

Termsheet

*Supporting South Africa's Post-
pandemic Economic Recovery*

Request for Applications
Funding Round 10

17 February 2022

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1. Introduction

Our country finds itself confronted with an unprecedented level of unemployment. Even before the onset of the COVID-19 pandemic, South Africa recorded the deepest and most persistent unemployment challenge globally. Between 2008 and 2019, South Africa's working-age population increased by nearly 1,700 people per day, but less than 30% secured work. The 2021 Quarterly Labour Force Survey (QLFS) reported that in the third quarter the unemployment rate was 34.9%¹. If discouraged work seekers are included, the unemployment rate rises to 46.6%². Youth are disproportionately affected, youth aged 15-24 years and 25-34 years recorded the highest unemployment rates of 66.5% and 43.8% respectively in the third quarter of 2021³.

To sustainably address the challenge of unemployment, South Africa requires high rates of sustained economic growth. South Africa also has to effectively respond to the structural constraints that have constrained economic growth and employment creation which include amongst others: labour market rigidity, high barriers to market entry, skills mismatch, spatial inequality, underperforming network industries and inadequate support for the scaling of the informal sector. Through Operation Vulindlela, the government has started to make progress with respect to addressing many of these structural challenges.

Impact of the COVID-19 Pandemic and Market Response

Beyond the devastating health impacts, the COVID-19 pandemic will have a deep and sustained economic impact around the world⁴. The hard lockdown, resulted in output levels for 2020 dropping to levels last seen in 2013. According to Stats SA, roughly 409,000 less people were employed in the third quarter of 2021 than the third quarter of the previous year. On the back of the COVID-19 pandemic, the President had proposed an *Economic Reconstruction and Recovery Plan* for South Africa. In his *State of the Nation Address* on 10 February 2022, the President re-emphasised the importance of putting South Africa to work and provided further direction on the key enablers for economic growth.

Achieving these objectives requires a whole of society approach, the Public, Private and Non-State sector must work better together, they have to find innovative solutions to scale economic and social impact.

The Jobs Fund (a programme of the National Treasury) was established as a Challenge Fund to test innovative employment models. The Challenge Fund instrument as implemented by the Jobs Fund has over years been successful in crowding in funding, ideas, innovation and technical expertise from the market. The Jobs Fund partners and shares risk with intermediaries, i.e. private sector, non-profits and other government agencies and has played a catalytic role in stimulating innovation and finding solutions to social challenges specifically employment creation. To date (as of 31 December 2021) the Jobs Fund has disbursed R5.85bn, leveraged R11.76bn in matched funds and created 287,441 jobs at an average grant cost of R20,349 per job. 64% of these created jobs are filled by youth (184,902).

Through its current partnerships and by bringing on board new partnerships the Jobs Fund is seeking to contribute to the call to action- Putting South Africa to Work using a proven implementation approach and team to drive change, innovation and scaled solutions for employment creation.

The Jobs Fund invites applications that will implement a systems approach to:

- Accelerate the growth of entrepreneurs/ business owners.
- Better address problems at the local level and drive systems change (local economic development).
- Build human and institutional capacity and thereby contributing to transitions from dependency to sustainability.
- Develop economic sectors with growth and high labour absorption potential (a focus on youth and women will be an advantage).
- Build eco-systems of support for the informal sector.
- Develop appropriate financial instruments, value chain development and market access that will unlock the trapped potential that currently exists in economic sectors that can contribute toward the acceleration of employment creation.
- Address both labour demand and supply barriers.
- Scaling Social Impact with a specific emphasis on employment creation.

Applicants must clearly demonstrate the path to sustainability and the breakthrough solution for employment creation i.e. key success factors for a competitive application include jobs created and scaling impact. Furthermore applicants must articulate how the intervention will ensure success in the current Covid-19 context and contribute to the post-pandemic economic recovery.

2. Target Beneficiaries and Priority Sectors

The aim of this funding round is to support innovative solutions to accelerate economic recovery. Applicants could thus intervene in sectors that have low barriers to entry and high potential for growth. Interventions that could sustainably be implemented in economically marginalised areas such as townships, distressed inner-cities, informal settlements, peri-urban and rural areas or that include value chain development as a specific approach will attract focused attention from the Jobs Fund. Other sectors that could offer opportunity include:

- Wholesale and Retail Trade.
- Community, Social and Personal Services.
- Transport, Storage and Communication.
- Financial and Business Services.
- Construction.
- Tourism.
- Information and Communication Technology.

