

December 2022
Issue

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 complements these efforts with a targeted programme of support for effective labour market interventions that result in sustainable employment creation.

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About siyasebenza

Siyasebenza is the Jobs Fund's quarterly newsletter. *Siyasebenza* is an isiZulu word meaning "we are working."



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A Note from Najwah

The National State of Disaster was lifted on 4 April 2022, and South Africa breathed a sigh of relief, hopeful that the lifting of restrictions would lead to increased levels of economic activity and, with that, more employment opportunities. Progress, however, continues to be hamstrung by inadequate network infrastructure, poor service delivery, rampant criminality, natural disasters, and the looming spectre of a global recession to name but a few of the factors that bedevil our recovery.

At the beginning of this year my plea was that we would all renew our efforts to accelerate job creation and support initiatives that focused on women and youth who are disproportionately affected by economic shocks and unemployment.

Despite the many challenges over the past year, I want to express my deep gratitude to all our Jobs Fund Partners who have responded so positively. I am pleased to report that our partners have improved their rate of job creation and placement by 40% when compared to the same period in 2021. This improvement is significant and suggests a steady recovery in our projects overall.

In addition, the Jobs Fund has completed an unprecedented three funding rounds in less than a year, allocating more than R1.3 billion in grant funding to applications received for both the Jobs Fund and the Presidential Youth Employment Intervention funding rounds.

The Fund's recent funding round focussed on supporting and accelerating our economic recovery is now in its contracting phase. The Fund's Investment Committee approved funding for 18 new projects that aim to support vulnerable groups and address systemic issues in a number

of different sectors, including agriculture, health, construction, township economies, financial services, and business process outsourcing.

I would like to express my appreciation to our Technical Evaluation and Investment Committee members for their leadership and guidance and for tirelessly pursuing the Fund's vision of inclusive employment and growth.

I would also like to thank my team, who, despite the many challenges, have remained focussed on our core mandate of catalysing innovative job creation interventions and expanding on our knowledge-sharing agenda. The Fund has hosted numerous webinars reporting on the results of the various project evaluations undertaken by the Fund and its partners.

The team has also lent support through advising on grant-making and challenge funds. These events and engagements, together with published articles, have stimulated discussions on lessons learnt and provided the opportunity to celebrate the progress and impact of Jobs Fund-supported projects.

In the new year, we will renew our efforts and focus on implementing well-designed job creation interventions that move beyond the formal economy.

Wishing you a restful festive season and hoping that you return energised and ready to break new barriers.

Najwah

Najwah Allie-Edries
Head of the Jobs Fund



The Importance of Multi-layered Consultation in the Design and Implementation of Economic Development Initiatives

Critical to the success of implementing development initiatives is community and participant buy-in. South Africa is a diverse country; a collection of histories, cultures, beliefs, generations, and genders; and these are crucial voices in the design and implementation of development programmes and initiatives. The role of social facilitation cannot be underestimated as it foregrounds diversity while facilitating multi-layered stakeholder participation, aligning varied interests and objectives to secure optimal outcomes and inclusion.

Social facilitation refers to the range of activities undertaken to:

- Develop and maintain good relationships with project beneficiaries, the local community and other parties involved to promote community buy-in, cooperation and participation in the delivery of projects.
- Establish realistic shared target outcomes that will be achieved over the project period.
- Encourage stakeholders, particularly project beneficiaries, to be actively involved in their own development and growth.
- Organise individuals into a coherent group or cooperative to foster collaboration (e.g., bulk buying, communal production to take advantage of economies of scale, etc.).

The evidence gathered by the Jobs Fund indicates that consultative social facilitation is vital for the smooth implementation of support interventions, especially in agriculture, where complexities such as communal land tenure are commonplace.

Ideally, specialist institutions should facilitate the social engagement process with a trusted community representative/s. Investing in social facilitation at the beginning of the intervention (the viability phase) ensures role clarity and fosters a deeper understanding of the

intervention and the process of implementation.

