



South Africa Siyasebenza



Reflections from the Head of the Fund

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 at a ratio of 1:1 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. Rather, it seeks to:

1. Support job creation in the short to medium term, and
2. Identify scalable, replicable, and sustainable job creation models that lay the foundations for longer term employment into the future, thus progressively alleviating pressure on the fiscus.

About Siyasebenza

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

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S i y a s e b e n z a

As 2023 comes to a close and we reflect on the highs and lows of the year, I want to start off by thanking our partners for their contributions in addressing some of South Africa's toughest challenges, including unemployment, poor service delivery, low investment and scarce skills. Our partners have worked tirelessly to implement programmes that help small businesses and new farmers grow, connect young people with jobs, change investors' views on SMEs, remove barriers to job creation, and fund enabling infrastructure that supports business growth. They have also addressed the training gap by building skills that are required by employers, and they have contributed to the development of more inclusive value chains.

In the context of severe fiscal constraints and growing social challenges, the partnership-driven implementation approach that the Jobs Fund has advocated has yielded positive results. Initiatives that crowd in additional funding on the back of a government grant go a long way in extending government's reach and its ability to create positive social impact. Innovation is often a casualty of constrained resources. However, I am pleased to report that our ecosystem of

partners remains committed to finding innovative solutions to tackling formidable problems that, if solved, result in job growth. The Jobs Fund team is deeply appreciative of the work that you do.

I would like to take the opportunity to thank my Jobs Fund team and members of our Technical Evaluation and Investment Committee: without your dedication, resilience and commitment we would not have reached our goals.

Finally, let's build on the elation, togetherness and hope that the Bokke's World Cup victory has inspired. Let's carry that spirit into the new year as we strive to do better.

Wishing you a rejuvenating festive season.

Go well and travel safe.

Najwah

Najwah Allie-Edries
Head of the Jobs Fund



South Africa's Emerging Job Creation Sectors

Amid the challenges that we face in South Africa, there are sectors that are beginning to show promising post-COVID recovery and growth trends. These sectors not only have potential to support the country's economic recovery efforts but are also poised to be job creators. However, the growth trajectory of these sectors may be under threat from stubbornly high levels of inflation and the scarcity of affordable credit that would support their continued growth. But if the recent Rugby World Cup is anything to go by, South Africa is a tenacious and resourceful country. Just when the odds are stacked against us, we pull off a miracle and find our way to victory.

Where Opportunity Lies

Enhanced growth opportunities in a number of sectors and corresponding subsectors are anticipated, due to the combined effects of the projected real output growth in the economy (which is expected to rebound modestly from 0.1% in 2023 to 1.8% in 2024), and the expected improvement in real domestic economic demand (from 0.8% in 2023 to 1.8% in 2024).¹

Renewable energy is one of the sectors that hold strong potential for job creation. As global concerns for climate change increase, South Africa is taking strides in harnessing its renewable resources. The South African National Treasury, as well as the International Monetary Fund (IMF), predict substantial growth in this sector, thanks to favourable government policies such as the Just Energy Transition programme. From 2023, renewable energy projects are expected to attract significant investment, and this could lead to an upswing in employment opportunities across the country.^{2,3}

The manufacturing sector (including the food, beverages and tobacco; textiles, clothing and leather goods; wood and paper; and furniture subsectors) also

holds promise. Private sector investment is projected to marginally improve from 10.2% in 2023 to 10.6% in 2024, and this is expected to have a higher impact on output growth and job creation opportunities in the metals, metal products, machinery and equipment, and other non-metal mineral products subsectors of the manufacturing industry. South Africa has a rich history in manufacturing, and with the right strategies, this sector could again be a catalyst for job creation. The IMF⁴ notes the substantial contribution of South Africa's manufacturing goods to the country's diversified export basket, and as South Africa positions itself as a manufacturing hub on the African continent,⁵ we can be optimistic about the potential for employment growth in this sector.

