



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 provides a targeted programme of support for effective labour market interventions that result in sustainable employment creation.

About Siyasebenza

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

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November 2024

S i y a s e b e n z a

One of the critical lessons from the Jobs Fund is the importance of establishing a robust operating framework for grant making from the outset. Clear guidelines and eligibility criteria are crucial for setting the right foundation for a long-term partnership. This clarity helps manage expectations and ensures that the grantor's and grantee's goals are aligned.

The Jobs Fund's Emerging Livestock Farmers Programme exemplifies the impact of well-structured grant making in agriculture. By training and equipping emerging farmers with resources such as finance, quality livestock, feed and infrastructure, the programme has significantly improved livelihoods and created sustainable jobs along the beef value chain. The structured approach, which includes robust selection criteria, comprehensive training and market access, has been instrumental to its success. The programme, which has created 1 440 jobs and surpassed its targets, highlights the critical importance of designing and implementing projects that are closely aligned with industry needs.

Similarly, the Economic Transformation of Black Citrus Growers initiative demonstrates the potential of collaborative efforts in transforming the agricultural industry. The partnership between the Jobs Fund and the Citrus Growers Association aims to promote greater participation of black citrus growers across the value chain. By providing access to affordable finance, technical and business support and skills development, this initiative has empowered emerging farmers and generated employment opportunities. The successful Kopano Citrus Nevzonix project, which has established a citrus orchard and created both permanent and seasonal

jobs, illustrates the effectiveness of targeted support and robust recruitment processes.

These initiatives demonstrate that successful grant making in agriculture relies on strong partnerships combined with tailored support. The Jobs Fund's mutually beneficial partnerships highlight the importance of ensuring funding certainty and synchronising technical support with the enterprise's growth cycle. For example, by offering demand-led training followed by job placement, the grant structure ensures both job and organisational sustainability beyond the grant period.

Another cornerstone of successful grant making is transparency. Well-defined eligibility criteria and a structured application process build trust and facilitate open communication. By using an online Grant Management System, the Jobs Fund demonstrates how technology can streamline grant management and enhance transparency.

In conclusion, successful grant making requires a combination of shared intent, transparency, trust and mutually respectful and accountable partnerships. By adopting a long-term perspective and using public resources wisely, we can maximise social impact and foster inclusive economic growth. The Jobs Fund's continued transformative efforts pave the way for a more inclusive and sustainable agricultural industry in South Africa.

