

A NOTE FROM NAJWAH

As I look at what's happening around us, I am reminded of a quote from the late Nelson Mandela: "I am fundamentally an optimist. Whether that comes from nature or nurture, I cannot say. Part of being an optimist is keeping one's head pointed towards the sun, one's feet moving forward."

We should all strive to be like this. I hope you used Youth Day to reflect on how far South Africa has come and how much work still needs to be done. The national unemployment

rate is 27.7 percent, while the youth unemployment rate is 38.6 percent.

As part of the Jobs Fund's efforts to tackle widespread unemployment, its Technical Evaluation and Investment Committees are considering eligible concept note applications for the 7th call for proposals, which aims to find projects that will secure the buy-in of various market players and ensure change takes place across market systems.

In order to continuously improve our processes and services, we asked Jobs Fund partners to complete the annual satisfaction survey. I would like to thank those who took the time to share their thoughts and help us identify gaps in our services.

N. Albie-Edules

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ENCOURAGING GROWTH IN LATEST RESULTS

To date, the Jobs Fund has a portfolio of **117 approved projects** with a total allocation of

R6.1 billion in grant funds. These projects will potentially leverage an additional **R8.6 billion** from our partners to create **239 903 permanent jobs**.

A total of **110** implementing projects have already created

100 055 new permanent jobs and placed an additional **55 053** people in vacant permanent positions. To date, these projects have created **27 314** short-term jobs and provided work-readiness and technical training to **209 845** people.

PARTNER NEWS



SWEEPSOUTH CEO SWEEPS AWARD AT WEF AFRICA

The World Economic Forum on Africa, which took place in Durban in the first week of May, has recognised six women entrepreneurs for their work to create jobs and advance technology in the region, naming them Africa's Breakthrough Female Tech Entrepreneurs of 2017.

Aisha Pandor, co-founder and chief executive officer of SweepSouth, was among these winners. She was invited to contribute her ideas on boosting entrepreneurship across Africa.

SweepSouth, a beneficiary supported by Vumela (a Jobs Fund partner) through its Enterprise Development Fund, is a technology-based cleaning business. Clients book a home-cleaning service online. They specify their needs and the app uses algorithms to estimate the hour and cost, and match clients to cleaners in a matter of minutes. Since June 2014, SweepSouth has created jobs for more than 3 000 domestic cleaners who were previously unemployed or underemployed. >>

PARTNER NEWS (CONT.)

>> The Jobs Fund would like to congratulate SweepSouth on its achievements. We wish the company all the best with its plans to continue modernising the cleaning industry, expand its services and create work for 10 000 cleaners.

TONGAAT INVESTING IN EDUCATION

Tongaat Hulett, in partnership with the Jobs Fund and Ingonyama Trust, built two new Grade R classrooms at Mvuzane Primary School in KwaZulu-Natal. The school was identified as one of the best-performing schools in the community despite overcrowding and its associated challenges.



The initiative forms part of the partnership arrangement with the Jobs Fund to help rural communities improve their quality of life through various initiatives, including infrastructure development projects, education and training.

"We applaud Tongaat Hulett for their generosity and we are grateful for their support in ensuring learners will now receive a dignified education," said Inkosi Zwelezinduna Biyela of Mvuzane Village, who officially opened the door of one of the new classrooms.

JOB-CREATION MODELS THAT WORK

There's an old saying that the capacity to learn is a gift. The Jobs Fund is not focused primarily on job numbers. Our aim is to fund and support experimental and innovative projects in four distinct funding windows, from which valuable lessons can be derived to inform longer-term approaches to creating jobs.

Through the implementation of more than 90 projects, we have learnt valuable lessons about which project models achieve sustainability and have the greatest impact on the lives of those with the greatest need.

The agricultural sector is a large employer and contributed positively to South Africa's gross domestic product in the first quarter of 2017. Identifying sustainable business models for the sector is vital.

Although the 34 agricultural projects in the Jobs Fund's portfolio have been classified under four main project models (agro-processing, on-lending, out-grower and technical skills development), the reality is that many of them are implementing a combination of these models.

Factors that differentiate the Jobs Fund's agricultural projects include a combination of technical advice, farming inputs, access to finance and markets, mentoring support and training for smallholder farmers and workers. The results include higher yields and better prices for smallholder farmers; the ability to accumulate savings and establish a financial track record; improved farming practices and better skilled workers; integration into established supply



chains; and improved management systems.

