



**ICA**  
Presentation of  
application  
requirements for Jobs  
Funds



# Agenda

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- The Jobs Fund
- Eligibility
- The Jobs Fund process and timelines
- The concept note phase
- The business case phase
- The due diligence process
- Key lessons

# Jobs Fund

## What is the Jobs Fund?

- The objective of the Fund is to **co-finance** projects by public, private and non-governmental organisations that will significantly contribute to job creation
- The Jobs Fund aims to be a driver of innovative approaches to job creation by funding models of job creation that have the potential to trigger systemic change in the South African labour market

## Funding Windows

- The Jobs Fund will consider proposals that perform competitively within the following funding windows:
  - Enterprise Development
  - Support for work seekers

## Key considerations/Evaluation Criteria

- Potential for Job Creation
- Innovation
- sustainability
- Scalability
- Additionality
- Systemic change

Application  
window open 22  
March close 24  
May 2018

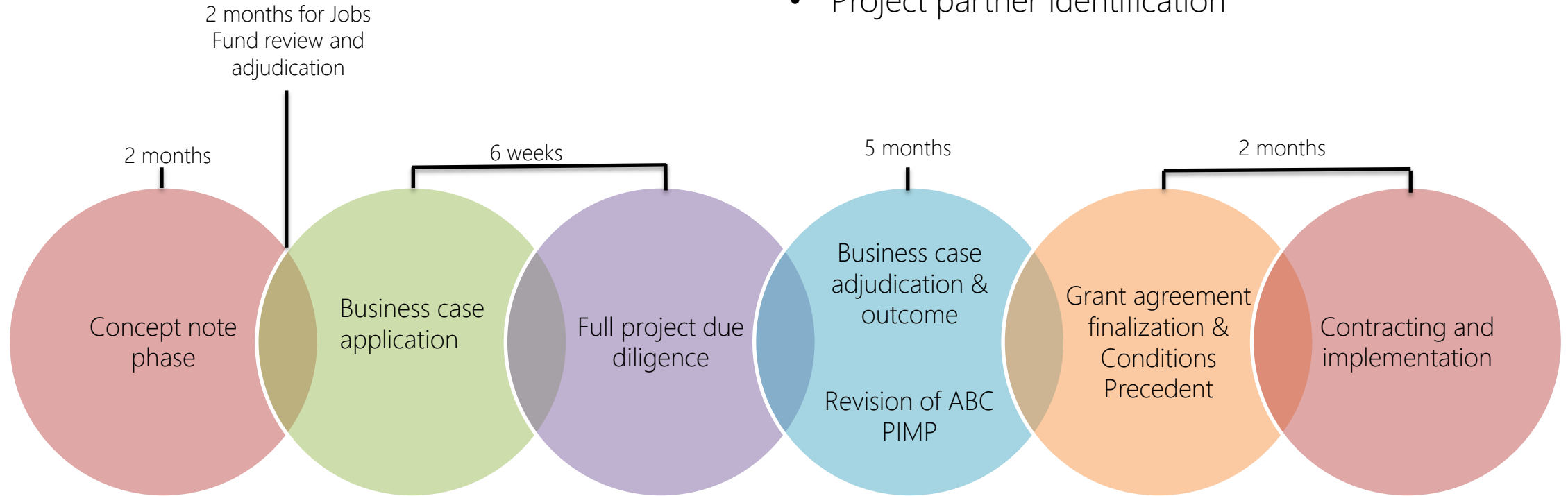
# Eligibility



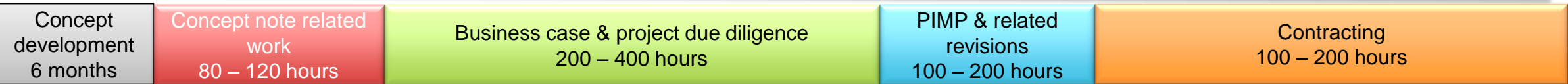
- Minimum grant size of R10 million
- Match Funding – 1 : 1 cash co –funding ratio
- Compliance with administration requirements (Tax clearance certificate, and annual financial statements for two years)
- Applicant must be solvent, have been operating for more than two years (these criteria apply to the lead applicant)
- Applicant or partners to have a track record of more than three years of technical experience in the area of interest.