Najwah

Najwah Allie-Edries
Head of the Jobs Fund

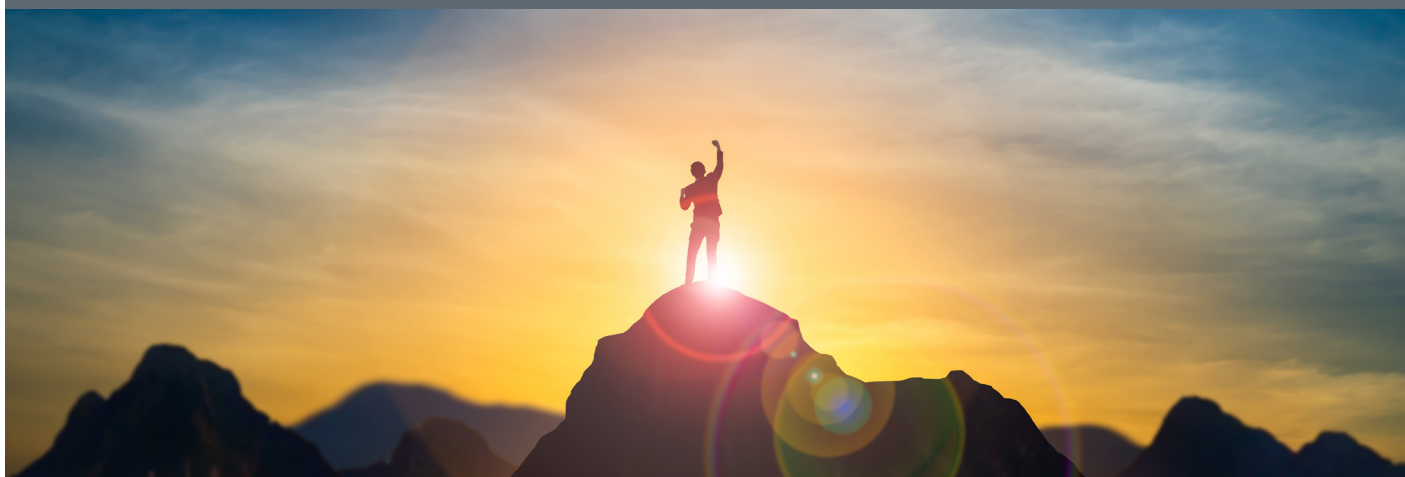


Grant making: opportunities and challenges – insights from the Jobs Fund

The Jobs Fund is a R9bn matching grant making programme that uses public funds to catalyse job creation in the economy. After supporting more than 182 projects and facilitating the creation of 320 724 jobs, the Jobs Fund has gained a few insights into effective grant making.

The general notion that grant funding is free money, especially when it is financed by the government, undermines its effectiveness and potential for success. It is critical that the Fund establishes a robust operating framework from the outset that clearly expresses the grant's operating guidelines and eligibility criteria to potential applicants. Clearly communicating the application process, requirements and expectations sets the right tone for a partnership that will endure over several years.

The social impact of well-targeted and -managed public funds can greatly exceed the cost of the initial investment. An appropriate risk-based approach, linking performance to grant disbursement, is necessary to ensure that limited public resources are effectively utilised throughout the project life cycle. In addition to facilitating projects, grants should promote the sustainability of interventions: projects should be able to support themselves and continue well into the future without relying on additional grant funding.



Success factors

Several key factors contribute to successful grant making and the establishment of long-lasting and successful partnerships.

The grant maker and the recipient have a shared understanding of the goals and outcomes they want to achieve.

- ▶ There is a willingness to share appropriate risk.
- ▶ Roles and responsibilities are transparent and clear.

- ▶ There is a good understanding of operating procedures and systems.
- ▶ The grant is appropriately utilised for its intended purpose.
- ▶ Grant recipients derive the greatest benefit from the grant.
- ▶ The partnership operates on the principles of mutual respect, trust, commitment and accountability.

Importantly, the grant must also crowd in additional resources and technical support and build institutional capability as required. This ensures that the Jobs Fund establishes effective support in the sector that it wishes to effect development and social impact.

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Grant making: opportunities and challenges – insights from the Jobs Fund *cont.*



Transparency

Transparency and consistency in grant making need to be established to build trust and achieve social impact far beyond the grantor's original investment. This can be achieved through:

► **Well-defined eligibility criteria:**

Applicants should have a clear understanding of the pre-qualifications and requirements from the beginning. Specific, measurable criteria and relevant examples should be provided.



► **A robust application process:**

Allocating sufficient time for applications to be completed, providing a list of the required standard information and documentation and allowing opportunities for applicants to submit queries and clarify issues create a structured and user-friendly application process. Engaging with prospective applicants across multiple channels facilitates open and transparent communication. Standardised open and closing dates for applications and a single channel for submitting applications streamlines the application process. The Jobs Fund has enjoyed success in using

its online Grant Management System to manage all its grant-making activities.



► **Clearly defined impact criteria:**

Potential grantees must understand the impact they wish to achieve, the barriers they intend to address through grant making and the operational approach they plan to adopt to achieve their objectives. For example, the Jobs Fund collaborates with intermediary organisations (industry associations, non-governmental organisations and non-profit organisations with specialist knowledge in niche, private and other sectors) that are entrenched in and have deeper access to the sectors where the Fund wants to address labour market barriers. It is important that all applicants clearly articulate their theory of change and how they plan to meet the impact criteria defined in the funding term sheet. Cost estimates should accompany all activities to determine their feasibility and financial value. The allocation

of grant funds must always be administered on a competitive basis.



- **Operating framework:** Grantee partners should understand the requirements and level of performance required to trigger the release of funds. A clear understanding of the governance framework and an appreciation of the evidencing requirements, reporting periods and monitoring and evaluation framework is essential. This information should be clearly articulated in the contract agreement. Expectations should remain consistent and funding should be assured for the duration of the programme. These are key success factors for achieving mutually beneficial partnerships.



