

A NOTE FROM NAJWAH

On 10 February, President Cyril Ramaphosa presented the State of the Nation Address (SONA), laying out the government's plan to rebuild the economy post the COVID-19 pandemic. The key points focused on a social pact between the public and private sectors to increase infrastructure and local production investment and an employment stimulus to create jobs.

Similarly, the Jobs Fund and our partners entered 2022 with a firm commitment to build on the momentum and hard work that characterised the previous year to positively impact our country's employment landscape. A supportive environment where individuals and businesses can unleash their true capability and potential is the catalyst to spark this change. As the President said, "Government does not create jobs, businesses create jobs." Reducing the barriers and bureaucratic red tape that hinders growth in the private sector will go a long way in stimulating investment in the economy and creating those much-needed jobs.

The Jobs Fund and its partners are testimony to the fact that collaboration does result in a more far-reaching impact. A vital element of the Jobs Fund's Challenge Fund instrument is that

project selection, and funding allocations are based on an open and competitive process linked to pre-defined eligibility and impact criteria. These criteria are designed to maximise innovation, impact and sustainability and thereby create an enabling environment for job creation.

Using well-placed mechanisms and strategies, government can create conditions that encourage innovation, crowd-in significant private sector investment, and allow businesses and individuals to thrive. We can contribute to more inclusive economic growth through collaboration, cooperation, and the scaling of tried and tested solutions.

It was encouraging to see that R76 billion has been allocated for job creation programmes by the Minister of Finance in his Budget Speech, with an additional R18.4 billion made available for the Presidential Employment Intervention.

Over the medium term, the Jobs Fund's implementation capability will be deployed to support the rollout of key initiatives to support the Presidential Youth Employment Intervention.

The Fund continues to support government's focus on



employment creation and has issued its 10th Call for Proposals, "Supporting South Africa's Post-pandemic Economic Recovery". The Jobs Fund seeks to partner with organisations that can scale efforts to put South Africa to work, drive change, innovation, and implement context-appropriate solutions for employment creation.

2022 must see all of us renew our commitment to accelerate the implementation of proven, well-designed and well-planned job creation programmes. In particular, we have to focus on youth employment #LeaveNoSAYouthBehind.

Najwah

Najwah Allie-Edries
Head of the Jobs Fund

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THE JOBS FUND: A CATALYST FOR SOCIAL & ECONOMIC CHANGE

Since its inception, the Jobs Fund has been committed to lighting the way for positive change driven by an enduring vision to unlock job creation and contribute to more inclusive economic growth. This vision embodies the Fund's commitment to delivering a support programme that will create a meaningful and sustainable impact for the millions of unemployed in our country.

The JF was not intended to be a mass employment programme, rather the intent was to catalyse innovative solutions for addressing demand and supply-side barriers in the labour market and to do this by intervening in sectors that had the potential for growth and high labour absorption.

Adopting a Challenge Fund approach has demonstrated the Jobs Fund's commitment to transparency in its operations, building partnerships with those who share its vision for a more inclusive economy, an unwavering focus on delivery and prudent use of public funds. This approach has positively impacted job creation through programmes of support that respond to both the supply of and demand for labour in the following ways:

- Pathwaying youth into jobs through the effective matching of the workseeker to employer or workseeker to a business opportunity;
- The co-financing of critical missing infrastructure to improve the business environment for small,

medium and micro enterprises (SMMEs) / smallholder farmers and employment-linked investment;

- Building institutional capability by improving operational efficiencies and removing barriers to doing business, thereby scaling up the potential for job creation; and
- Supporting entrepreneurship and growing sustainable SMMEs / smallholder farmers in the informal and formal sectors through business support, access to market and access to finance.

Challenge Funds attract investment by de-risking investments that would otherwise not meet the risk-return expectations of investors. The mechanism creates a space for innovation that fosters the development of new approaches to key socio-economic problems; proofing the models that can then be scaled for the most significant and impactful change. A recent independent study conducted on the Jobs Fund determined that the Jobs Fund, operating as a Challenge Fund, provides superior additionality at similar value for money relative to other comparable funders in South Africa. In addition, the characteristics for which the Jobs Fund is highly differentiated from other funders are:

- the competitive nature of its application assessment process (given the Jobs Fund appears to be the only funder adopting this approach as the norm);
- the sustainability of benefits; and
- the ability to encourage innovation

from the market.

Response to supply and demand for labour



As a Challenge Fund, the Jobs Fund has demonstrated that it is possible to create jobs and, in the process, proof models for job creation that are capable of scaling, replicating and enabling systemic change. This approach has the potential to deliver sustainable solutions for addressing the unemployment challenge.

