



## THE JOBS FUND

JOB CREATION THROUGH PARTNERSHIPS



The Jobs Fund has made significant progress since its establishment. After five funding rounds the Fund has a portfolio of 107 projects, focussing on job creation across South Africa. The project pipeline was developed through the Fund's innovative grant making methodology viz. running the Fund on challenge fund principles (see Box 1). These projects successfully competed with thousands of applications, their job creation models fared well against the Fund's key impact criteria which includes: innovation, sustainability and value for money. The first call for proposals was issued in 2011, and at that stage applicants had to submit hardcopy proposals. Since then the process has been automated, an electronic platform has been developed enabling the team to focus on value adding activities such as improving our analytical capabilities, performance tracking and project evaluation capacity. Automation has also assisted the Fund in building significant project implementation capability.

### At inception, the Jobs Fund had four 'funding windows':

- Enterprise Development – helps to reduce risk for emerging businesses, remove barriers to market access, and improve or broaden supply chains
- Infrastructure Investment – supports the funding of critical infrastructure that creates trading opportunities, enhances access

to markets, and improves the business environment

- Support for Work Seekers – matches active work seekers, especially young people, to formal sector opportunities and job placements
- Institutional Capacity Building – serves to improve operational efficiencies, remove barriers to doing business, or catalyse innovation.

As the Fund matured a more targeted approach was adopted; the fifth funding round focused on the agriculture sector and the primary objective was to support smallholder/emerging farmers by enhancing access to existing markets and integrating them into established agricultural value chains. This would be achieved by supporting projects that would address key barriers to entry such as infrastructure constraints, knowledge and finance. The most recent funding round, which closed on 1 February 2016, focussed on innovation for job creation. The intention was to catalyse innovative approaches to direct job creation as well as innovation that overcomes the barriers to job creation.

Najwah Allie-Edries, head of the Jobs Fund, is confident that the Fund's approach is sufficiently different from other employment creation initiatives i.e. the Jobs Fund complements all other government initiatives

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“  
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in that the focus is on stimulating demand for new jobs and creating sustainable jobs in the medium to long term. It is unique in that it uses grant funds to leverage additional funds from its project partners toward job creation. Najwah emphasises the importance to reach scale, but never at the price of sustainability. The primary goal of any development intervention must be to facilitate systemic change:

*Small farmers in the beef industry did not form part of the meat value chain. The Fund's intervention served as the catalyst to enable smallholder farmers to enter the value chain. Our partnership will enable them to become reliable sources of high-quality beef, to move up the value chain from primary producers to marketing thereby changing the traditional relationship between primary producers, abattoirs and off-takers, resulting in meaningful change to the meat value chain.*

The Fund engages with the 107 successful applicants as partners, it seeks to establish mutually beneficial, collaborative relationships sharing risk and accepting co-responsibility for the success of the project. At the stage when the applicant is invited to submit a full business case a project team (a project manager, a financial analyst, legal advisor and a monitoring and evaluation specialist) is allocated to the applicant; the intent is to provide guidance and assist the applicant to submit a competitive application, should the applicant be successful this team will continue to work with the project until closure. Each project team is responsible for eight to ten projects or 'partner relationships';

the number depends on the complexity of particular projects rather than on the size of the grant. Of the R9 billion initial capital, R5.6 billion has been allocated to the 107 partners (see Box 2). However because the Fund allocates grants on a matched funding basis the Jobs Fund has leveraged an additional R8 billion from its partners toward job creation. Najwah confirms that the rand-for-rand contribution ensures that applicants have more 'skin in the game', there's more realism and a deeper commitment to success.

And yes, Najwah acknowledges, the challenge fund approach is high touch and intense. We constantly ask ourselves: **'What has our funding catalysed, what has it leveraged?'** The original R9 billion includes operating costs, which currently stand at about 8.6% of the Fund value. This cost supports the robustness of the Fund's operating model - in parallel designing and running new funding rounds whilst managing the implementation of the existing portfolio of 107 projects. The latter entails analysis of quarterly reports submitted by projects, followed-up with site visits and collecting evidence, grant disbursements contingent upon achievement of quarterly indicators and evaluation at close-out stage. Project partners have an opportunity to review their targets on an annual basis. They are categorised as low, medium or high risk, with the latter two categories receiving more attention, visits and direct support. But, according to Najwah, **'we are confident that the benefits of our robust implementation approach outweigh the costs.'**

# GTAC • PEOPLE

## Melanie Annandale



### **What do you do in GTAC and how long have you been in Treasury?**

I am a Financial Analyst at the Jobs Fund. I have been part of the Jobs Fund family for just over two years, but I joined the National Treasury in April 2015.

