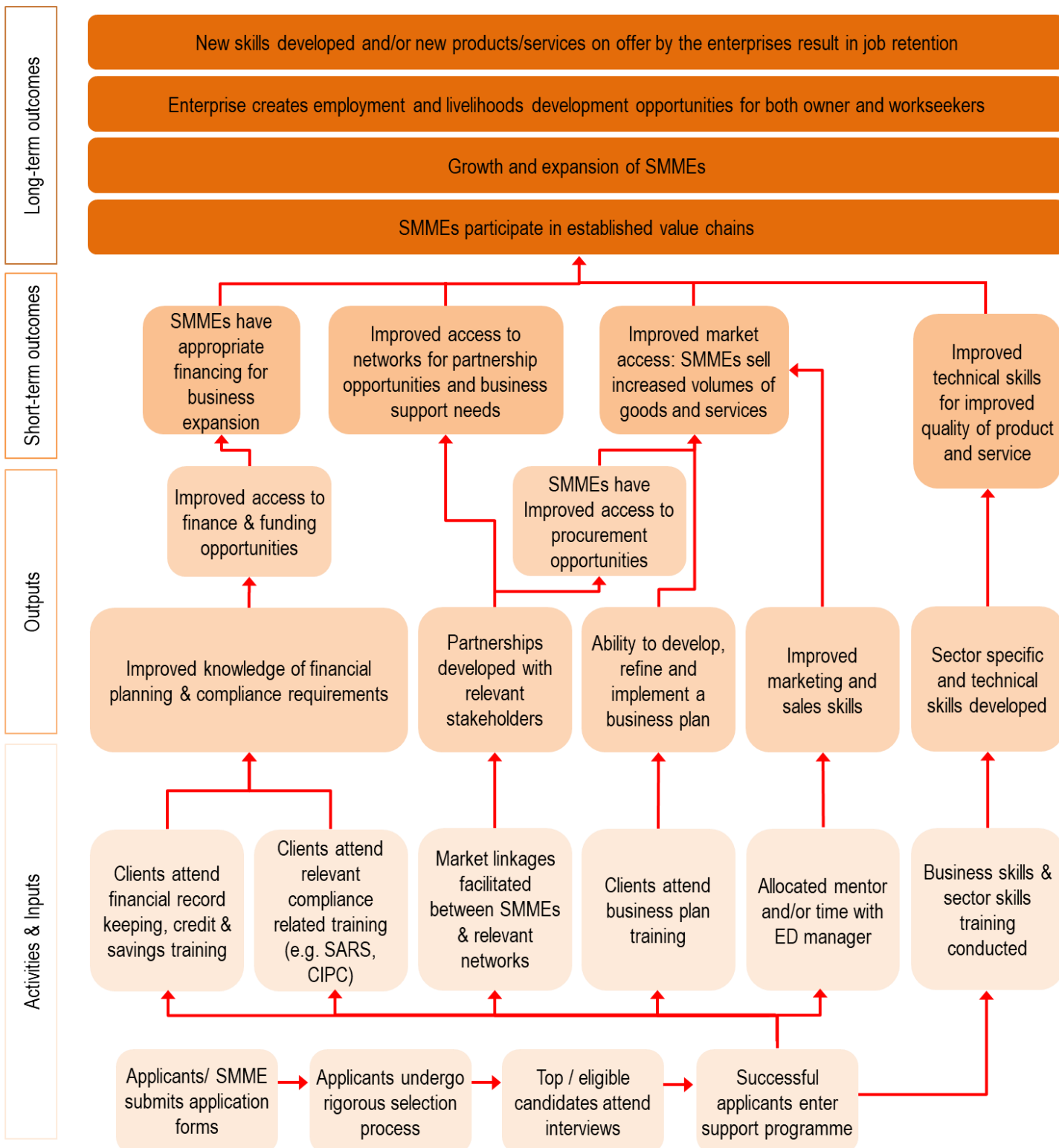
Example Results Chain: Support for Work seekers