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Grant making: opportunities and challenges – insights from the Jobs Fund *cont.*



Partnerships

To achieve enduring social impact, the grantor needs to take a long-term view of its intended intervention in the market and assess how its efforts will affect the market over time. Funding certainty is a key consideration. The Jobs Fund has successfully built mutually beneficial partnerships because it understands that interventions focused on achieving sustainable outputs such as job creation, promoting ongoing demand for jobs or making value chains more inclusive require certainty in grant funding.

This financial support must be accompanied by technical support (business development services and market access) tailored to the enterprise's growth cycle. For initiatives that support workseekers, work-related training must be demand led and result in job placement. This guides how the grant is structured and disbursed throughout the project to ensure job and organisational sustainability beyond the grant period.

- **Alignment on intent:** When appraising the application, the grantor should already assess whether the policy objectives and goals of the intervention are aligned. Then, during implementation, the initiative's design and execution should be evaluated and the grantor and the grantee partner should be willing to modify their strategy and document the lessons learnt. Recognising that various factors, such as changes in economic conditions, shocks such as droughts or external factors such as challenges with electricity supply and transportation and

security risks (such as crime, theft and vandalism), can impact the speed of implementation, all parties must remain adaptable to ensure that the intended outcomes are still achieved.

- **Risk sharing:** Risk should be appropriately allocated across all parties and identifying mitigation strategies at the outset of the project is crucial for a well-executed implementation phase. A key consideration for the Jobs Fund is that the intended grant recipient – whether a micro-enterprise, small or medium-sized enterprise or emerging farmer – should not be disadvantaged or burdened with an unfair level of risk in the implementation of the intervention. The grant recipients should benefit from the project.
- **Learning:** Grant making programmes should have a strong learning and knowledge sharing component. This requires that robust monitoring and evaluation systems are in place at the

beginning of the programme to enable the grantor and grant recipient to successfully execute and learn from the project activities. At the end of the grant-making process, the Jobs Fund, with its partners, aims to create sustainable jobs and influence the establishment of sustainable organisations that contribute to building a holistic ecosystem of support. This ecosystem will dismantle barriers in the labour market that prevent us from achieving higher levels of inclusive economic growth.

- **Accountability:** The use of public funds in grant making demands a higher level of scrutiny. The allocation of grants takes place within the overarching framework of the Public Finance Management Act. For successful grant making, the grantor must ensure compliance with the Act's prescripts and must balance the requirements so that potential partners are not alienated or reluctant to participate. Its funding criteria should crowd in the necessary financial and technical resources to complement public resources, ensuring meaningful social impact. To ensure successful partnership, parties must appreciate the regulatory framework that governs their respective operations. The Jobs Fund has been recognised for its transparency, its approach to building partnerships, as well as its robust operating framework.

Blended finance products aim to provide project beneficiaries with affordable, appropriately structured finance to support SMMEs and/or emerging farmers to grow and become sustainable. Beneficiaries often receive blended finance products in fixed

Grant making: opportunities and challenges – insights from the Jobs Fund *cont.*

Partnerships *cont...*

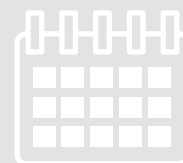
ratios of grants to commercial financing. However, this approach incorrectly assumes that supported beneficiaries have the same financial and growth needs, as illustrated by the establishment of the Hortfin fund. The Deciduous Fruit Producers Trust (DFPT) sought to establish Hortfin, a sustainable, industry-led fund intended to provide appropriate financing to emerging deciduous fruit producers and to support the long-term growth and transformation of the sector. The R600 million fund was

capitalised with grant funding from the Jobs Fund, which de-risked and leveraged funding from the industry and commercial funding from First National Bank. Given the needs and repayment ability of some potential beneficiaries, it gradually became apparent that the fixed blending ratio used was not appropriate and represented a risk to the fund's ability to support the beneficiaries most reliant on its support. The Jobs Fund and DFPT teams considered several options to address this unintended consequence of the project's funding structure. A more flexible blending

methodology was developed and implemented and the structure was revised (grant vs commercial sources) to reflect the actual needs and affordability profile of applicants to the fund. Some applicants were able to access a higher proportion of grant funding than commercial funding within their funding package, while others, who were able to carry more commercial funding, received lower funding from grant sources. The amendment aimed to broaden the pool of project beneficiaries and extend the fund's reach.