### **And what are your main challenges at the moment?**

On my daily drive through the streets of Pretoria's CBD en route to 240 Madiba, I am reminded of two things: firstly, how very fortunate I am to have a job, a house, warm clothes and food. Secondly, I witness the great need that exists: the countless number of people who do not have jobs, houses, warm clothes and food. So, my challenge every day – and particularly now that we are in the process of appraising projects that applied for funding under the Agricultural Funding round – is to do my part to ensure the Jobs Fund delivers on its mandate; and together with our project partners successfully create sustainable jobs in an effort to start to address some of these needs.

### **What are your qualifications, and are you studying at the moment?**

I am a CA (SA) and completed my MBA in 2011. I am now studying towards a formal qualification at the moment.

### **How do you travel to work, and how do you experience that?**

I use the Gautrain and find it most convenient. It is safe and reliable, and saves me the hassle of battling city traffic on my own!

## BOX 1 The Jobs Fund operates as a challenge fund:

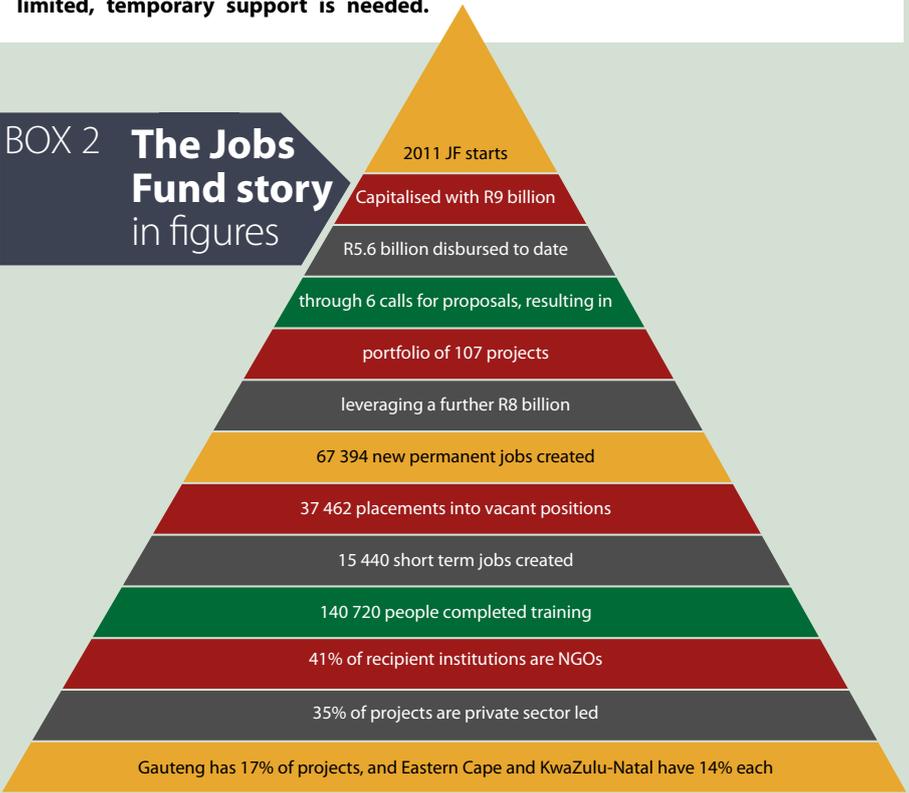
The core feature of a challenge fund is that it provides for an **open, competitive mechanism** for the allocation of grants and related public investments to applicants who are incentivised to maximise the innovation and impact associated with their ideas and delivery models. In practice, a challenge fund disburses **once-off, limited duration grants** to successful applicants, which are used to **target specific risks, barriers and opportunities across a variety of contexts for which limited, temporary support is needed.**

Essentially, the CF mechanism involves the use of public money to catalyse innovation, impact and systemic change in relation to any particular social or sectoral objective in this instance the focus is job creation.

### Other challenge funds in Africa include:

- [Africa Enterprise Challenge Fund \(AECF\)](#)
- [COOP Africa](#)
- [Africa Biosciences Challenge Fund \(ABCF\)](#)
- [Financial Education Fund \(FEF\)](#)

## BOX 2 The Jobs Fund story in figures



## Onica Mashiane



### ***What do you do in GTAC and how long have you been in Treasury?***

I'm currently employed as a Team Assistant at the Jobs Fund and have been employed at the National Treasury since April 2013.