The agriculture sector (including the agriculture and forestry subsectors) also offers growth and economic inclusion opportunities at community level and has the potential to amplify positive social upliftment. By focusing on improved agronomic practices, greater access to finance and markets, and attracting younger generations, the agriculture sector can be a vehicle for job creation and food security, particularly in rural areas.

We are becoming more dependent on enabling technology, growing the demand for skilled information and communications technology (ICT) sector professionals. Both Bloomberg and the World Bank predict substantial growth in the ICT sector, especially in areas such as software development and data analytics – the so-called 'digital jobs'. By 2024, this sector is expected to contribute significantly to South Africa's economy and job creation.

A projected slight recovery in investments (including inventories), as a share of output, from 16.1% in 2023 to 16.6% in 2024,⁶ is expected to enhance output growth in the economy, promoting job creation and employment prospects in the financial services sector (including the insurance and business services subsectors).

Speedbumps

The output growth and job creation opportunities anticipated in the subsectors identified above are not immune to changes in domestic conditions, such as shifts in the inflation outlook and the availability of affordable private sector credit.

1 Forecasts: South African Reserve Bank, National Treasury, Haver, Bloomberg, World Bank, and IMF estimates and projections.

2 GreenCape (2023). 2023 Large-Scale Renewable Energy Market Intelligence Report. South Africa UK PACT.

3 Departments: Mineral Resources & Energy; Science and Innovation; and Trade, Industry and Competition (2023). Draft South African Renewable Energy Masterplan (SAREM).

4 International Monetary Fund (2023). South Africa 2023 Article IV Consultation – Press Release. IMF Country Report No. 23/194.

5 PwC South Africa (2023). Manufacturing Workforce 2023.

6 Forecasts: South African Reserve Bank, National Treasury, Haver, Bloomberg, World Bank, and IMF estimates and projections.

Headline inflation is projected to be at the ceiling (6.0%) of the target band in 2023 and to fall to 4.9% in 2024.⁷ In addition, private sector credit is projected to fall from 8.9% in 2023 to 4.5% in 2024⁸ due to a tight lending stance by financing institutions. This combination of elevated inflation and lower private sector credit is likely to restrain output growth and job creation prospects in the short to medium

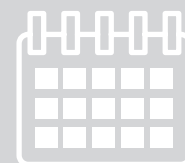
term. Higher inflation and interest rates will make it more expensive to borrow working capital and increase the cost of doing business for SMMEs in the country.

Where Hope Lies

It is imperative that government, the private sector, and individuals collaborate and invest in education and skills

development programmes that align with these growth sectors, and train for South Africa's needs, not just those of individual companies. Building new capacity and re-skilling are key building blocks in our journey towards economic recovery and prosperity. 🌱

IMPORTANT DATES



15 January 2024

Quarter 3 Reporting Deadline for Jobs Fund Partners

16 February 2024

Jobs Fund Webinar (link will be posted on twitter.com/JobFund_NT)

15 March 2024

Jobs Fund Webinar (link will be posted on twitter.com/JobFund_NT) 🌱

⁷ Ibid.

⁸ Ibid.

2023 Jobs Fund Partner Highlights

We thank our partners for their resilience in 2023 and celebrate the achievements of the enterprises and young people they support through their impactful initiatives.

Here, we share the catalytic impact of the Jobs Fund grant, by highlighting some of the achievements of our partners over the past year.

20 Years of Inner-City Renewal

In 2023, **TUHF** celebrated its 20th year of financing property entrepreneurs in South Africa. TUHF is a specialised commercial property financing company that finances property investors exclusively in inner cities and townships. TUHF's support programmes go beyond just loan financing and offer entrepreneurs ongoing mentorship through the 15-year loan term, providing technical expertise on a range of issues, which include negotiation skills, drafting rental agreements and managing construction projects.

The Jobs Fund and TUHF also celebrated their eighth year as partners supporting initiatives that encourage new investors in inner-city and township renewal, financing emerging property entrepreneurs and creating employment. The Jobs Fund's support has enabled TUHF to conclude its DMTN programme,⁹ as well as its first securitisation of R600 million.