Skills development and placement of young people into jobs



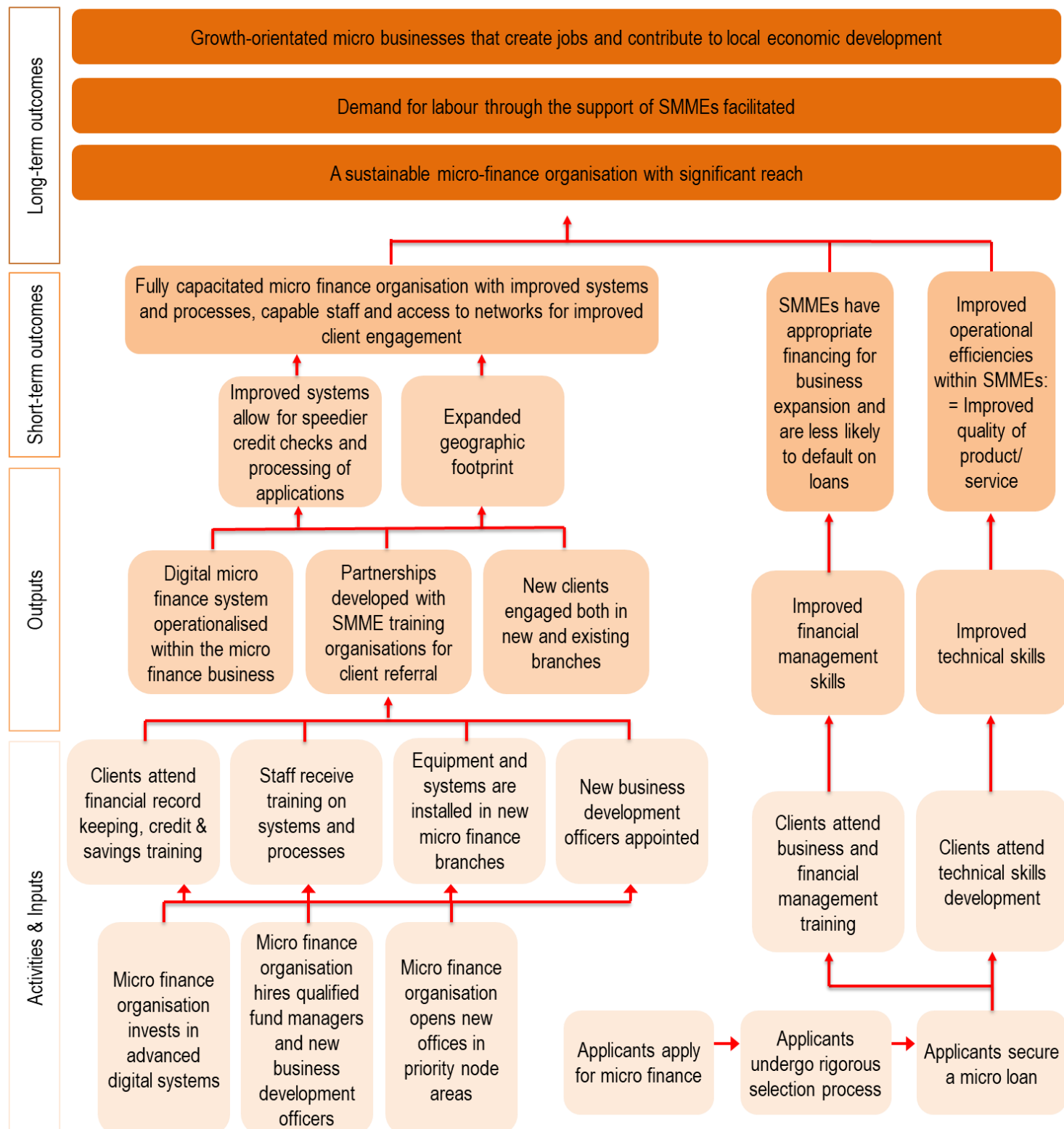
Example Results Chain: Enterprise Development