3. Focus Areas and Funding Windows

The **motivation for Jobs Fund support must demonstrate that** the proposed project is **innovative** and:

- **could not** be undertaken without Jobs Fund support at the same scale or within the proposed timeframes,
- has the potential to accelerate **entrepreneurial** opportunities in the **short-to-medium term**,

- contributes to **inclusive development** of an economic sector through the development of value chains and supply chains and creating market linkages,
- has the potential to **scale** its impact,
- is managed by **experienced** implementers with the requisite capacity,
- has a clearly defined **theory of change** (logic model), i.e. how the grant funding be utilised to deliver the outputs in the short-term (two years) and create a pathway to future sustainability,
- has the **ability to raise matched funding** from partners willing to share risk. 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 (see Section 3.3) as well as the private sector, and
- has a **well-established monitoring and evaluation protocol** and capacity or demonstrates 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.

The Jobs Fund will consider supporting projects through its *Enterprise Development, Support for Work Seekers, Infrastructure Investment (included in Enterprise Development) and Institutional Capacity Building Funding Windows*. Applicants are required to explain how their initiative will address a particular market failure, stimulate new demand for jobs, support development of SMEs, increase the level of self-employment and create systems of support to the targeted beneficiaries.

Below are a few examples of the type of interventions 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 and can demonstrate innovation and cost-effectiveness.*

- ❖ **Enterprise Development:** Ideal applications under the Enterprise Development Funding Window include initiatives that develop innovative commercial approaches to livelihoods development and long-term job creation in ways that combine

Box 1: Examples of proposals for the Enterprise Development Funding Window:

- Entities that provide a comprehensive enterprise support eco-system for young entrepreneurs/business owners living in economically marginalized areas.** This includes access to finance, Business Development Services (BDS), access to markets, access to technical training, infrastructure and mentorship.
- Entities that can support businesses to reorganise, grow and expand employment and livelihoods development opportunities for young people.** This could for instance include the provision of financial and non-financial support, supporting access to market etc.
- Entities that enhance small business resilience in the informal sector** providing support to enable growth, 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 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.
Preferred models are those that are competitive and target beneficiaries from economically marginalised areas such as townships, informal settlements, rural areas/ villages and distressed inner-city areas as part of its theory of change.

profitability with high social impact. The interventions should reduce risk, remove barriers to market access or improve or broaden value and supply chains, demonstrate innovation, and address the business challenges that exist or that may have arisen as a result of the pandemic. Proposals should also indicate what Business Development Support would be provided to small and medium sized enterprises, youth and women.

- ❖ **Infrastructure Investment:** Looks to **co-finance light infrastructure investment**⁵ projects and such applications will also be accepted under Enterprise Development Window, provided the applicant demonstrates how the investment will unlock entrepreneurial and job creation potential in particular youth and women 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**.
- ❖ **Institutional Capacity Building:** SMMEs, including those in the informal sector, 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 informal enterprises with more holistic, tailor-made support. There is an opportunity for the Jobs Fund to support such intermediaries to reach more enterprises and build a pipeline of SMMEs that are growth oriented. Through the Institutional Capacity Building Funding Window, the Jobs Fund is interested in supporting intermediaries that respond 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 informal enterprises**; and support them to improve their sustainability and to graduate them to eventually access formal support.

Under the Institutional Capacity Building Window projects could include initiatives that are aimed at: Demand led skills development, strengthening 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

- ❖ **Support for Work Seekers:** Ideal applications falling under the Support for Work Seekers Funding Window are those linking active work-seekers, especially 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**.

Under the Support for Work Seekers Window, projects could include those linking active work-seekers, especially youth to formal and informal sector opportunities and job placement. Funding proposals could include demand-led interventions from entities that

match unemployed young people with suitable job opportunities, and entities that aim to upskill unemployed young people and then match them with suitable job opportunities. Applicants must demonstrate how they link with the SAYouth.Mobi platform and what they will do to enhance the platform.

4. Funding Requirements

The Jobs Fund will only consider applications for a minimum Grant amount of **R10 million** if the application falls under the Enterprise Development and Support for Work Seekers Funding Windows, and a minimum grant size of **R5 million** for applications under the Institutional Capacity Building Funding Window. It is important to note that the initiative must be fully implemented within **two years (24 months)**, **the grant should also be fully disbursed within this period; as should the target number of jobs/ livelihood opportunities and other project-specific outcomes**. Post this **two-year** implementation phase, project performance will be monitored and evaluated for a period of **1 year**.

The Jobs Fund is looking to leverage matched funding from its partners. The amount of matched funding provided will be a key assessment criteria. A minimum cash matched funding ratio of:

- **1:1 is prescribed for private companies and public entities including existing Jobs Fund Partners as applicable, and**
- **1:0.5 is prescribed for NPOs/NGOs including existing Jobs Fund Partners.**

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. Importantly loan funding must comprise funds directly borrowed by the applicant, i.e. for which it is standing surety. Matched funding does not include sunk costs, projected revenue from the initiative, loans repaid by borrowers or beneficiaries and recycled as new loans (in the case of lending projects). 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 **40%** for Institutional Capacity Building Window.