Since its inception in 2013, TUHF has financed R7.1 billion and 47,364 affordable rental housing units across more than 734 buildings. It has increased its footprint to seven offices in five provinces. With a loan book of R3.347 billion as of June 2023, TUHF has plans for further expansion.

One of the TUHF recipients, Anele Gqokoma, sought their support in 2020 and was granted a loan for the purchase and renovation of a property in one of East London's up-and-coming in-city areas. She welcomed TUHF's backing, saying, "Working with TUHF meant we had incredible support from the onset." Through TUHF's funding and assistance, Anele was able to finance the construction of a modern 14-unit apartment block called LT Court. The studio apartments were designed to appeal to modern young professionals, and have proven to be most popular, with a consistently high tenancy rate. Read more about TUHF's property entrepreneurs [here](#).



Bathabile Mkhize (left) at the Durban Business Fair

Promoting the Potential of Informal Economy Businesses

The Project Preparation Trust's [Informal Economy Support Programme](#) (IESP) provides specialised business support services to micro and informal enterprises (MIEs) to help them improve or expand their businesses and thereby create new jobs.

One of the top performing businesses in the programme this year is Mthuqasikababa Enterprise, which was founded by Bathabile Mkhize in November 2019. Bathabile is a qualified fashion designer who started her career at a footwear factory, which ignited her love for manufacturing shoes. Initially, Bathabile's focus was on footwear and handbag manufacturing, but she has moved on to mainly clothing and textiles. Her clothing range includes traditional attire, overalls and school uniforms (including tunics, skirts, shirts, t-shirts, neck ties and embroidered blazers).

Since joining the IESP programme, she has expanded her project offering, branded her business premises and created a further 19 jobs. In September, Bathabile's business showcased their products at the Durban Business Fair and were awarded third place for the best exhibition.



Anele Gqokoma, property entrepreneur

⁹ A Domestic Medium-Term Note (DMTN) is a funding instrument used to raise medium-term debt finance (maturity ranging between one and ten years) through the Johannesburg Stock Exchange.

Unlocking Jobs – R1.25 Billion for Investment in Mid-Market Businesses

The [27four](#) Black Business Growth Fund II (BBGF II) is a blended finance partnership between the South African Government through the Jobs Fund, and South African institutional investors. BBGF II invests in first-time Black Private Equity Managers, which target the financing of medium-sized South African businesses for growth and job creation.

Sanari Capital, one of the BBGF II's supported fund managers, focuses on investments in growth-oriented companies. In particular, they specialise in founder-run, owner-managed and family-owned enterprises. Sanari recently announced that they have raised R1.25 billion for their growth fund, which marks the second closing for the fund. They have also welcomed on board two new investors, AlexForbes Investments and the Public Investment Corporation (PIC).

27four has [supported Sanari Capital](#) in achieving this significant milestone in its journey as an emerging black-and-women-led fund manager. Early business support interventions provided by the BBGF II, such as warehousing and working capital support, has helped Sanari Capital grow to this level.

Sanari's current portfolio companies include Edulife Group, LightWare LiDAR and iIDENTiFi, and soon they will be showcasing new investments across several growth industries, including health and wellness, education, data, [industry 4.0](#), green solutions,

and AI and digital transformation. The Sanari team are committed to transforming the financial services landscape and fostering diversity and inclusion through their investment portfolio.

Creating Lasting Impact through Shared Vision

Over the past year, CapaCiTi has created over 500 jobs in the digital ecosystem through their demand-driven partnerships. Their vision is to change the landscape of the digital talent pipeline in South Africa, through ongoing skills gap analysis and building partnerships with organisations committed to creating shared value.

A recent example of this is CapaCiTi's partnership with the Absa Group. CapaCiTi created a pipeline of Salesforce Developers to supply the growing demand for certified talent within the bank. Absa funded the training of 30 candidates in the pilot initiative and all 30 graduated with triple certification. All but one of the candidates completed the internship and these 29 have been offered extended fixed-term contracts of employment at a significant salary. This has resulted in positive business enablement for Absa and life-changing income and careers for the young people placed in these roles, an example of shared value in action.