# The Jobs Fund process

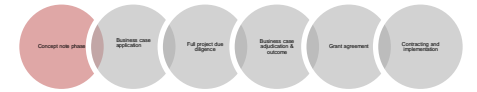
- Excludes stakeholder engagement
- Finance raising
- Project partner identification



9 – 12 months from first application to the flow of funds



# The concept note (2 months)



## Information required

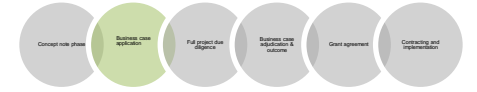
1. Institutional arrangement
  - a) Lead applicant
  - b) Implementing partners
  - c) Funding partners
2. Key project staff
3. Initiative information
  - a) Problem statement
  - b) Development impact
4. Risk & mitigation
5. Impact criteria
  - a) Job creation
  - b) Innovation
  - c) Additionality
  - d) Sustainability
  - e) Contribution to systemic change
  - f) Capacity to implement
6. Budget

## Documents required

1. Company structure or project structure with main applicant and implementing partners
2. CV's of key project staff members
3. Project funding model diagram
4. Letters of interest for matched funding
5. Annual financial statements
6. Tax clearance certificate
7. Monitoring matrix
8. Project milestone Gantt chart

Process to be started as early as possible with engagement with Jobs Fund

# The business case (6 weeks)



## Information required

1. Organisational and key staff
  - a) Lead applicant
  - b) Implementing partners
  - c) Funding partners
2. Initiative information
  - a) Problem statement
  - b) Development impact
3. Risk & mitigation
4. Additionality

## Documents required

1. ABC PIMP
2. FICA documents for all involved parties
3. Flow of funds
4. Financial model for the project
5. Beneficiary financial mode
6. Asset register
7. Agreements regulating the business relationships
8. Market research
9. Operation guidelines
10. Process diagram
11. Business plan (max 50 pages)
12. Results of pilot study
13. Will skill framework
14. BEE certificate
15. Matched funding (indicative term sheet)
16. Off-take agreements
17. Quotes for every cost in PIMP

# The due diligence (2 weeks of the 6 weeks)

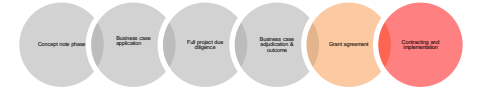


- A 2 day site visit will be conducted by the Jobs Fund team including finance specialists, monitoring & evaluation specialists and mining specialists
- Implementing partners will be interviewed to determine suitability for the project
- The following topics will be covered in detail in the 2 day due diligence process:



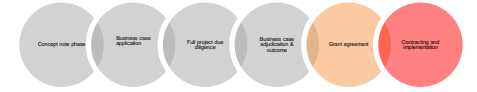


# The grant agreement



- Standard grant agreement which **cannot be changed**. Many multinationals have tried to request amendments to the grant agreement and their approvals have been cancelled.
- Project specific conditions precedent will be added to the grant agreement
- The beneficiary will be expected to complete and sign grant agreement annexures before the grant agreement is signed. These annexures deal with:
  - Standard definitions including the definition of a job
  - Undertaking to provide the funding for the project
  - Declaration that the conditions precedent have been met
  - The appointment of auditors
- Some of the contentious issue in the grant agreement include:
  - JF Partner warrants that the SMMEs shall comply with relevant legislations and ensure that they have relevant licences and permits (water licences, right to use the land) use to conduct farming/business activities.
  - Dispute resolution - If the matter is not resolved to the satisfaction of either Party by the Investment Committee, then the matter must be referred to the Director General or his/her delegated authority at the National Treasury for final resolution.

# Key lessons



- To have a successful experience with the Jobs Fund, these are our key lessons learnt:
  - Engagement with the Jobs Fund beforehand
  - Very detailed process – do not underestimate the amount of work and detail required
  - Detailed project planning required
  - Stakeholder engagement
  - Not just budgeting – detailed activity based costing
  - Ensure that finance is in place
  - Jobs Fund is very strict
  - Engaging with Government on a micro-detail level
  - Dealing with multiple stakeholders in the Jobs Fund (complex government engagement process)
  - May be the last funding window available – so only 1 opportunity remaining

# Contact us



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