5. 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, and 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 the following criteria:

- a. The funding request must be for a minimum grant size of **R10 million** for applications under the Enterprise Development and Support for Work Seekers Funding Windows, and a minimum grant size of **R5 million** for applications under the Institutional Capacity Building Funding Window.
- b. 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 companies** and public entities and **1:0.5 for NPOs/NGOs**.

- c. Applicants must be in full compliance with administrative requirements (including Tax Compliance Status).
- d. Applicants (contracting party) must be solvent, have been operating for more than two years, and have complete audited annual financial statements for the previous two financial years (these criteria apply specifically to the lead applicant).
- e. Implementers (who could be the applicant) must have a track record of more than three years of technical experience in the area of interest.
- f. 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.
- g. 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.
- h. Existing/ previous Jobs Fund Partners will only be eligible to respond to the call if they meet **ALL** the following additional criteria as **of 31 December 2021**:
 - i. The project must have reached at **least 50%** of its contracted implementation period.
 - ii. Performance on applicable contracted job and placement targets combined must be **greater than 50%** since inception date.
 - iii. The project must have reached **at least 50%** inception to date expenditure as measured against total contracted expenditure.
 - iv. The project must have achieved **at least 80%** of its stated Covid-19 grant aims as applicable.
 - v. The project must have spent **at least 80%** of the disbursed Covid-19 grant as applicable.

6. Exclusions

Examples of ineligible applications include:

Existing/Previous Jobs Fund Partners only

- Applicants whose Jobs Fund projects were terminated by the Jobs Fund or by the Applicant, do not qualify.
- Applicants who were issued with a notification of breach/default of Jobs Fund Grant Agreement/If issued, remedy was not accepted by the Jobs Fund.

All Applicants

- Funding exclusively for research and development costs;
- Funding for the bailout of distressed applicants;
- Training activities not linked to job placement;
- Initiatives with large capital investment but minimal short to medium term job-creation potential;

- Funding of initiatives that will not deliver on their intended performance outcomes within two years of implementation (e.g. new forestry and orchard development);
- On-lending projects that do not adequately demonstrate that they have a finance ready pipeline;
- 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
- Projects with commercial application that is overly dependent on grant funding.

7. Impact Criteria

In line with the Jobs Fund challenge fund principles, applications will be considered against the following impact criteria: social impact, additionality, sustainability, matched funding, innovation, scale/ replication, contribution to systemic change, and the applicant's capacity to implement. These are detailed in Appendix B. Importantly proposals will also be assessed on their ability to find solutions to overcome the challenges presented by the pandemic and lockdown conditions.

8. How to Apply

Applications must be submitted through the Jobs Fund's on-line Grant Management System (GMS). Applicants must complete all the questions and submit all the information requested at the point of application. Applications found to be ineligible will be advised and will not be able to advance further in the application process. All eligible applications will be competitively assessed against the Fund's impact criteria. The Investment Committee will make the final decision on grant allocations as per the Jobs Fund governance requirements. The competitiveness of each project proposal is a key consideration throughout the entire process.

Further information on the application process is available on <https://jobsfund.praxisgms.co.za>

The opening date of the funding round is the 17th of February 2022 and the closing date is the 28th of March 2022 at 3:00pm. 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. Finally applicants to note that if they are successful they are required to finalise contracting with the Jobs Fund within timeframes to be communicated as part of the on-boarding process. Match funding must be available at the point of contracting and importantly successful projects must be ready to implement.