In conclusion, it is evident that successful grant making requires an alignment of intent, transparency in operations and partnerships premised on mutual respect and accountability. Implementing sustainable, demand-led job creation interventions requires us to take a long-term view of what needs to be built during implementation; mobilise the required technical capacity; strive for policy and funding certainty; and use constrained public resources in a way that crowds in higher levels of investment to achieve greater social impact. 🌱

IMPORTANT DATES



03 DECEMBER 2024

JF webinar: Witzenberg PALS, “Beyond the soil: Implementing tailor-made solutions to support growth and sustainability for land reform beneficiaries”

15 JANUARY 2024

Quarter 3 reporting closes for Jobs Fund partners

Lessons from the Emerging Livestock Farmers Programme

The Jobs Fund has identified the agricultural sector as one of the key contributors to job creation in the South African labour market. To demonstrate its commitment to catalysing job creation, the Jobs Fund dedicated its 5th Call for Proposals to boosting job creation and overcoming barriers to job creation in the agricultural sector. During its 7th Call for Proposals, the Jobs Fund partnered with the Sernick Group to implement the Sernick Emerging Farmers Project (SEFP).



This article explores the lessons from this project implemented between January 2018 and March 2022.

Project objectives

The SEFP aimed to:

- ▶ Train and equip emerging farmers with resources such as finance, quality livestock, animal feed and infrastructure.
- ▶ Improve the livelihoods of participating farmers.
- ▶ Create sustainable on-farm and off-farm jobs along the beef value chain.

Project model

The project was structured into three tiers:

- 1 Cattle Exchange Programme (Tier 1):** Farmers exchanged inferior breeds for high-quality weaners and bulls and received training and support to improve their herds.
- 2 Custom Feed Programme (Tier 2):** Farmers received funding and assistance to buy and feed high-quality weaners. These operations were monitored quarterly.
- 3 Fully Integrated Emerging Farmer Programme (Tier 3):** Comprehensive support was provided. Farmers were given infrastructure, training and market access to help them transition to sustainable commercial operations.

Theory of change

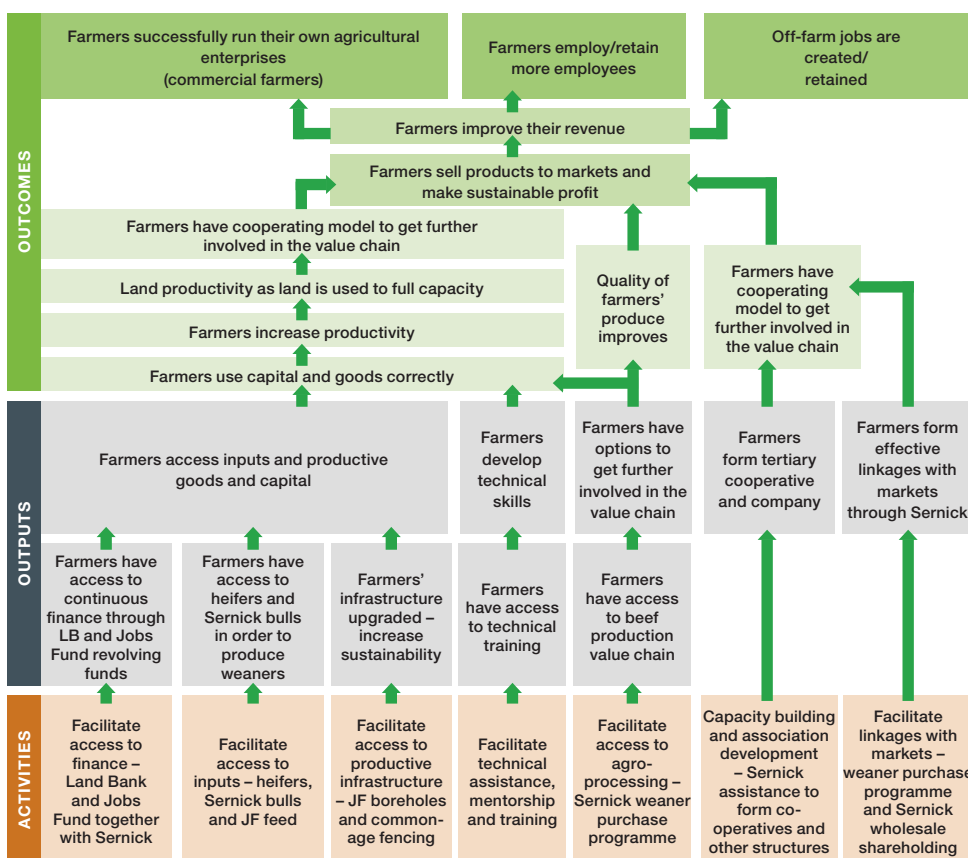
The theory of change for the SEFP was based on several key assumptions:

