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**NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA) ANNUAL PERFORMANCE PLAN  
(2019/20)**

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## 1. INTRODUCTION

The Portfolio Committee on Women, Youth and Persons with Disabilities conducts oversight over a number of sectors, one of its target groups is youth. In relation to this mandate, the Committee oversees the performance on the National Youth Development Agency (NYDA). This paper provides an overview of National Youth Development Agency's (NYDA) Annual Performance Plan for the 2019/20 financial year.

The National Youth Commission was established on 16 June 1996 in terms of the National Youth Commission Act (Act 19 of 1996). This was part of the democratic government's plan to develop a comprehensive strategy to address the challenges facing young men and women between the ages of 14 and 35 years.<sup>1</sup>

The creation of a National Youth Commission was in direct response to the recommendations of a Youth Summit convened by the then Deputy President, Thabo Mbeki, in December 1994. Representatives at the Summit had called for the establishment of a Commission that would serve to highlight and monitor the situation of young people, while co-ordinating and initiating the development of appropriate policies and strategies geared to youth development.<sup>2</sup>

In 2009, The National Youth Development Agency (NYDA) was established through a merger between Umsobomvu Youth Fund (UYF) and National Youth Commission (NYC).

The agency derives its mandate from legislative frameworks such as the NYDA Act (54 of 2008), the National Youth Policy (2009-2014) and the draft Integrated Youth Development Strategy as adopted by the Youth Convention of 2006.

The institution was established to be a single, unitary structure, established to address youth development issues at National, Provincial and Local government level. The existence of the NYDA should be located within the broad context of South Africa's development dynamics. Like many developing countries, South Africa has a large population of youth, those between the ages 14-35 represent 42% of the total population.

The National Youth Development Agency has shifted its primary core business away from Enterprise Finance towards Education and Skills Development. The fundamental change in this area of development is the change from loan provision to grant provision for young entrepreneurs.

The NYDA no longer offers loan finance to young entrepreneurs; the agency provides financial support in the form of micro-finance grants to young entrepreneurs and youth cooperatives.

The objective of the NYDA Grant Funding is to provide young entrepreneurs with an opportunity to access both the financial and non-financial business development support to establish their survivalist businesses.

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<sup>1</sup> Report of the Ad Hoc Committee on the Review of Chapter 9 and Associated Institutions (2007).

<sup>2</sup> Ibid.



The programme focuses on youth entrepreneurs who are just coming into existence and beginning to display signs of future potential but are not yet fully developed. The Grant Funding starts from R1 000 to a maximum of R200 000 for any individual or youth cooperative. For agriculture and technology-related projects, the maximum threshold is R250 000. The NYDA continues with efforts directed at economic participation offering a range of products, programmes and services to young entrepreneurs in need, albeit as a secondary focus.

### 1.1 Strategic framework

The focus of the NYDA's core business is based on the following imperatives of youth development as contained in the National Youth Policy **2015- 2020** which are<sup>3</sup>:

- *Economic participation*: is an essential national process, which engages citizens to contribute productively to eradicate poverty. This process is therefore equally important in the holistic development of the youth. The challenge is to enable the youth to contribute as productive citizens by shaping their talents and creative energies, equipping them with appropriate skills, and removing the barriers that may constrain their participation in the labour market.
- *Education and Skills Development*: remains key to unlocking the future of South Africa's youth. Although there is documented evidence of improved educational attainment, there are still challenges that need to be addressed to rectify the imbalances in the education system.
- *Social Cohesion and Nation Building*: extend and create opportunities for the youth, by doing the following:
  - Involving them in political and civic participation.
  - Providing opportunities for the development of youth leadership and strengthen civil society's voice.
  - Building national identity and pride.
  - Developing a strong policy framework on National Youth Service.
  - Reducing the rate of criminal activities amongst the youth.
  - Ensuring the mainstreaming and integration of marginalized groups, to benefit from core initiatives and programmes within all sectors and strengthen the leadership skills of youth.

The NYDA's strategic objectives are based on these imperatives and find expression through the Key Performance Indicators and targets presented in its Annual Performance Plan.