9. Appendices

9.1 Appendix A – How the Jobs Fund Operates

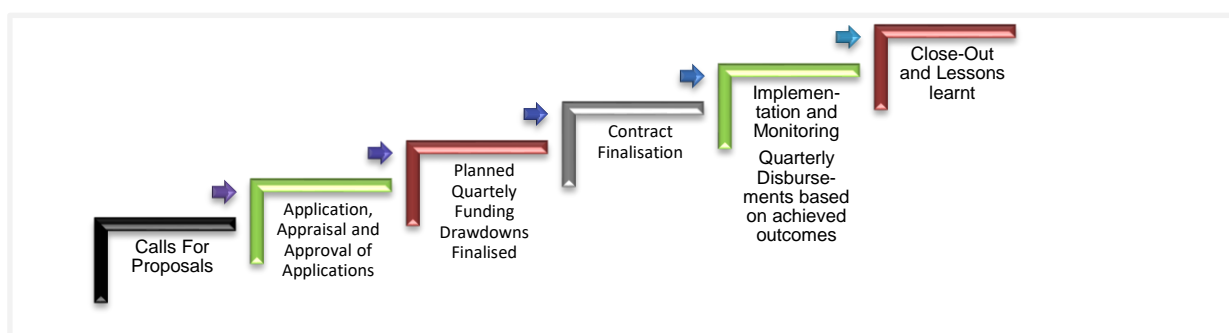
About the Jobs Fund

The Jobs Fund was established in 2011 as is a Challenge Fund utilising public funds to leverage private funds to co-fund, test, productise and implement innovative job creation models. In using challenge fund principles, the Jobs Fund encourages innovation and risk-taking through an open, transparent and competitive funding approach. The Jobs Fund has successfully facilitated the development and implementation of many innovative job creation ventures across all sectors, regions and firm sizes in South Africa.

The Jobs Fund operates on Challenge Fund principles, which means it has the following core features:

- Funding is allocated to projects on an **open, transparent and competitive** basis. Each funding round aims to allocate grant funding to ideas/interventions with the highest potential for social impact
- The Fund requires that **projects are co-financed**. The once-off, limited duration grants are awarded on the basis that applicants **share risk** and costs by matching the Jobs Fund allocation (**partnership and collaboration**, particularly with the private and non-state sector).
- The Jobs Fund's role is intended to be catalytic, which differentiates it from longer-term, sustained public funding support.
- The key goal is to **overcome barriers to entry into the economy which includes**: cost, technology, infrastructure and technical know-how.

Figure 1: Jobs Fund Delivery Model



Source: Jobs Fund (2021)

Funding Windows

From inception, the Jobs Fund has supported projects under four funding windows:

- **Enterprise Development** — for investments in new business models, product development, local procurement, marketing support, equipment upgrading, or enterprise franchising designed to broaden access to economic opportunities, job creation and social impact.

- **Infrastructure Investment** — for local infrastructure investment projects, local market and business hub facilities, critical transport and communication links and upgrading of infrastructure services, which directly enable enhanced investment, job creation and social impact.
- **Support for Work Seekers** — for interventions with a particular focus on unemployed youth. Key elements of these programmes include: job search skills, demand led training activities career guidance support and placement into vacant positions. Programmes supported must result in a job match and other additional social benefits for the beneficiary.
- **Institutional Capacity Building** — for projects aimed at strengthening institutions/intermediaries that facilitate enterprise development and job creation and or support accelerating the transition of work seekers from education to employment. Support may also be provided to institutions that play an enabling role in the labour market, including: sector development; value chain development; supply chain development and market access amongst others.

9.2 Appendix B – Impact Criteria

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

1. **Social Impact:** Initiatives should demonstrate clearly the social impact of the project with emphasis on beneficiaries 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 beneficiaries, retain existing jobs, 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 measures need to be recognised and measured as per Jobs Fund indicator protocols as articulated in the terms of reference, as well as included under the initiative's project-specific indicators (i.e. measures established by the applicant for their specific project – refer to the Indicators Example document in the downloads section).
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. Projects that are being proposed will be required to identify those risk components in the business model 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 **40%** 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.
3. **Sustainability.** Initiatives should be able to convincingly demonstrate a path to commercial sustainability (for the initiative and enterprise development projects, the sustainability of beneficiaries 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 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 also 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 beneficiaries.

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 beneficiaries 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.

9.3 Appendix C – Indicator Protocol Reference Sheets

Overview - Measurement Indicators
<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 busy 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). • Number of short term jobs (fixed term contracts of less than 12 months). • Number of beneficiaries completing timebound internships. • Number of trained beneficiaries. • Number of self-employed informal sector entrepreneurs/business owners. • Number of employed informal sector workers.

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.

Number of new permanent 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.

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 busy 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/beneficiary).

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
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).
<p>Definition of the Indicator: These are the participants/beneficiaries 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.</p> <p>*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.</p>
<p>Sub-indicators:</p> <p><u>Indicator 2:</u> Number of beneficiaries placed in currently vacant permanent positions/jobs beyond project partners.</p> <p>These are the participants/beneficiaries 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.</p> <p><u>Indicator 2.1:</u> Number of beneficiaries placed in currently vacant seasonal positions/jobs beyond project partners.</p> <p>These are the participants/beneficiaries 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 busy periods/seasons/holidays).</p>

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

These are the participants/beneficiaries 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/beneficiary). The number of beneficiaries 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

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.

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/beneficiaries 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.

Sub-indicators:

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

These are the participants/beneficiaries 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/beneficiaries 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 busy periods/seasons/holidays).