- ▶ The selection criteria effectively identified farmers with the potential to transition from subsistence to smallholder commercial farming.
- ▶ There was sufficient community support and demand for the training provided.
- ▶ Farmers demonstrated motivation and commitment to applying their new skills and progressing through the levels of the programme.
- ▶ The support provided, which included training, infrastructure, and market access, was relevant to adequately address the farmers' challenges.
- ▶ Farmers would reinvest profits to further develop their farming enterprises.
- ▶ External factors such as extreme events and theft would not significantly undermine the project's objectives.

This structured approach ensured that the interventions were aligned with the farmers' needs and the project's goals, ultimately contributing to sustainable job creation and improved livelihoods.



Lessons from the Emerging Livestock Farmers Programme *cont.*



Key lessons

The SEFP achieved significant milestones, creating 1 440 jobs, surpassing its target. Key lessons include:

- ▶ The importance of industry-aligned project design and implementation.
- ▶ The need for medium- to long-term interventions to realise economies of scale and job creation.
- ▶ The effectiveness of higher-level training in advancing farmers to more sustainable tiers.
- ▶ The critical role of infrastructure and resource support in ensuring project success.

Key elements for implementation

Several key elements were essential to the success of this model.



Robust selection criteria:

Identifying farmers with the potential and motivation to transition to commercial farming.



Market access:

Facilitating connections to markets to ensure that farmers can sell their products at competitive prices.



Comprehensive training:

Providing ongoing, relevant training to equip farmers with the necessary skills and knowledge.



Monitoring and evaluation:

Regularly assessing progress and providing feedback to ensure continuous improvement and adaptation.



Resource provision:

Ensuring access to quality livestock, feed and infrastructure to support farming activities.



Community engagement:

Building strong community support to foster a collaborative environment and ensure the sustainability of the project.



Financial support:

Assisting farmers to invest in their operations.

Conclusion

The SEFP demonstrates that focused support and robust recruitment processes are essential for the success of emerging livestock farmers. By providing training over a longer period, infrastructure, funding and market access, the project has set a benchmark for future initiatives aimed at job creation in the agricultural sector.



Building an inclusive citrus sector in South Africa

South Africa is one of the world's largest producers and exporters of citrus fruit. The citrus sector generates over R20 billion annually and provides employment for thousands of people across the value chain. However, despite its potential, the sector faces challenges in terms of inclusivity. Changing the agricultural industry requires us to focus on the key barriers faced by new era farmers and to create viable pathways for them to become sustainable commercial farmers.

The Jobs Fund strongly supports this vision and directs its funding towards fostering inclusivity and economic transformation in the sector.

In early 2020, the Jobs Fund partnered with the Citrus Growers Association (CGA) to launch the Economic Transformation of Black Citrus Growers Project. This initiative aims to enhance the participation of black citrus growers across the entire value chain, creating an enabling environment for their growth and development.

The partnership between the Jobs Fund and CGA focuses on providing black citrus growers with access to affordable finance through grant funding from the Jobs Fund and loan financing from First National Bank. The initiative also offers technical and business support services, skills development and resources to improve crop yields and quality.