Small and medium-sized enterprises (SMEs) play an important role in economic growth and job creation. The Jobs Fund's portfolio of enterprise development projects is diverse and embraces innovative approaches that combine profitability with high social impact to create sustainable jobs.

The availability of grant funding on a matched basis has encouraged our partners to increase their support to SMEs and design commercial ventures that deliver greater social impact. Importantly, the grant has encouraged others to contribute additional funding. An example is the Jobs Fund partnership with Ashburton Fund Managers. This project has managed to raise R566.21 million from pension funds against a guarantee of R75 million from the Jobs Fund. SMEs have traditionally been viewed as high-risk investments, but our partners are demonstrating that they have the potential to provide competitive returns to investors.

The Jobs Fund has evaluated the business models of enterprise development projects. The study has revealed the following good practices:

- ▶ The methodology used to select entrepreneurs is critical.
- ▶ The support services must be customised to each group of entrepreneurs.
- ▶ The intervention's success should not only be measured by the number of jobs created, but also in terms of individual SME sustainability.

- ▶ Access to finance and markets for SMEs must supplement training support.
- ▶ The organisations that offer enterprise development support should be managed as commercial entities and every attempt must be made to secure multiple revenue streams and reduce reliance on grant and donor funding so that the businesses can become self-sustaining.

for long-term sustainability and impact.

The projects supported through our support for work-seekers funding window present another successful job-creation model. We refer to them as our "train and place" models.

These projects address the mismatch between available skills and the skills that employers are looking for.

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- ▶ Franchising represents an opportunity for previously disadvantaged individuals to own a business; however, concessional finance and support services are needed. The franchisee's success is determined by the level of support they receive from the franchisor and the franchisee's previous experience in setting up a business.
- ▶ Building the capacity of SMMEs through microfinance has often been presented as a way to include the poor in the broader economy. However, the impact is often limited and beneficiaries may become dependent on loans, with limited opportunity to move from SMME status to SME status. Microfinance is also likely to require ongoing donor funding due to large unsecured investments, reducing the potential

The most successful of these intermediaries already understand where demand exists. They collaborate and form partnerships with employers who understand the skill need and are willing to provide work experience, and potentially convert this experience into a job contract. These intermediaries:

- ▶ Typically have a large network of employer partners.
- ▶ Have access to labour market analysis and company behaviour.
- ▶ Understand the needs of their unemployed beneficiaries.
- ▶ Invest in developing scalable operating systems.
- ▶ Work to improve their value-for-money proposition.
- ▶ Invest significantly in tracking the unemployed beneficiary's journey. >>

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The impact on work seekers has been profound: their levels of emotional maturity and skill have increased; they are better able to navigate the labour market and contracts; and they have higher levels of confidence and readiness to proactively connect themselves and others with available employment.

Jobs Fund partners have also demonstrated that businesses base their employment decisions on a combination of work-readiness training, technical skills training and on-the-job observation (through, for example, short-term work assignments), and not only formal qualifications or accredited training.

“Train and place” models have proved most effective in targeting youth, which is important given that youth unemployment is at 38.6 percent. To date, Jobs Fund projects have matched 90 347 young people with vacant positions that have resulted in permanent employment – 60 percent of the portfolio’s total permanent jobs.

STAFF PROFILE

Monray Hardnick



“NOTHING IS MORE REWARDING THAN BEING PART OF A TEAM THAT IS WORKING HARD TO IMPROVE THE LIVELIHOODS OF THE UNEMPLOYED IN SOUTH AFRICA.”

Where are you from?

I was born and bred in George.

What did you study?

I studied towards a BCom at the University of the Western Cape.

Where have you lived?

I have lived in many cities (George, Cape Town and Port Elizabeth) but settled in Gauteng nine years ago.

What are your hobbies?

I am not as active as I was many years ago, although I still play a bit of table tennis. These days I prefer watching a good movie, listening to music and spending time with friends.

What is your role in the Jobs Fund?

I am a Project Manager and am responsible for the implementation of five projects in the Jobs Fund’s portfolio.

Which part of your job do you like most?

What I like most is that I am always learning. I work with a host of interesting people and there is never a dull moment. Nothing is more rewarding than being part of a team that is working hard to improve the livelihoods of the unemployed in South Africa.