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

These are the participants/beneficiaries 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/beneficiary). The number of beneficiaries 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

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.

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 (<i>less than</i> 12 months in duration) and does not offer a permanent contract to the beneficiary (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.
Unit of Measurement and Disaggregation: The unit of measure for this indicator is a person (participant/beneficiary). 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
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/beneficiaries 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/beneficiary). The number of beneficiaries 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

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/beneficiaries 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 beneficiaries. 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/beneficiary). The number of beneficiaries, 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

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 business owners

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

Definition of the Indicator: This indicator measures two categories of informal sector business owners. Firstly, those receiving income of an amount equal to or greater than the Upper-bound Poverty Line (UBPL), as determined by Stats SA on an annual basis. Secondly, those receiving income of an amount equal to or greater than the National Minimum Wage (NMW) threshold (per hour or per day as the case may be). In both instances, the business owner's gross income is measured over a consecutive six-month period.

Unit of Measurement and Disaggregation: The Unit of Measure for this indicator is the informal sector business owner. 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 entrepreneur/business owner will include self-reported financials generated by the entrepreneur/business owner. Such information should demonstrate gross profits from the entrepreneur/business owner's business that are equivalent to or greater than the prevailing Upper-bound Poverty Line (category 1) and equivalent to or greater than the NMW (category 2).

DATA ANALYSIS & REPORTING

Entrepreneur/business owner business data will be reported by all contracted partners on a quarterly basis. Prior to reporting of this 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 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 will include employment declarations co-signed by the employer and the employee. Such declarations should include information on the number of hours required to work per week and employees' earnings per month over a six-month period.
DATA ANALYSIS & REPORTING
Employee data will be reported by all contracted partners on a quarterly basis. Prior to reporting of this data to the Fund Manager (Jobs Fund), the contracted partner shall ensure the validity and reliability of such data.

9.4 Appendix D – Examples of Results Chains & Theories of Change

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 in the pages that follow.

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

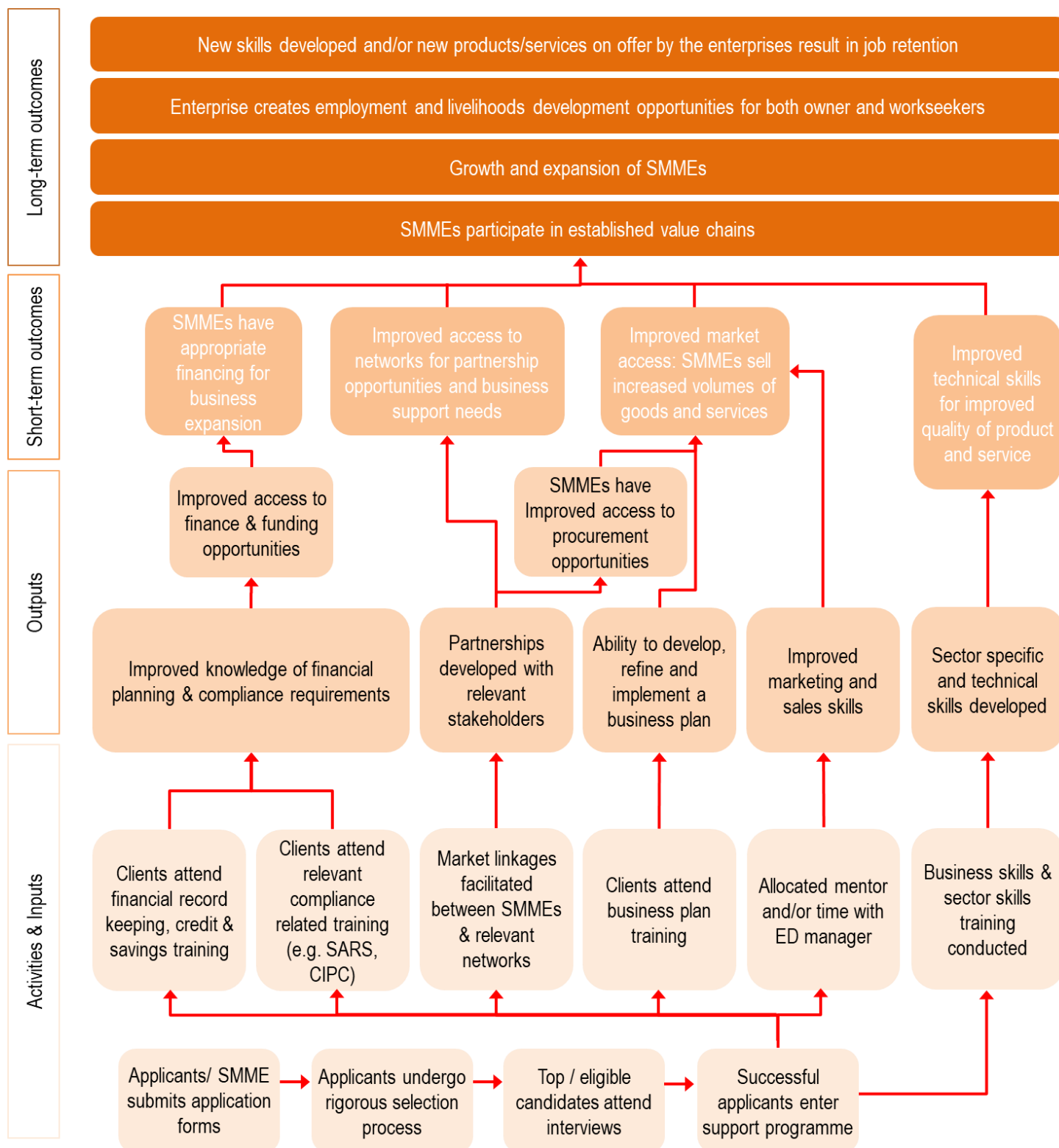
chains) and access to blended finance (part loan but subsidised by grant funding) through an easily accessible virtual and physical incubation hub,