SMME Support



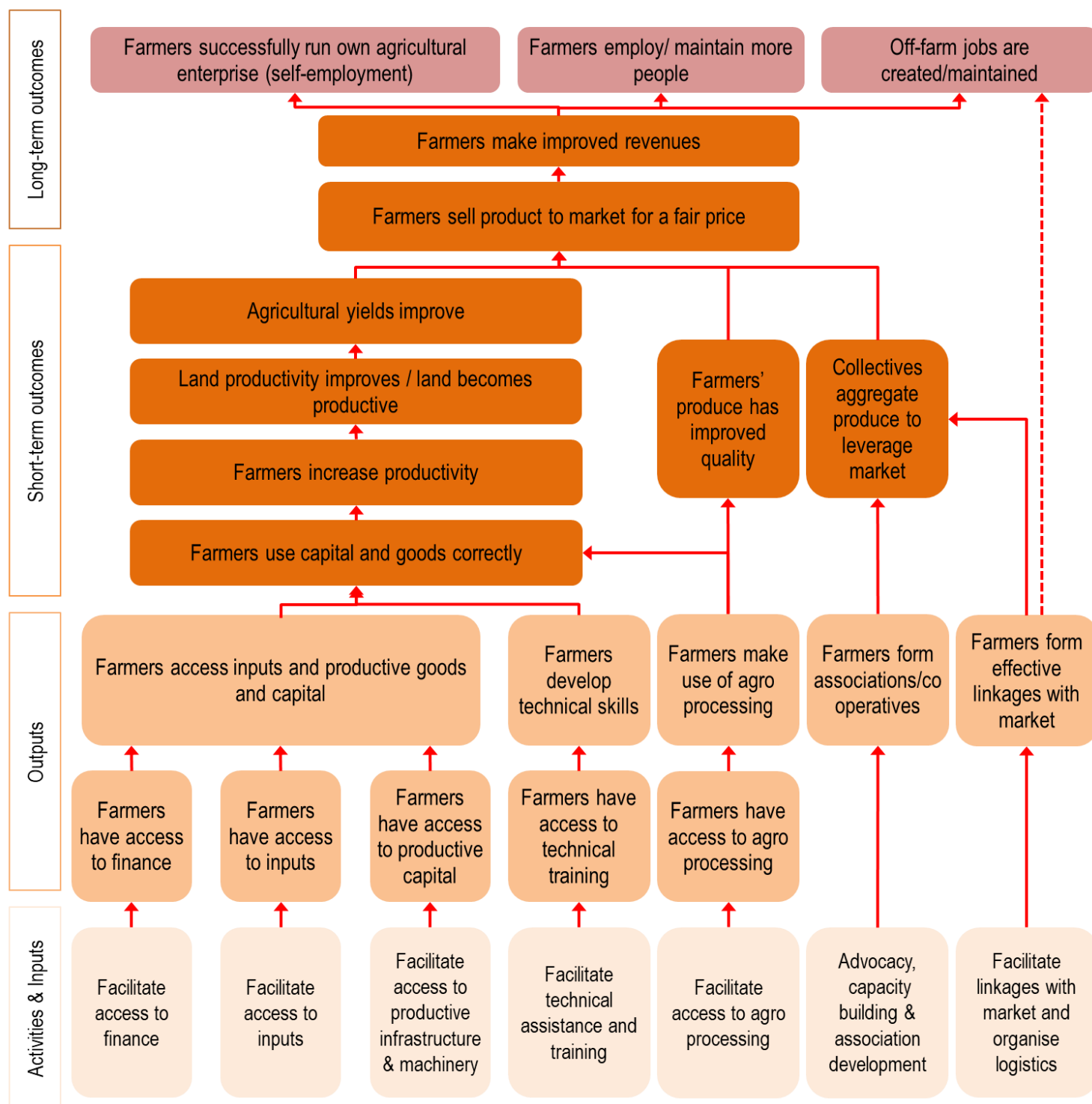
Example Results Chain: Institutional Capacity Building

Building capability to offer micro finance support to micro businesses



Example Results Chain: Agriculture

Smallholder farmer development



15. Annexure IX – Contact Details

To register your application, submit an application or submit a query, please use the links below.

Any enquires must be submitted by email:

 jobsfund@treasury.gov.za

For further information on the application process and to submit your application please visit:

 <https://jobsfund.praxisgms.co.za> or www.jobsfund.org.za

To access Jobs Fund social media accounts, please click on the links below:

 https://www.youtube.com/@JobsFund_NT

 https://twitter.com/JobsFund_NT

16. Annexure X – Bibliography

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