The Jobs Fund, together with its private, public and non-state sector partners, have shared risk while testing new models for job creation. Through a portfolio of 146 projects that has responded to both supply and demand-side constraints and working with a range of firm sizes, including microenterprises across economic sectors, more than 281,000 work-seekers and entrepreneurs have been trained, and over 287,000 jobs and internships created the majority of which are filled by black women and young people.

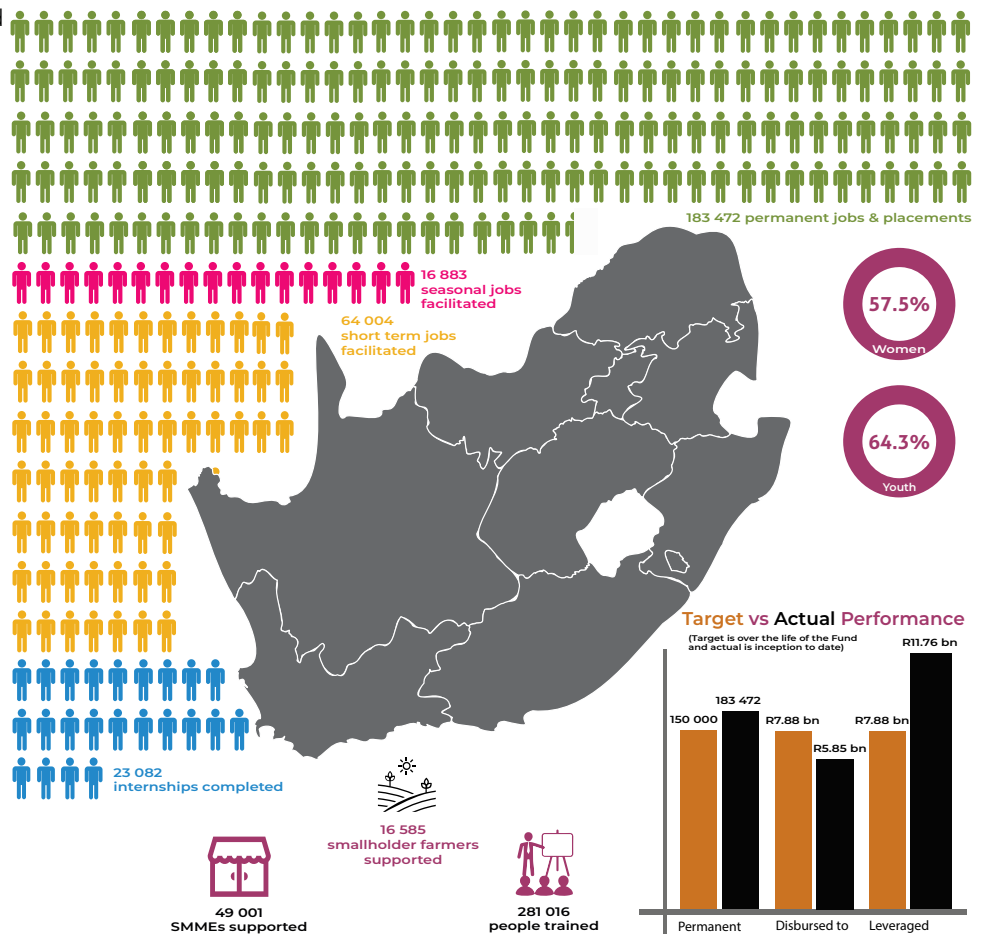
The implementation approach adopted by the Jobs Fund has resulted in building the institutional capacity of intermediaries and aggregators and has thereby strengthened and expanded the support available to workseekers and enterprises as well as increasing the level of economic participation in selected value chains. This network of intermediaries has facilitated support to



more than 49,000 majority black-owned SMMEs and more than 16,000 black smallholder farmers.

Independent research illustrates that the Jobs Fund has delivered both immediate, focused benefits to SMME businesses and work seekers, as well as broader, longer-term benefits. Against its Comparator Funders, the Jobs Fund has delivered the second-highest number of jobs for the comparable period of 2019. Many of the interventions supported by the Jobs Fund are piloting innovative solutions for employment creation with impact over the medium to long term jobs that foster additionality and systemic change while bringing value for money to the fiscus.

As we re-affirm our commitment to light the way for positive change, may our collective dream of equal opportunity for all South Africans continue to be the driving force that unites all our efforts to Build Better.