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)*

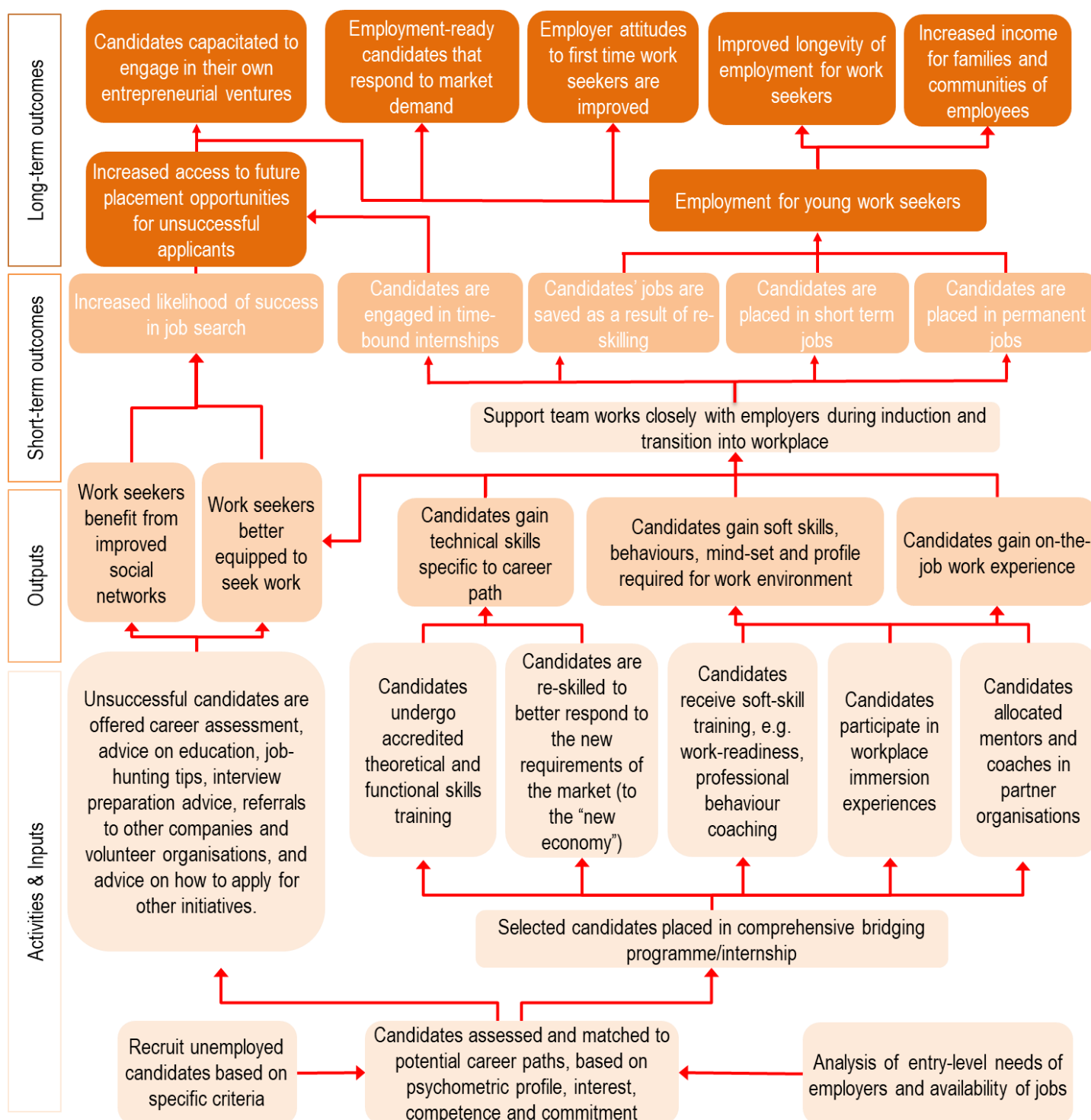
Enterprise Development

Example: SMME support



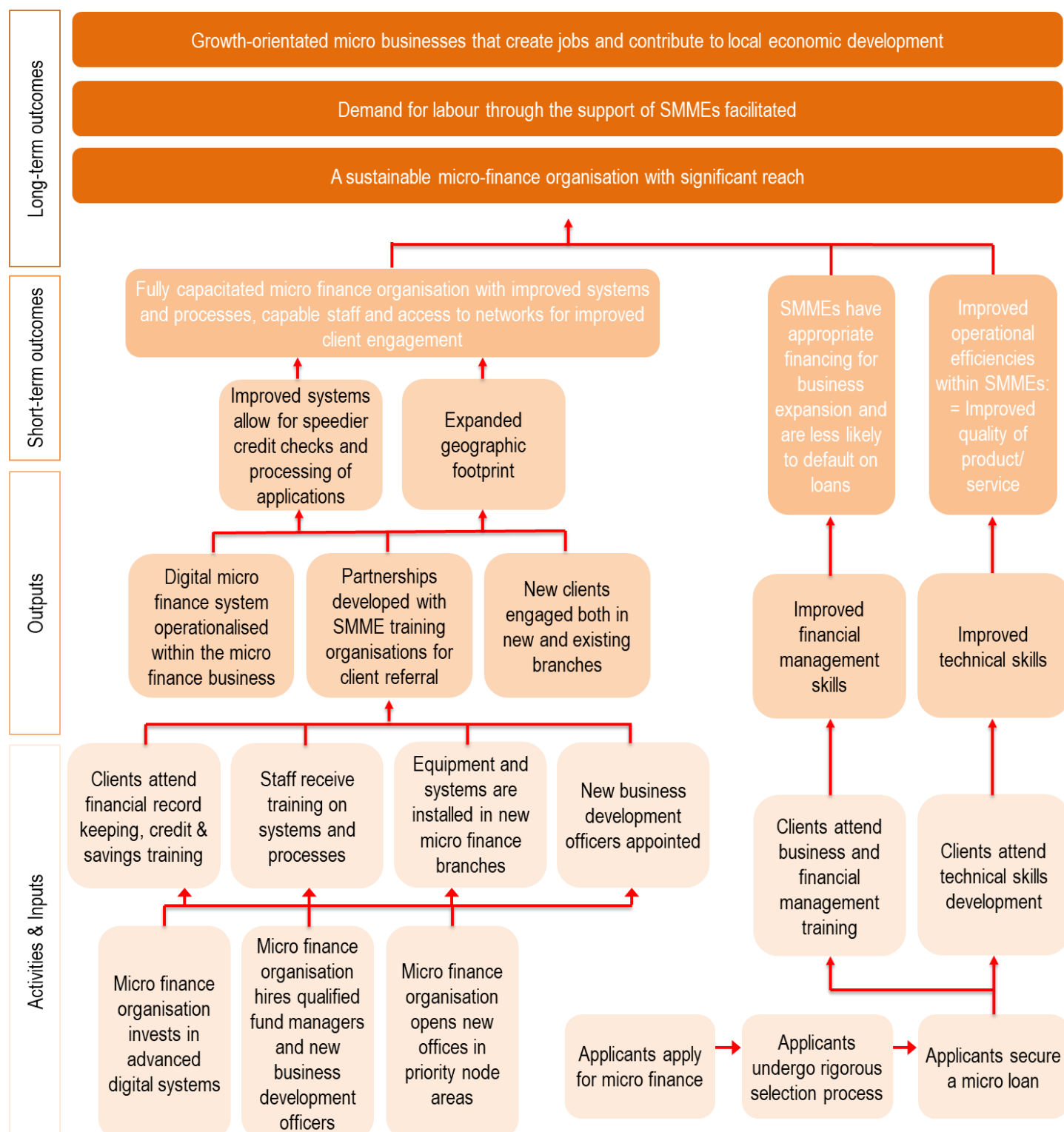
Support for Workseekers

Example: Skills development and placement of young people



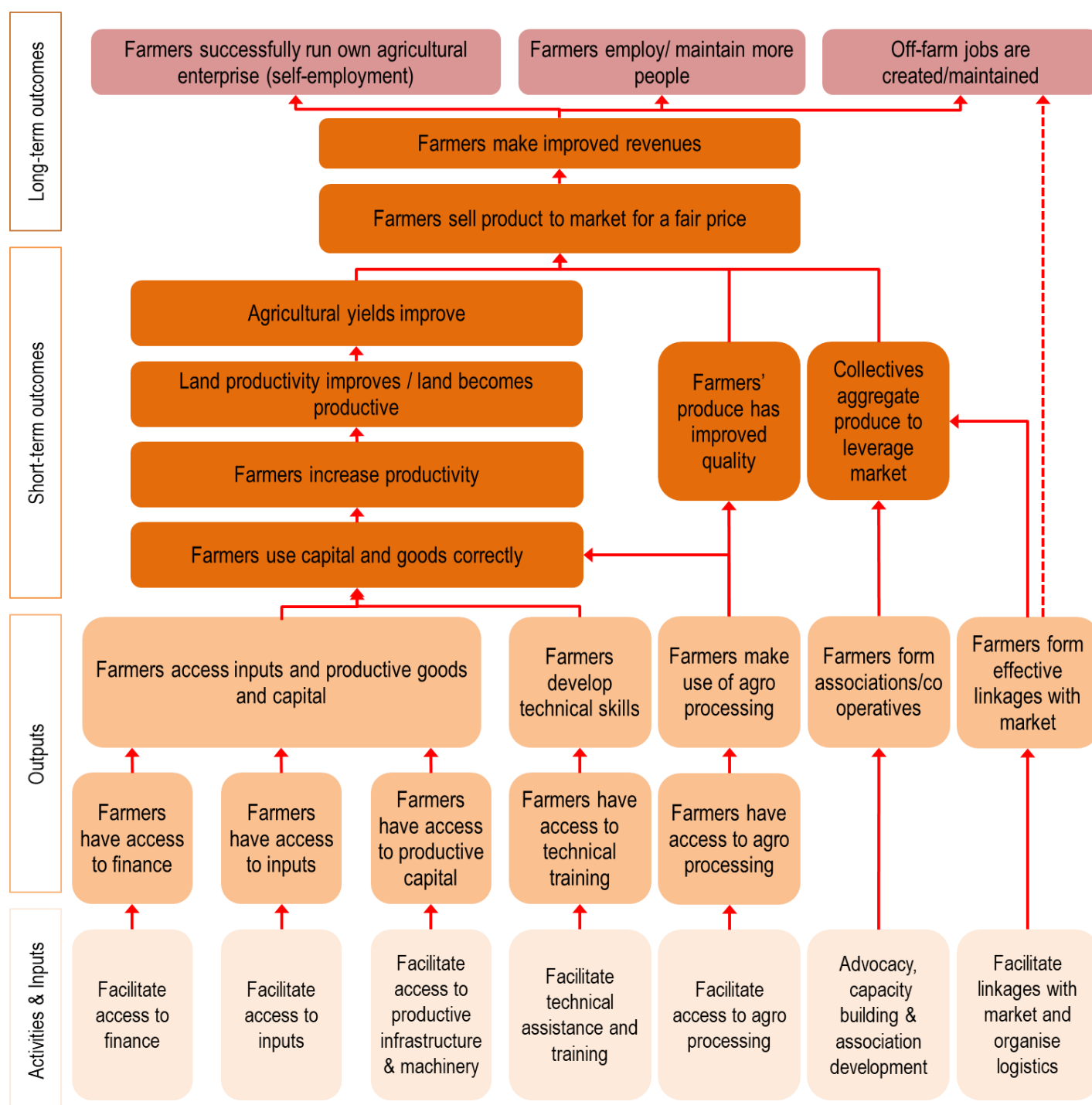
Institutional Capacity Building

Example: Building capability to offer micro finance support



Agriculture

Example: Smallholder farmer development



9.5 Appendix E – Contact Details



South Africa Siyasebenza

Any enquires must be submitted by email:

 jobsfund@treasury.gov.za

For further information on the application process please visit:

 <https://jobsfund.praxisgms.co.za>

9.6 Appendix F – Endnotes

¹ Stats SA, *Quarterly Labour Force Survey* (South Africa: 3rd Quarter 2021)

² Ibid.

³ Ibid.

⁴ According to the WHO, the first ever case of COVID-19 was reported in China on 17 November 2019.

⁵ * Please note that the Jobs Fund does not fund large-scale infrastructure such as roads, rail, and bulk water.