Furthermore, CapaCiTi has found that their youth candidates actively give back to their communities, championing life skills, financial literacy, and digital proficiency training to "pay it forward" and reduce the digital divide. They serve as mentors

and guides, enriching the lives of those around them after hours and on their own initiative. Their commitment to not only their own futures but also to those of their communities, friends and families, shows the catalytic effect of the initiative beyond the direct recipients.

Follow [CapaCiTi](#) on LinkedIn for more information.



Nondwe Nyathi, designer

Designer Support for the Craft Industry

The Craft and Design Institute's [SCALE](#) [Supporting Creatives + Accelerating Local Enterprises] programme seeks to reduce barriers for informal businesses and entrepreneurs, including those who are not registered formally, and enables them to grow their revenue and personal income, and even employ new staff. Successful applicants receive mentoring and support in accessing markets, finance, and capacity development, along with administrative and data support.

Since its inception in 2022, the SCALE Programme has made significant progress in supporting informal businesses in the craft and design sector in South Africa. To date, two cohorts consisting of 151 enterprises in total have participated in the programme, with a new intake of businesses in progress.

The SCALE project brings together a suite of tried and tested services from CDI to support the growth of self-employed business owners in the informal segment of the craft and design sector.

One of the participants in the programme is Nondwe Nyathi, owner and designer at jewellery brand Indwe Designs, based in Khayelitsha, Cape Town. She says: "Everything that the CDI comes with is valuable to my business and the growth of my brand. I am part of the SCALE programme and I believe it's going to grow my business. My vision is really to grow and be able to employ people; that's the main thing, especially staying in Khayelitsha, where there are many people who don't have jobs."



Training youth at CapaCiTi



PALS AGM/roundtable discussion

Inclusive approaches to land reform

PALS (Partners in Agri Land Solutions) is a private sector initiative led by farmers in cooperation with the community. It is focused on partnership formation and land-reform solutions to establish commercial black farmers. The PALS framework represents a radical departure from past land-reform models and is based on sound business and legal principles, mentorship, and training of emerging farmers. The unique PALS framework ensures that issues of sustainability, mistrust, unequal relationships, and succession planning are addressed.

In partnership with Jobs Fund, PALS has expanded the activities of the Witzenberg PALS Centre in the Cape. Recently, in collaboration with Nedbank, Witzenberg PALS arranged a roundtable discussion titled *Partnerships for sustainable transformation and land reform*. The roundtable discussion included perspectives from Hortgro, Nedbank, DuToit Group, DALRRD and Agbiz on the current state of the country's agricultural sector and where we may be heading.

The event was attended by PALS commercial producer members, agricultural industry organisations, commercial financial institutions, government departments, municipal officials, and community-based organisations from across the Western Cape. The overall message was clear—a multi-stakeholder partnership model is required where communities, the private sector, funders, and government are involved. In addition, a drive for youth participation is

essential for the viability of the agricultural sector. Youth voices are central in promoting policies that set the foundation for future generations. For more information, readers can access the recording on [YouTube](#).

Thinking Out of the Box – Bringing a Container Clinic to Delmas

At Unjani Clinic, the core mission is to improve access to quality, affordable healthcare in communities across South Africa. Their model is designed to enable self-sustaining clinics that offer essential primary care to local communities at points of need.

While the aim is for each clinic to become self-sufficient, Unjani relies on generous donors and investors to fund the establishment of the clinics in their network. The Jobs Fund and Imperial Logistics have been some of the exceptional partners in this mission, providing matched funding for 18 second clinics across four provinces.

The first clinic to open as part of this project was Unjani Clinic Delmas in Mpumalanga. The need for opening this clinic in Delmas became apparent when Sister Lesedi found that Delmas residents were travelling about 30 km to reach the services at Unjani Clinic Barcelona in Benoni, Gauteng. Since opening in May, the Delmas clinic has rapidly gained a dedicated patient base, highlighting the need for the services provided by Sister Lesedi and her team.