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<sup>3</sup> Revised NYDA Five Year Strategic Plan (2019)





## 2. OVERVIEW 2009/10– 2016/17

### 2.1. Overview of successes and challenges

Between 2009/10 and 2016/17, the NYDA underwent numerous changes including moving its budget allocation from the Presidency to the Department of Performance Monitoring and Evaluation (DPME). In this period,

The annual reports for 2010/11 and 2012/13 show a difficult period for the NYDA during which time there was significant and gross mismanagement of funds in both irregular expenditure and fruitless and wasteful expenditure. This has changed drastically over the past two years as reflected in the tables presented. Since 2015/16, the NYDA had managed to refine its targets and received 4 clean audits.

#### 2.1.1 Financial Performance and Annual Budget

**Table 1: Financial performance 2009/10-2017/18**

Year	Adjusted appropriation R '000	Percentage expenditure	Fruitless and wasteful	Irregular	Audit Finding
2009/10	176 060 <sup>4</sup>	96%	9	11 079	Unqualified audit opinion with emphasis of matter
2010/11	471 332	99%	2 000	67 000	Unqualified audit opinion with emphasis of matter
2011/12	428 887	94%	1 452	133 252	Unqualified audit opinion with emphasis of matter
2012/13	407 123	90%	1 141	62 078	Unqualified audit opinion with emphasis of matter
2013/14	432 938	93%	996	16 700	Unqualified audit opinion with emphasis of matter
2014/15	449 075	97%	266	580	Clean audit

<sup>4</sup> National Youth Development Agency (2010). National Youth Development Agency Annual Report 2009/2010. (Financial statement for 6 months ending 31 March 2010)



2015/16	453 836	95%	4	74	Clean audit
2016/17	444 950	98%	480	600	Clean audit
2017/18	459 247	94%	91	3	Clean audit

The following table provides the expenditure trends and estimates in Vote 8 (DPME) of the Estimates of National Expenditure, and more specifically the Youth Development budget allocation.

**Table 2: National Youth Development budget as per the Estimates of National Expenditure for 2019/20**

National Youth Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R million											
Management: National Youth Development	6.2	5.3	4.8	11.5	22.8%	1.6%	11.2	12.6	13.3	5.1%	2.5%
Youth Development Programmes	409.8	405.8	432.8	477.1	5.2%	98.4%	459.6	484.8	510.4	2.3%	97.5%
<b>Total</b>	<b>416.0</b>	<b>411.1</b>	<b>437.6</b>	<b>488.6</b>	<b>5.5%</b>	<b>100.0%</b>	<b>470.7</b>	<b>497.4</b>	<b>523.7</b>	<b>2.3%</b>	<b>100.0%</b>
Change to 2018 Budget estimate				32.8			(3.1)	(2.6)	(3.7)		

**Table 3: Key Performance Areas 2019/20 budget breakdown**

Key Programmatic Area	Budget allocation 18 / 19	%		Budget allocation 19 / 20
Economic Participation	R97 853 745	-5%	↓	R92 784 557
Education and skills development	R64 714 815	-32%	↓	R43 736 499
National Youth Service	R30 120 850	16%	↑	R35 004 459
Universal access to opportunities	R54 604 949	-9%	↓	R49 503 439
Research and Policy	R10 411 400	-26%	↓	R7 728 000
Administration	R82 294 241	6%	↑	R87 320 046
Employee costs	R170 000 000	9%	↑	R185 000 000
<b>Total</b>	<b>R510 000 000</b>	<b>-2%</b>	↓	<b>R501 077 000</b>

<sup>5</sup> National Treasury (2019). Vote 8: Planning, Monitoring and Evaluation.



The budget allocation for 19/2020 includes interest income (R7 000) and donor funded (R 34 500 000). Education and Skills development and Research and Policy KPAs has seen a significant drop in budget allocation. The budget for the National Youth Service has risen by over R 4.8 million. Based on Table 3, it is unclear where Education and Skills development and Universal access to opportunities employees are located in terms of the four programmes presented in the APP.

### Employee costs

The NYDA employee costs accounts for 37 % (36.9) of its overall budget. These costs have been broken down in Table 4.