Introducing social facilitation at the point of handing over the project to beneficiaries is too late in the process. For example, one of the Fund's agriculture projects secured the services of a social facilitator towards the end of the project's implementation. The objective was to improve communication between parties; improve stakeholder understanding of governance structures, roles, and responsibilities; and deepen business management skills to ensure the farming enterprises would run efficiently. After an 11-month process, there are still issues to resolve in respect of the process and terms of the project handover. Ongoing tensions within and between community organisations introduced further complexities and risk to achieving successful implementation and securing sustainability for the intervention at a point in the project life cycle where the investment made is beginning to bear fruit. Investing in social facilitation during the design phase is an essential component of your project's risk assurance framework.

Proactive social facilitation has been implemented in several of the Jobs Fund agriculture projects. High-touch community engagement is especially significant if farming units are cooperatives or schemes that rely on the local community members to work closely together. An area where social facilitation has been particularly successful is in farming succession. Globally, the average age of farmers is 60, and in South Africa, it is above that at 62.

In addition to finding ways to encourage a new cohort of young farmers to enter farming, existing farmers of pensionable age need to consider how their land will continue to be productive when they are no longer able to work. In one of the Jobs Fund projects, the farmers involved were already of retirement age and largely did not have any savings and contingency or

succession plans for their land. The social facilitator assisted them in putting together realistic succession plans that involved brokering arrangements that would help retiring farmers secure income into the future.

The need for social facilitation is not limited to agriculture projects. A Jobs Fund township infrastructure investment project, integrating emerging SMMEs with large-scale industry through an incubation hub, extensively consulted with community structures/forums over many years to identify opportunities for community participation and ensure that the benefits flowed to the surrounding community. Strong, positive relationships have been built with the community over the past decade. These consultations began at project inception. Community Liaison Officers were employed by the Jobs Fund Partner (JFP) to facilitate transparent communication with the surrounding communities and the various community forums about the SMME and job creation opportunities available. Not only did this minimise community conflicts and political interference, but it also minimised project disruptions.

In addition, the JFP has created a database of labourers for construction project opportunities, as the precinct is still to be developed further. The JFP ensures that local SMMEs and labourers interested in participating in a project submit their profiles/CVs and apply for the available work. This is then presented to the main contractors, who, through a selection process, appoint qualified SMMEs and labourers to participate.

Investing in social facilitation recognises that communities are not homogenous groupings, that they have valuable inputs to make in the development process, and that success pivots on meaningful participation. Ultimately it is the smart way to minimise the risk on your investment and facilitates long-term sustainability.



PARTNER NEWS

Innovative Partnership for Agriculture between Hortfin and FNB

Jobs Fund Partner, Hortfin, has partnered with FNB to secure market and value-chain access for smallholder farmers

In 2018 the Jobs Fund and DFDC partnered to capitalise a sustainable funding mechanism (Hortfin) to provide affordable and appropriately structured growth finance to emerging enterprises and thereby contribute to the transformation of the deciduous fruit value chain. The Jobs Fund's grant reduces the cost of capital and thereby allowing the interest rate margin to cover the operational costs, making it a sustainable fund over the long term.

The ground-breaking inclusion of FNB into this partnership provides a unique and exciting opportunity for collaboration between government, industry bodies and a large commercial funder. It is encouraging to see FNB prioritising the transformation of agriculture. This is also an encouraging example of project model adoption by the market; the kind of catalytic effects the Jobs Fund aspires to achieve.

Over the years, the initiative has secured and enhanced market and value-chain access for smallholder farmers by linking each farmer with a pack-house, mentor, and a market; it has also actively addressed social and ecological issues by promoting good agricultural and ethical trading practices. The design of the intervention and the establishment of a partnership between a commercial entity, government and industry bodies responded effectively to the needs at the farmer-level, production-level, market-level, and industry-level, and in so doing, these interventions resulted in transformation at the systems level.

This success provides a blueprint for collaboration within the sector and beyond.



Image source: <https://www.hortgro.co.za/>

Spotlighting Livelihood Support Interventions: Results from an Independent Evaluation

Stoplight tools are considered both a methodology and a metric for change. They measure social impact in terms of improving the quality of life for beneficiaries and are also used as an empowerment tool to activate beneficiary self-awareness, encourage agency, and induce positive change.