### ***And what are your main challenges at the moment?***

I have no main challenges in my job at the moment and I am enjoying the opportunity for growth that the increased staff complement at the Jobs Fund affords me.

### ***What are your qualifications, and are you studying at the moment?***

I completed my National Diploma in Commercial Practice in June 2015 and intend enrolling for my Bachelor of Commerce degree next year.

### ***How do you travel to work, and how do you experience that?***

I am currently part of a lift club but occasionally need to make use of public transport (taxis). Using public transport is quite challenging at times; however, thankfully I am not solely dependent on it.

# STRENGTHENING the relationships with our **CANADIAN PARTNERS**



*In December 2015 GTAC visited Toronto, Canada, as part of bilateral consultations with the Government of Canada. The photo was taken before the meeting with Grand Challenges Canada. From left to right are Andrew Donaldson (Acting Head: GTAC), Nathalie Vereen (Director: Social and Governance International Development Cooperation in National Treasury), Raymond Reddy (Director: Donor Funding and Special Programmes: DPSA), Eileen Meyer (Senior Technical Advisor in the International and Regional Economic Policy in National Treasury) and Louis Holt (Director: Kenya and South Africa Program in High Commission of Canada to South Africa).*

## What is Grand Challenge **Canada**?

“Grand Challenges Canada is dedicated to supporting Bold Ideas with Big Impact® in global health. We are funded by the Government of Canada and we fund innovators in low- and lower-middle-income countries (LMICs) and Canada. The bold ideas we support integrate science and technology, social and business innovation – we call this Integrated Innovation®. We focus on bringing successful innovation to scale, catalyzing sustainability and impact. We have a determined focus on results,

and on saving and improving lives.” Grand Challenges Canada takes an evidence-based approach to development innovation to save and improve lives in LMICs. We are a platform for development innovation in Maternal, Newborn and Child Health (MNCH) through our Saving Lives at Birth, Saving Brains and MNCH Stars in Global Health programs. They are also focused on helping the poorest and most vulnerable populations, for example those who suffer from mental illness.

Source: <http://www.grandchallenges.ca/who-we-are/>

Photo credit: Amanda Smit

## Rulleska Singh



### **What do you do in GTAC and how long have you been in Treasury?**

I am the Communications Specialist at the Jobs Fund and started in October 2014.

### **And what are your main challenges at the moment?**

Managing the expectation of the public with regards to how the Jobs Fund works and who is eligible for grant funding – as a communications person, explaining this information is a key part of my job but is also challenging.

### **What are your qualifications, and are you studying at the moment?**

I have my honours degree in journalism from Rhodes University and plan on reading for a master's in strategic communication.

### **How do you travel to work, and how do you experience that?**

I live in Johannesburg and commute via the Gautrain, which is always a pleasant experience.



## JOBS FUND PROJECT 1

# MERCEDES LEARNING ACADEMY

South Africa badly needs trained artisans to fill technical positions in the private and public sector. It was announced in December 2010 that the East London Mercedes-Benz plant had been selected as one of only four Daimler AG plants worldwide to manufacture the C-Class Mercedes. This meant, first, that Mercedes-Benz South Africa needed more trained technicians to ensure the readiness of the plant. Second, once the production of the next-generation C-Class vehicles began in 2014, the plant had to move from two to three shifts a day; this required another 600 assembly personnel.

The Mercedes-Benz group of companies in South Africa established its local production facility more than 60 years ago. One of its corporate goals is to contribute to the socio-economic development of South Africa; the training of automotive technicians is aligned with this goal. As a result of its growing demand for skills, the group committed to training 792 technicians in a skills development programme.

The Jobs Fund initiative selected unemployed youth to undergo the accredited training in Automotive Manufacture and Assembly; they were enrolled in 2012 and 2013. Once qualified, they were employed to work on the third shift from late-2013 and 2014.

The Jobs Fund aims to improve the match between supply and demand of labour by improving the skills and networks of work seekers. This project falls within the Support for Work Seekers window, which provides co-financing support to innovative initiatives and programmes that directly link active work seekers, especially young people, to opportunities and jobs in the formal sector.