Employee costs	R170 000 000	9%	↑	R185 000 000
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**Table 4: Employee cost by programme**

Program	Expenditure	Percentage allocation
Economic participation	R93 662 033	51%
Education and skills development	R30 800 133	17%
National Youth Service	R13 050 250	7%
Research and policy	R13 660 428	7%
Administration	R33 827 156	18%
<b>Total</b>	<b>R185 000 000</b>	

The following key observations were made regarding the employee costs.

- The Education and Skills programme is not reflected in the APP 2019/20. Members should enquire on the following:
  - Has the Education and Skills programme been removed completely or absorb into another programme?
  - Where are these costed employees currently working?
  - If the programme has been moved or removed. How will its budget be reallocated?
- Does the Administration programme include the following employees: Office of the Executive Chairperson, Office of the Executive Deputy Chairperson, Operational Executive, Office of the Chief Executive Officer, and Human Resources and Legal services?





### 2.1.2. Operational Performance

Table: Operational performance 2009/10-2017/18

Year	Percentage targets achieved	Core targets not achieved
2009/10	Unclear	Due to the merge, the NYDA inherited targets from the National Youth Commission and the Umsombumvu Youth Fund.
2010/11	86%	42 of 49 of the target were achieved. Unmet targets were related to the number of youth owned companies registered with CIPRO, (Companies and Intellectual Property Registration Office) and meetings that were meant to be held in municipalities.
2011/12	90%	The target to decrease the number of loans defaulting in the NYDA SME-loan book was not met.
2012/13	85%	Number of youth through micro-enterprise interventions were not met
2013/14	86%	The number people enrolled in the NYDA Matric Re-Write programme was not met
2014/15	93%	Implementation of IT systems (IT systems Architecture and Roadmap) to support youth development target was not met
2015/16	96%	As per the previous year, implementation of IT systems (IT systems Architecture and Roadmap) to support youth development target was not met
2016/17	100%	The NYDA met all its set targets.
2017/18	96%	Target was not met as outreach evidence was based on estimates which are not accurate due to the size and nature of events that were covered.

The following discrepancies and observations were noted when the tabled Annual Performance Plan 2019/2020 and the presentation forwarded to the Committee entitled, *NYDA Presentation to Portfolio Committee on Women, Youth, Persons with Disabilities 2019/2020* were scrutinised. The following section provides questions or commentary related to the NYDA's Annual Performance Plan.

### 2.2. Annual Performance Plan 2018/19

The NYDA's Annual Performance Plan 2018/19 reports on 4 key programmes, these are:

Programme 1: Administration

Programme 2: Programme Design, Development and Delivery (PDDD)

Programme 3: National Youth Service

Programme 4: Research and Policy

The tables below provide an overview of each programme, its strategic objective and targets.



Strategic Objective	KPI's	2019/20 Annual Target
<b>Programme 1: Administration</b>		
<b>The purpose of this programme is to enable effective and efficient capabilities for service delivery and supporting functions</b>		
To provide administrative support resulting in improved internal efficiencies and service delivery	Number of people following NYDA in all media platforms.	1 million people following NYDA in all media platforms
	Value of funds sourced from the public and private sectors to support the youth development programmes. ☆	R100 million sourced from the public and private sectors to support the youth development programmes
	Number of jobs partnerships established with public and private sector.	10 jobs partnerships established with public and private sector
	Number of market linkage partnerships established with public and private sector	10 market linkage partnerships established with public and private sector

- “Administration” is reported as Programme 1 in the APP 2019/20, in the presentation it is not identified as a programme.
- The strategic objective labelled as follows; “to provide Socio-economic empowerment interventions and support for young people in South Africa” is listed under Programme 2 in the APP 2019/20 but is reported as being part of Programme 1 in the presentation.
- The KPI labelled “Value of funds sourced from the public and private sectors to support the youth development programmes” in Programme 1 (as per the APP), is reported as a new indicator with a “0 baseline”. In the 2017/18 APP, it was recorded as being an overachieved target. The NYDA initially set R108 million as a target, this was exceeded to R120 million due to willingness by investors.
- What are the 10 jobs partnerships that have been identified? How many partnerships have been established between Quarter 1 and 2?
- What is the key difference between market and job partnerships?
- It is unclear how the target listed as; “1 million people following NYDA in all media platforms” will realise the strategic objective to provide administrative support resulting in improved internal efficiencies and service delivery.