For Sister Lesedi, however, adding a new clinic to her responsibilities was not without its challenges. Unreliable power supply interfered with her ability to effectively operate her clinic. This was mitigated by installing an off-grid solar solution to ensure a consistent source of power. For the first three months, she dedicated her time fully to the new clinic. By August she was able to split her time evenly between the two clinics, and today – with Unjani Clinic Delmas up and running – she is back at Unjani Clinic Barcelona full-time, managing her second clinic via Unjani's inhouse WeCare Patient Management System. Through WeCare, Sister Lesedi can stay up to date on the performance of both her clinics, tracking waiting rooms, stock levels, appointments and patient details.



Sister Lesedi and staff at Unjani Clinic in Delmas



Unjani Clinic in Delmas



Jacob, a farmer transforming urban landscapes

Greening Urban Landscapes Through Agriculture

In the heart of a once-vacant urban landscape, a story of transformation unfolds through the Urban Agricultural Initiatives Project, jointly managed by Wouldn't It Be Cool ([WIBC](#)) and [GWK](#), with grant funding support from the Jobs Fund.

The Urban Agricultural Initiative aims to create an urban agricultural ecosystem by transforming vacant urban spaces and rooftops and converting them into viable farms to bring fresh produce closer to urban and suburban communities.

Jacob, a passionate farmer and Urban Agriculture Initiative Project participant, started his journey on a modest 10-hectare piece of land in Taung, North West. He recognised the potential of intercropping, mixing crops such as barley, wheat, maize, fruit, and vegetables to maximise productivity. Under the guidance of the initiative, he received the support and skills development required to increase his production and overall efficiency.

Through the support and expertise provided by the initiative, Jacob has expanded his operations to 70 hectares, becoming a key player in urban agriculture. His dedication to sustainable farming practices, crop diversification, and soil conservation has yielded impressive results. Not only has he increased his own prosperity but he has also assisted others by creating further jobs and providing produce to the community that surrounds the farm.


Saving in Action

[SaveAct](#) is an organisation that facilitates the formation of savings groups in communities as a simple but effective tool to fight poverty, as a foundation for building sustainable livelihoods, and as a means to empower women and other vulnerable groups. The programme incorporates financial education, enterprise development training, ecosystems development and last-mile distribution. SaveAct partnered with the Jobs Fund in 2019 to extend their services and further their reach.

An entrepreneur assisted by the SaveAct Jobs Fund initiative, Claudia Ntuli, reached a new milestone this year by building her own business premises. Claudia started her entrepreneurship journey when she realised that she could turn surplus in her vegetable garden into cash. Four years on, she owns a business that employs four

people, and she's been awarded a grant to expand even further.

Ntuli, who lives near Estcourt in KwaZulu-Natal, joined a SaveAct savings group (SG) in 2019. At the time, she was selling produce from a garden but couldn't sell it quickly enough to prevent waste. Claudia decided to do something about this and learnt how to process her vegetables as a value add. She started selling homemade vegetable atchar in her community, using a savings group loan to buy packaging. This was successful and she added beetroot chutney and then fresh juices to her repertoire, using money from sales to buy a juicer.

The growth of her business was helped by annual share-outs of savings, plus loans from her group. She also received support that included mentoring for her enterprise and training in business and agri-enterprise development. To read more, [click here](#). 