### Targets

New permanent jobs	600
New short-term jobs	27
Time-bound internships completed	53
Training completed	792

## JOBS FUND PROJECT 2 AKWANDZE AGRICULTURAL FINANCE

In recent years, the number of small-scale sugar growers in South Africa has declined by about a third. National production of sugarcane also declined, with reductions in both per-hectare average tonnage and the volume of saleable sugar. Lower productivity among small-scale sugar growers is due to factors such as inadequate farming experience, poor business skills, and limited access to appropriate financing. This has in turn resulted in lower investment in and maintenance of irrigation infrastructure, which exacerbates the existing inefficiencies in irrigation.

The Jobs Fund partners with Akwandze, a sugarcane development finance organisation, that negotiates the best terms and manages funds for sugarcane growers within the sugarcane value chain. Other Akwandze partners in this initiative include TSB Sugar, the Mpumalanga Cane Growers Association and LIMA rural development.

The Akwandze initiative aims to nearly double sugarcane production in the Nkomazi area from 450 000 tons to 850 000

tons per year, by recapitalising the irrigation infrastructure of 1 281 small- to medium-scale black sugarcane farmers. This will result in the rehabilitation of 10,000 hectares of sugarcane lands. Akwandze will extend favourable loan facilities to these farmers, allowing them to access production inputs such as plant material, fertiliser and herbicides. In addition, it will provide a package of farmer support services, such as training, on-site technical support and capacity building. The combination of irrigation infrastructure, technical training and support, and access to finance should contribute to better methods of sugarcane production, higher production yields and saleable sugarcane to offtake partners, and thus higher revenues and sustainable job creation.

The Akwandze project falls within the Jobs Fund Infrastructure window, which aims to create trading opportunities, enhance access to markets, and improve the quality and security of work in established trading centres, light manufacturing areas, or service business zones.

## More about the Employee Wellness Programme, Siyaphila

The main purpose of the employee wellness programme is to support the wellbeing and productivity of all employees. It also coordinates, monitors and evaluates counselling to employees, and administers awareness and preventive programmes.

### What is Siyaphila?

It is a confidential, free, 24-hour, 365-day, personal support line for GTAC employees and their immediate family members. The services include support relating to physical health, safety, psychological issues, social issues, and practical concerns.

A nurse is on site twice a week, between 10:00 and 14:00 on Tuesdays and Thursdays, on the 7th floor. The nurse can provide health risk assessments, including cholesterol levels, diabetes, hypertension,

body mass index, as well as HIV/AIDS management and family planning.

In addition, an on-site doctor is available on the 7th floor on Wednesdays between 09:00 and 10:00. Please note that you need to make an appointment through [EWPclinic@treasury.gov.za](mailto:EWPclinic@treasury.gov.za). It is advisable to see the nurse before requesting a doctor's appointment, as it will save time and ensure that the doctor can see as many patients as possible.

**NOTE: All services are confidential and will be provided by qualified, experienced counsellors.**

Tel: 0800 864 464

Sending a call back SMS or 'please call me' on 083 450 0508

**E-mail: [siyaphila@metropolitanhrm.co.za](mailto:siyaphila@metropolitanhrm.co.za)**

## Public Economics and Policy Analysis Capacity Building Initiative

GTAC is pleased to announce our Public Economics and Policy Analysis Capacity Building initiative. The first event of this exciting initiative was a workshop with representatives from all the departments of economics at South African universities. This workshop took place on 26 January 2016 and was well attended, with National Treasury officials engaging with the representatives from no fewer than 13 universities country-wide. We believe that this meeting provided a useful framework for universities to understand more clearly what Treasury needs from young graduates and for Treasury to understand the gaps in the supply of modules relevant to the public sector. The universities were keen to collaborate with GTAC to develop capacity in public economics and policy analysis.

Andrew Donaldson presented the strategic imperatives of the initiative and a proposed rollout plan. The plan culminates in the selection of ten graduates with master's degrees in economics as interns in 2019, following a two-year bursary programme for master's students starting in 2017. The initiative was warmly welcomed. In view of the highly positive response, we are now planning the second event, a public economics winter school to be hosted by GTAC at the University of Pretoria from 10 to 15 July 2016. More details of this initiative will follow in the next newsletter.

**GTAC** Analyse  
Assess  
Activate  
*Strategic & Technical Advisory*

National Treasury  
REPUBLIC OF SOUTH AFRICA



[www.gtac.gov.za](http://www.gtac.gov.za)

### Our Vision

- ▲ **To be a partner** for investment and service delivery
- ▲ **To deliver** results-based project management
- ▲ **To offer** trusted services
- ▲ **To ensure** innovative and customised solutions
- ▲ **To provide** an accessible knowledge repository

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