



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

STATEMENT ON THE LAUNCH OF THE THIRD CALL FOR PROPOSALS BY THE JOBS FUND

The Chairperson of the Jobs Fund Investment Committee, Mr Frans Baleni, today announced the launch of the Job Fund's third call for funding proposals. The Jobs Fund is an initiative first announced by President Zuma in his 2011 State of the Nation Address and launched by the Minister of Finance Pravin Gordhan in June 2011. The R9 billion Fund is managed by the Development Bank of Southern Africa and aims to find innovative solutions to our employment problem by finding new ways of doing business that create new, permanent jobs in South Africa.

The third call for proposals is a request for applications from initiatives in enterprise development and infrastructure. Due to over-subscription in previous funding rounds, applications for the Support for Work Seekers and Institutional Capacity Building windows will not open at this time.

- **The Enterprise Development** window looks for initiatives that develop innovative commercial approaches to long-term job creation in ways that combine profitability with high social impact. It is looking for new business models, products and markets. This includes funding "umbrella" initiatives that can act as channels of support for smaller enterprises or benefit smaller enterprises indirectly, such as facilitation of market linkages and supply chain diversification.
- **The Infrastructure** window of the Job Fund will co-finance light infrastructure investment projects which are necessary to unlock job creation potential in a particular area. Initiatives could include providing critical missing infrastructure that creates trading opportunities; enhances access to markets; improves the business environment for enterprises and catalyses employment linked investment.

The Jobs Fund helps to lower the cost and risk barriers that prevent these innovative models, partnerships and ideas from taking place, by providing matched funding to the applicant. The fund aims to support large, game-changing initiatives that leverage existing capacity and provide value for money. Whilst the Jobs Fund cannot directly partner with small enterprises, the fund encourages 'umbrella' initiatives which can act as intermediaries in supporting this sector and accessing the innovation and growth potential of SMMEs.

The Jobs Fund complements other government initiatives, but also differs from many of these as it provides matching grants, operates according to 'challenge fund principles' and in addition to short-term interventions targets medium to long term job creation. The fund runs an open, transparent and competitive application process. Final funding decisions are made by an independent Investment Committee based on the Jobs Fund criteria.

The Jobs Fund is open to private, public and non-governmental organisations, with a particular challenge to the private sector to come forward with their best ideas for solving the challenge of employment creation.

The Jobs Fund has to date approved funding for 54 initiatives, including innovative business incubation models to develop SMME's, training programmes which overcome barriers to first time employment for unemployed youth, and supply chain diversification initiatives aimed at previously excluded businesses. Contracted initiatives have been awarded Jobs Funds grants of R1 167 482 765, which has leveraged an additional R1 033 838 433 in matching funding from project partners.

These initiatives will create over 65 000 new permanent jobs in South Africa by 2015. In addition, these initiatives will also place 42 000 unemployed people in existing vacancies.

Since opening in 2011, the Jobs Fund has received over 3,500 applications (only half of which were eligible). It has made significant progress in establishing efficient systems to process the large numbers of applications it receives, and to overcome some of the challenges experienced in setting up what is a new funding instrument in South Africa. A web-based application, management and tracking system is now operational, allowing applicants to monitor the progress of their applications.

The third call for proposals opens at 2pm on Monday 3 December 2012 and will close at 5 pm on Friday 15 March 2013. Potential applicants can access via the website the eligibility and impact criteria and guidance on how to submit a strong application.

Applications must be submitted online via the Jobs Fund website www.jobsfund.org.za.

Issued by: National Treasury

3 December 2012

For more information contact:

Mbolekwa Mtanzeli

National Treasury

[Mbolekwa.Mtanzeli@ Treasury.gov.za](mailto:Mbolekwa.Mtanzeli@Treasury.gov.za)

[012 395 6574 / 074 9719512](tel:0123956574)