Strategic Objective	KPI's	2019/20 Annual Target
<b>Programme 2: Programme Design, Development and Delivery (PDDD)</b>		
<b>The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes</b>		
To provide Socio-economic empowerment interventions and support for young	Number of youth owned enterprises supported through Grant programme	1,000
	Number of beneficiaries supported with business development support services offered by the NYDA	20,000





people in South Africa	Number of jobs created and sustained through supporting entrepreneurs and enterprises	3,500
	Number of jobs facilitated through placements in Job opportunities →	10,000
	Number of business centers established	4
To provide increased information and universal access to young people	Number of new Service Delivery channels established for young people to access NYDA information →	17
	Number of events for providing youth development information	200
	Number of young people trained to enter the job market →	70,950

- This programme is arguably the most important of the 4 programmes. Its KPIs relate directly to the core function of the NYDA, with a focus on support to youth owned enterprises and job creation. This year's annual target is to achieve 1000 youth owned enterprises supported through Grant programme. How do partnerships affect achieving this target?
- Establishing business centres is a new indicator, how will this be established and what is the nature of this structure?
- How does the NYDA measure the success of "service delivery channels"?
- Of the youth assisted via grants or supported with business development support services :
  - How many are first time applicants?
  - How many are already beneficiaries and receiving funds are a second application?
  - How does the NYDA safeguard against assisting youth that are already receiving funds from other Government Departments for the same business?
- Of the youth trained to enter the job market, how many find employment?

Strategic Objective	KPI's	2019/20 Annual Target
<b>Programme 3: National Youth Service</b>		
<b>The purpose of the programme is to promote volunteerism, active citizenship and promoting mass participation in national activities</b>		
To coordinate the implementation of NYS across all sectors of society	Number of Government departments partnerships established to implement NYS at national level	18 Government departments partnerships established to implement NYS at national level
	Number of Government departments partnerships established to implement NYS at provincial level	18 Government departments partnerships established to implement NYS at provincial level



	Number of Government departments partnerships established to implement NYS at local level	60 Government departments partnerships established to implement NYS at local level
	Review and Implement NYS marketing and communications strategy	Review and implement NYS marketing and communications strategy
	Number of Partnerships established to implement NYS with civil society and the private sector	100 Partnerships established with civil society and the private sector

- Which Departments have been identified to established partnerships with?
- How will partnerships promote volunteerism, active citizenship and promoting mass participation in national activities?

Strategic Objective	KPI's	2019/20 Annual Target
<b>Programme 4: Research and Policy</b>		
<b>The purpose focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development approach, through monitoring and evaluation services, lobby and advocacy to bring on board key stakeholders to implement youth development programmes</b>		
To produce research and policy which influences change in youth sector and build sustainable relationships	Number of customer surveys conducted.	4
	Number of impact evaluations conducted.	3
	Produce Annual report on government wide priorities.	Produce Annual report on government wide priorities
	Number of youth status outlook reports produced.	4 Youth status outlook reports produced.

- Does the NYDA have a relationship with Statistics South Africa in terms of gaining access to disaggregated data?
- What are the preliminary findings from the youth status outlook reports thus far?

### General commentary and questions

- How will the NYDA work together with the Department for Women, Youth and Persons with Disabilities, in terms of enhancing youth development?
- In terms of grant recipients, 47 % of grants are awarded to businesses in the "service sector". What are the key services in this sector?
- The NYDA listed Standard Bank of South Africa, Gijima Group, Glencore, SAB InBev, Spar Group and Coca-Cola as private sector partners. Have these partners made any financial contributions or donations for the 2019/20? What is their role in terms of job creation in collaboration with the NYDA?
- If a candidate is unsuccessful with receiving a grant. What are the steps taken to assist with finding employment or improving on business ideas?
- What is the monitoring and evaluation process for youth in the grant or voucher programme?





- Does the NYDA perform impact assessments on business that receive assistance?

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