To date, the programme has approved and allocated grant funding and loans to 13 emerging black citrus growers, totalling R242 973 319. These farmers are located across various provinces, including the Eastern Cape, the Western Cape, Limpopo and KwaZulu-Natal. The funds have been used to establish new orchards, procure essential inputs and upgrade infrastructure such as packhouse generators and solar power systems.

A notable example of this initiative is Kopano Citrus Nevzonix (Pty) Ltd, a cooperative based in Marble Hall, Limpopo. The cooperative, comprising six members (three females and three males), has established a citrus orchard and planted 28 hectares of lemons with the support of the Jobs Fund.



With support from CGA's Citrus Academy, the members of the cooperative have gained valuable technical skills. This has enabled them to create eight permanent and 33 seasonal jobs. Furthermore, their position in the market was strengthened by a partnership with Piet Citrus, a reputable packaging and marketing company. With a solid support network in place, Kopano Citrus's future looks promising.

"The Economic Transformation of Black Citrus Growers initiative demonstrates the potential of collaborative efforts in transforming the agricultural industry ... By providing access to affordable finance, technical and business support and skills development, this initiative has empowered emerging farmers and generated employment opportunities."

NAJWAH ALLIE-EDRIES,
HEAD OF THE JOBS FUND



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Building an inclusive citrus sector in South Africa



Key lessons and success factors



1. Collaborative partnerships:

Strong collaboration among stakeholders, including government entities, financial institutions and industry associations, can create a robust support system. The partnership between the Jobs Fund, CGA and First National Bank illustrates how shared resources and expertise can empower emerging farmers.



2. Access to finance: Access to affordable finance is crucial for new entrants in any sector. By combining grant funding with loan options, initiatives can address financial barriers and allow emerging farmers to invest in necessary infrastructure, equipment and inputs.



3. Technical and business support:

Comprehensive support services, including training and mentorship, help farmers develop essential skills and knowledge. This enhances their ability to manage operations effectively and improve crop yields and quality.



4. Focus on inclusivity: Targeting historically marginalised groups ensures that the benefits of economic growth are widely shared. Supporting black farmers not only fosters equity but also it taps into hidden potential in the agricultural sector.



5. Long-term sustainability: Initiatives that prioritise sustainability ensure that farmers can thrive independently in the long run. This includes financial stability as well as practices that protect environmental and social resources.



6. Monitoring and evaluation: An effective system for tracking progress and outcomes can help identify successful strategies and areas needing adjustment. Regular evaluation enables continuous improvement and ensures that the initiative meets its goals.



7. Community engagement: The involvement of local communities in decision-making processes encourages commitment and support for initiatives. Engaged communities are more likely to participate actively and sustain efforts for transformation.



8. Market access: Facilitation of access to markets is vital for emerging farmers. Partnerships with established companies, like Piet Citrus's mentorship of Kopano Citrus, can help new growers navigate the market and establish their brands.

By integrating these lessons and success factors into their own approaches, other sectors can create inclusive economic growth that benefits a broader range of stakeholders.

By continuing to champion the transformation of the citrus sector, the Jobs Fund is paving the way for a more inclusive and sustainable agricultural sector in South Africa. Empowering black farmers not only boosts local economies but also contributes to a diverse and resilient agricultural sector that can thrive in the face of future challenges. 🌱



Jobs Fund performance update: 30 Sept 2024

FUNDING

OVERVIEW

R22.1 billion

total portfolio size

R7.4 billion

grant funding disbursed

R14.8 billion

matched funding leveraged from partners

1 : 2

matched funding ratio

R40 million

average grant disbursed per project

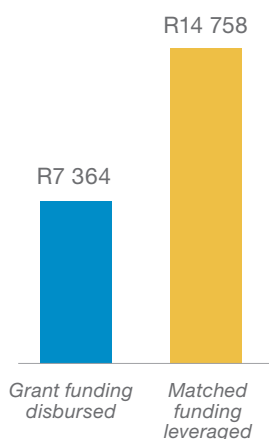
COST PER JOB

R23 786

grant cost per job

(includes the grant disbursed +
Jobs Fund operating costs – training costs)

