JOBS FUND GRANTS R352 MILLION TO EMPLOYMENT-CREATION PROJECTS

Johannesburg, 8 November 2011 – Following the announcement by the Minister of Finance, Mr Pravin Gordhan, on applications to the Jobs Fund, during his Mid-Term Budget Speech, the Development Bank of Southern Africa (DBSA), has pleasure in announcing that the Jobs Fund Investment Committee has approved a total of R352 million employment creation projects.

It is estimated that the allocation will realize a projected 115 226 sustainable jobs. The Fund had received a total of 2651 applications following its first funding period which closed on 31 July 2011. Of these applications 1641 were not eligible, 7 have been approved and the balance is still taken through the Investment Committee approval process. The Fund is targeting to disburse and approve a total of R2 billion worth of projects with the 2011/2012 financial year.

The first recipients of the fund will receive disbursements as soon as all conditions of approval and contracting are finalized. Correspondence both to non-eligible and successful applicants is in the process of being sent out to the relevant parties.

The Jobs Fund is a R9 billion employment creation program launched by the Minister of Finance on the 7 June 2011. It is an initiative of the Government of the Republic of South Africa aimed at curbing the scourge of high unemployment in the country.

Managed by the DBSA, South Africa’s state-owned development bank, the primary mandate of the Jobs Fund is to create sustainable employment by assisting in the expansion of existing business enterprises. The fund hopes to pilot innovative approaches to employment creation. It operates on the basis of a competitive process, allocating funds to projects that show promise and speak to the fundamental mandate of the Fund – sustainable job creation. An Investment Committee has a responsibility of approving all funding for viable job creation projects.

Dumisa Hlatshwayo, Chief Investment Officer of the Jobs Fund said it is important for applicants to note that the Jobs Fund does not guarantee that a project will be approved because it creates jobs. There is a competition for resources and value for money has
to be taken into account. The proposals received in the first funding period totaled R320 billion worth of grant funding.

“Some applicants failed to comply with the requirements of the Jobs Fund, for example, in some applications the required co-funding which is a critical prerequisite for approval was not taken into consideration at all. In certain instances the applicants presented concepts, ideas or feasibilities, with no track record of implementation as required for approval by the Fund,” Mr Hlatshwayo said.

The fund is therefore looking for projects that score high in the areas of value for money, innovation, sustainability and capacity to implement.

In an effort to educate and support the applicants as well as striving to improve on the quality of future applications, the Jobs Fund will soon be embarking on Provincial Briefing Sessions.

“We seek to meaningfully engage our stakeholders. These sessions will be used to share the lessons learnt during this current funding period, as well as to illustrate the entire Jobs Fund value chain. We will also deploy our project managers to provinces in order for them to be better accessible both to potential applicants, as well as to Jobs Fund grant beneficiaries,” Mr. Hlatshwayo added.

Ends

For more information contact:

Ms. Liziwe Selana

Communications Specialist: Jobs Fund

Tel: 011 313 3384

Cell: 071 681 3297

Email: liziwes@dbsa.org