There is a recognition that, in the absence of significant economic growth and large-scale job creation, programmes targeting poverty reduction are vital for food security as well as individual, household and community survival. In particular, promoting and supporting sustainable livelihood programmes is critical to South Africa’s poverty reduction efforts, especially in underserved areas.

As part of a portfolio approach to investment, the Jobs Fund has invested in livelihood support interventions since its first funding round in 2012. These livelihood projects are predominantly implemented in the informal economy and aim to achieve meaningful economic and social participation, create jobs, and secure a living wage for community members.

To better understand the efficacy and impact of these project models on the target individuals/communities, the Jobs Fund commissioned the Greenlight Office to conduct a longitudinal study that would track participants’ progress out of poverty, using self-assessment tools known as the *Poverty Stoplight* and the *Resilience Stoplight*. The Greenlight Office is a research firm with the sole licence to administer the Stoplight Surveys in South Africa. The tools consider the multidimensional nature of poverty and consider a variety of personal well-being factors, as opposed to assessing poverty based on a fixed monetary amount, below which an individual is classified as poor. The self-assessment tools encourage a participatory approach, which is fundamentally led by the project participants.

The study, which focused on 10 Jobs Fund livelihood projects, is an important addition to the Jobs Fund’s ongoing learning agenda. The results provide an in-depth understanding of livelihood

project participants, including their access to opportunities, overall well-being, progression out of poverty and challenges they are experiencing. The study also provides insight into the livelihood project models’ effectiveness, which will assist both the Jobs Fund and participating Jobs Fund Partners (JFPs) in adapting project support to better address the socio-economic challenges identified by the participants (a bottom-up approach).

Study Approach

The Stoplight tools are considered both a methodology and a metric for change. They measure social impact in terms of improving the quality of life for beneficiaries and are also used as an empowerment tool to activate beneficiary self-awareness, encourage agency, and induce positive change. The Poverty Stoplight (PS) survey has 50 indicators and measures households’ progression out of poverty based on six (6) dimensions of poverty: income and employment, health and environment, housing and infrastructure, education and culture, organisation and participation, and self-awareness and motivation. The Resilience Stoplight (RS) survey has 36 indicators and focuses on individuals and households who have moved beyond poverty but are still struggling to reach a better quality of life. The tool measures households’ progression to a better quality of life and includes three (3) further dimensions: access (access to opportunities), control (choice) and resilience (adaptive capacity).

Each indicator within the survey questionnaire has three (3) status conditions that the participant can use to rank their experience against. These are visually summarised in terms of a traffic light system:

- **Red** – Extremely poor
- **Amber** – Poor
- **Green** – Not poor

The following table provides a framework that helps to interpret scores selected by participants in the surveys.

Figure 1 - Scoring Categories

Poverty Stoplight (out of 50)	
35-45 greens	Reflects little to some poverty and beneficiaries are doing well.
25-35 greens	Reflects moderate poverty, meaning that the beneficiaries are struggling.
< 25 greens	Reflects severe poverty and beneficiaries perceive themselves as unable to move forward (feel stuck in their circumstances).
Resilience Stoplight (out of 36)	
30-36 greens	Reflects good resilience and beneficiaries are doing well.
20-30 greens	Reflects moderate resilience, meaning that the beneficiaries are struggling.
< 20 greens	Reflects little to some resilience and beneficiaries are struggling. They perceive themselves as unable to move forward (feel stuck).

Findings

The overall findings, as shown in figure 2, reveal that, on average, the surveyed projects have improved scores on both Poverty and Resilience Stoplight surveys between the baseline (conducted between December 2020 and March 2021) and the 12-month follow-up survey (conducted between December 2021 and June 2022), and the majority of participants are on a positive trajectory out of poverty.

This is significant, given that the study was conducted at the height of the Covid-19 pandemic. It should be noted that the scores are averages for all the participating projects, but the detail in the table provides the range of scores for participating projects which assists in highlighting the differences between project results.