PARTNER NEWS

27FOUR'S INVESTMENT IN KNOWLEDGE PAYS OFF BIG

27four beneficiary Sanari Capital celebrated the 100% matric pass rate of Bloemfontein's Academy of Excellence Secondary's class of 2021, with over 40% university pass.

The Jobs Fund supported 27four Black Business Growth Fund invested in Sanari Capital, a women-led and majority black-owned private equity firm that invested in Edulife Group, a network of private schools offering diverse and tailor-made education across the economic spectrum from affordable to high-end fee schools.

The education system, particularly pupils, has faced a hard couple of years due to the Covid-19 pandemic. The staff Academy of Excellence held firm to continue delivering quality education to learners from lower-income households.

Read more about the Accelerated Black Business Growth Fund [here](#).

Read more about Sanari Capital [here](#).



UNJANI CLINICS CELEBRATES 2.5 MILLION CONSULTATIONS

In February 2022, [Unjani Clinics](#) celebrated 2.5 million consultations since its establishment.

In the face of South Africa's healthcare sector challenges, Unjani Clinics NPC developed an innovative model that intervenes in primary healthcare using a social entrepreneurship foundation. Unjani empowers black female professional nurses to establish and operate their own primary healthcare clinics in rural and peri-urban communities. The overall objective is to complement government-run primary healthcare facilities and provide disadvantaged communities with a cost-effective alternative to traditional private healthcare.

Find out more about Social Franchising, Unjani and the Jobs Fund's partnership [here](#).

THE LATEST CALL FOR PROPOSALS: SUPPORTING SOUTH AFRICA'S POST-PANDEMIC ECONOMIC RECOVERY

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

Beyond the devastating health impacts, the COVID-19 pandemic has had a profound and sustained economic impact domestically and abroad. The hard lockdown resulted in output levels for 2020 dropping to levels last seen in 2013. According to Stats SA, roughly 409,000 fewer people were employed in the third quarter of 2021 than the previous year's third quarter. 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 sectors must work better together and find innovative solutions to scale economic and social impact.

Through the Supporting South Africa's Post-Pandemic Economic Recovery funding round, the Jobs Fund invited applications that will implement a systems approach to:

- Accelerate the growth of entrepreneurs/ business owners, including the building of ecosystems of support for the informal sector.
- Address problems at the local level and drive systems change (local economic development).
- Build human and institutional capacity and contribute to transitions from dependency to sustainability.
- Develop economic sectors with growth and high labour absorption potential (a focus on youth and women is preferred).
- Scaling Social Impact with a specific emphasis on employment creation.

Applicants were required to clearly demonstrate the path to sustainability and the breakthrough solution for employment creation.

For further detail on the funding round and all relevant documentation, please refer to the Jobs Fund's website:

[10 CFP Overview](#)

[10 CFP Term Sheet 2022](#)

[10 CFP Application User Guide](#)

[10 CFP FAQs](#)

ABOUT THE JOBS FUND

THE NATIONAL TREASURY ESTABLISHED THE JOBS FUND IN JUNE 2011 TO SUPPORT INNOVATIVE INITIATIVES AND APPROACHES TO JOB CREATION. THE R9 BILLION FUND OPERATES ON CHALLENGE FUND PRINCIPLES, AND ALL FUNDING ALLOCATIONS ARE MADE ON A COMPETITIVE BASIS IN A TRANSPARENT AND OPEN MANNER.

ONCE-OFF GRANTS ARE AWARDED TO PROJECTS THAT DEMONSTRATE SUSTAINABLE JOB CREATION POTENTIAL, AND PROJECT PARTNERS ARE REQUIRED TO MATCH THE GRANT FUND ALLOCATIONS ON A 1:1 RATIO OR HIGHER.

THE JOBS FUND IS NOT A MASS EMPLOYMENT PROGRAMME, NOR IS IT INTENDED TO TACKLE LONG-TERM, STRUCTURAL CAUSES OF LOW GROWTH AND UNEMPLOYMENT BUT RATHER COMPLEMENTS THESE EFFORTS WITH A TARGETED PROGRAMME OF SUPPORT FOR EFFECTIVE LABOUR MARKET INTERVENTIONS THAT RESULT IN SUSTAINABLE EMPLOYMENT CREATION.

THE FUND IS CURRENTLY SUPPORTING THE IMPLEMENTATION OF THE PRESIDENTIAL YOUTH EMPLOYMENT INTERVENTION AND, TO DATE, HAS ISSUED TWO CALLS FOR PROPOSALS ON BEHALF OF THE PRESIDENTIAL YOUTH EMPLOYMENT FUND.