Total funding for
job creation (R millions)



R25 434

grant cost per job

(includes the grant disbursed +
Jobs Fund operating costs + training costs)

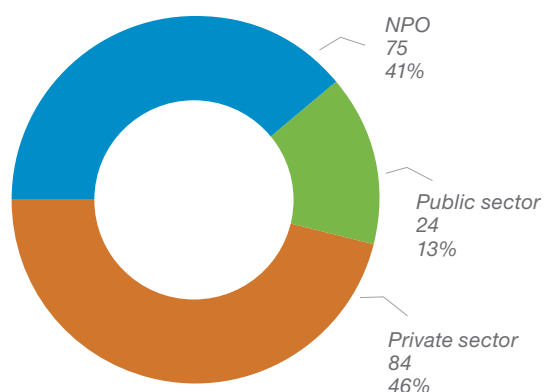
JOBS FUND PARTNERS

OVERVIEW

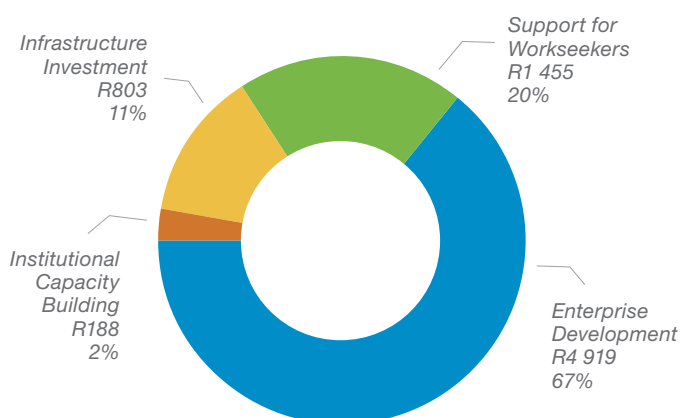
183

contracted projects

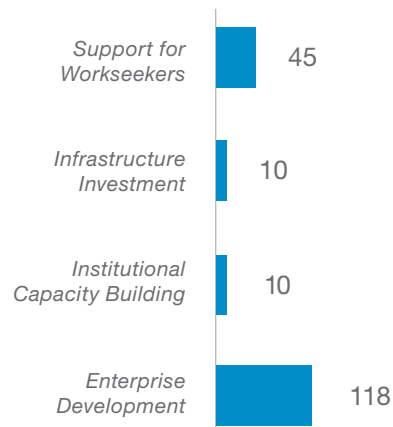
Projects by implementer type



Grants disbursed by funding window (R millions)

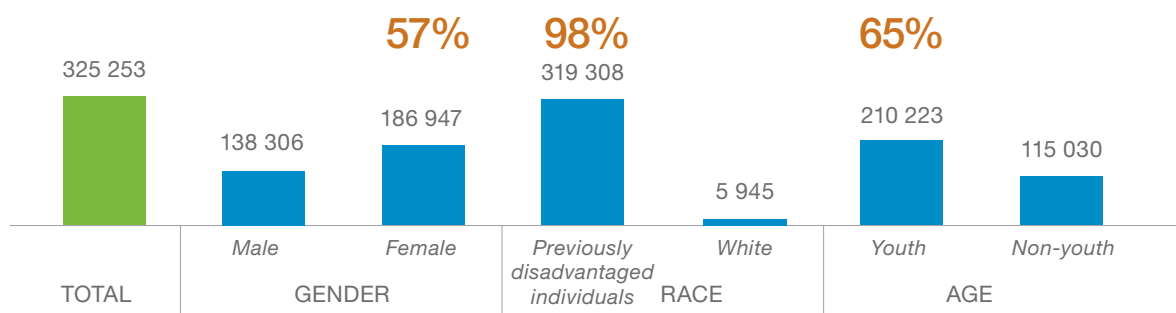


Projects by funding window



JOB CREATION

Total jobs, placements & internships facilitated



Note: Through its interventions, the Fund also supported SMMEs (53 532) and emerging farmers (16 787), while 338 931 participants received job-related training. Source: Jobs Fund database (showing actual figures reported by projects as at 30 September 2024).