Figure 2 - Average Scores for Stoplight Surveys

Metric	Survey	Average Scores			Average Score Detail	
Poverty Stoplight (50 indicators)	Baseline	32,8 66%	12,5 25%	4,7 9%	50 100%	Average green score of 32,8 achieved for the participating projects. A green score of 25-35 reflects moderate poverty, meaning that the beneficiaries are struggling in some areas in their lives. Green scores ranged from 28 to 42.
	12-month	35,3 71%	11,7 23%	3,0 6%	50 100%	Average green score of 35,3 achieved at the 12 month follow up, showing an improvement of 5%. A Green score of 35-45 reflects little to no poverty and beneficiaries are doing well. Green scores ranged from 32 to 43.
	Difference	5%	-2%	-3%		
Resilience Stoplight (36 indicators)	Baseline	26,4 73%	7,6 21%	2,0 6%	36 100%	An average green score of 26,4 was achieved. A green score of 20-30 reflects moderate resilience, meaning that the beneficiaries are struggling in some areas in their lives and households. Green scores ranged from 12 to 29.
	12-month	31,0 86%	4,3 12%	0,7 2%	36 100%	Average green score of 31 achieved at the 12 month follow up, showing a significant improvement of 13%. Green score 30-36: Reflects good resilience and beneficiaries are doing well. Green scores ranged from 30 to 34.
	Difference	13%	-9%	-4%		

Figure 2 shows notable improvements across the different project types and their associated poverty dimensions during the one-year assessment period.

Interventions supporting micro-enterprises were shown to have largely improved participants' ability to earn a stable income, improving household savings and prospects. Social networking improved resilience, especially among women, where they supported each other's businesses by combining their resources.

Smallholder farmer participants also saw improvements in their journey out of poverty, notwithstanding steep increases in production input costs. These improvements are attributed to better agronomic practices and skills, which have enabled these participants to also access other forms of income in the sector. This has improved their overall earnings base and resilience.

However, some beneficiaries reported experiencing significant challenges, particularly during the pandemic. Covid-19 profoundly affected communities (loss of employment, income, and life). The unpredictability of this period has mentally shifted some of the micro-entrepreneurs back into a

scarcity mindset. Going forward, programmes need to consider adding tailored support to their interventions that can begin to close the gaps created by Covid-19.

In addition, some participants reported that savings had been eroded during the various challenging periods that beneficiaries have faced (including lockdown, looting, and flooding), with several indicating that they are struggling with debt. There needs to be a stronger focus on financial skills and resilience, healthy debt vs negative debt, and money management when developing livelihood support initiatives. These skills will improve participants' ability to better withstand economic shocks over time.

Study Conclusion

The Stoplight Livelihoods Study has enabled the Jobs Fund to measure and assess social impact beyond job creation and gain insight into how supported projects contribute to poverty reduction and quality of living improvements for beneficiaries. In addition, the multidimensional poverty metric has revealed further insights into how projects can facilitate their beneficiaries' general livelihood

development and potentially improve the design of the interventions. Reassuringly, the participatory approach of the assessment has promoted beneficiary reflection on the outcomes of their socio-economic assessment and encouraged them to further plan and contribute to their progression in life.

The survey results on the Jobs Fund Livelihoods Projects show that while beneficiaries have been deeply affected by the instability experienced in the country, between 2020 to 2022, they have nevertheless seen notable improvements in their quality of living. This is a positive reflection on the quality of the interventions being rolled out by JFPs and a testimony of the power of well-articulated and managed project theories of change. Projects are therefore able to better deal with unforeseen shocks and remain on a positive growth trajectory. Participants are also being supported to take advantage of the post-Covid opportunities that have arisen. This support will further improve their progression out of poverty and resilience.



IMPORTANT DATES

12 JANUARY 2023

Jobs Fund Partner Quarterly Report submission deadline (Quarter 3).