Claudia Ntuli, gardener and entrepreneur

Jobs Fund Performance Update

FUNDING

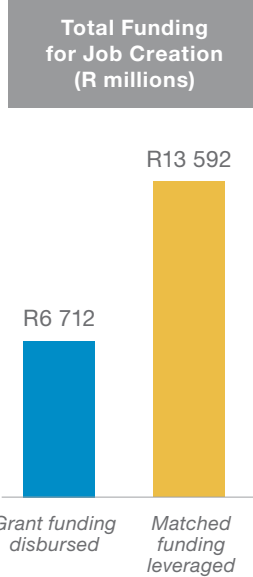
OVERVIEW

R20.3 billion
total portfolio size

R6.7 billion
grant funding disbursed

R13.6 billion
matched funding leveraged from partners

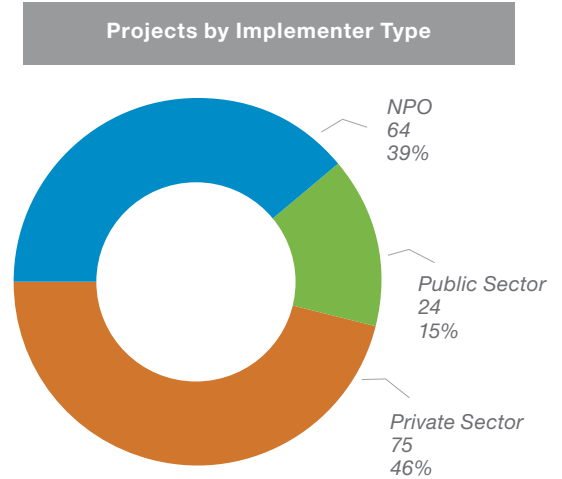
1 : 2,03
matched funding ratio



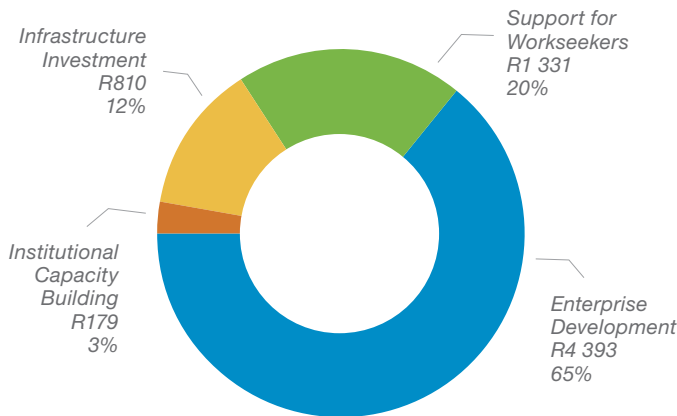
JOBS FUND PARTNERS

OVERVIEW

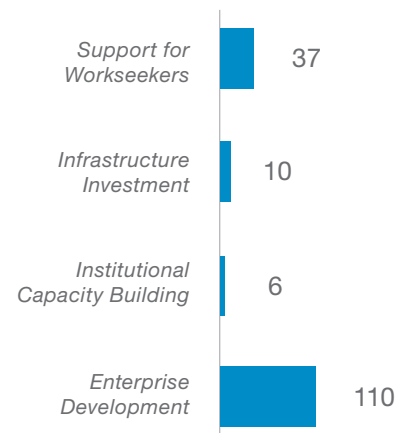
163
contracted projects



Grant Disbursed by Funding Window (R millions)

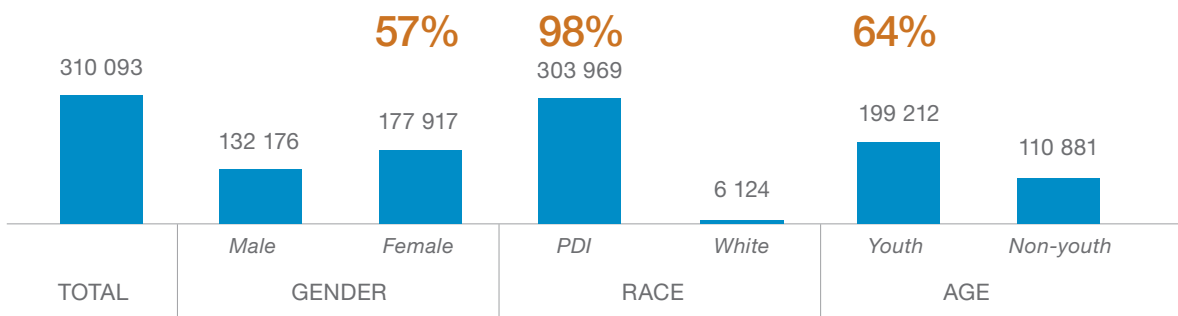


Projects by Funding Window



JOB CREATION

Total Jobs, Placements & Internships Facilitated



Source: Jobs Fund Database (showing actuals reported by projects as at September 2023)