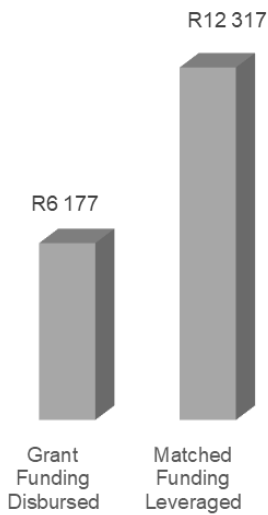


Jobs Fund Portfolio Progress

As at September 2022

Funding

Total Funding for Job Creation (R millions)



Overview

R18.5 billion
total portfolio funding leveraged

R6.17 billion
grant funding disbursed

R12.32 billion
Matched funding leveraged from partners

1: 1.99
matched funding ratio

R42.3 million
average grant disbursed per project

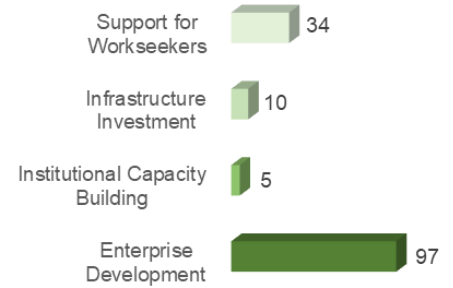
Jobs Fund Partners

Overview

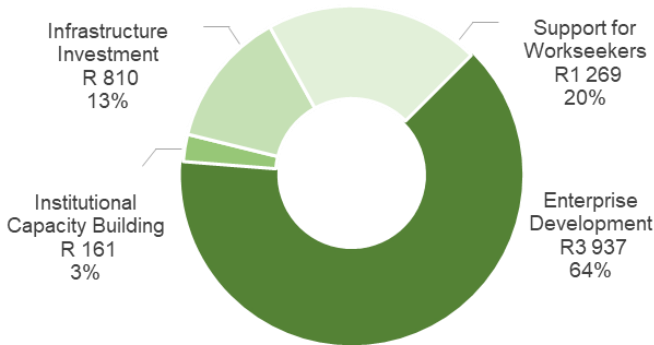
146
contracted projects

68%
operate in more than one province
(10% operate nationally)

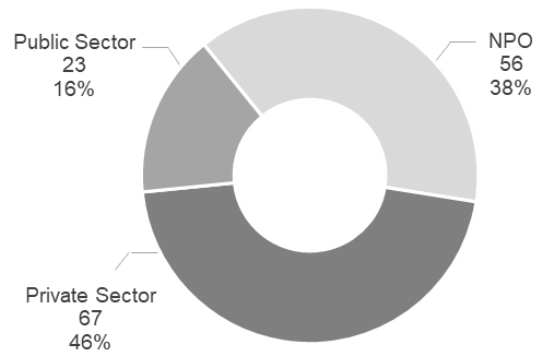
Projects by Funding Window



Grant Disbursed by Funding Window (R millions)

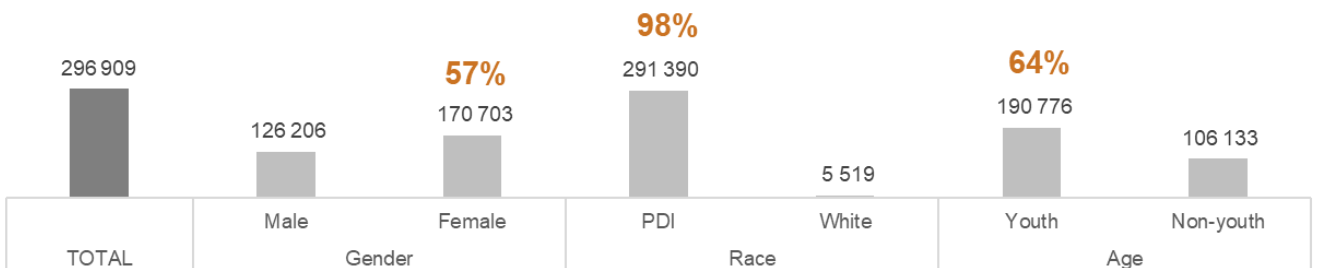


Projects by Implementer Type



Job Creation

Total Jobs, Placements & Internships Facilitated



Source: Jobs Fund Database (showing actuals reported by projects as at September 2022)