

# Presentation of the NYDA Annual Report for Financial year 2010-2011

26 October 2011

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NATIONAL YOUTH DEVELOPMENT AGENCY

Previously operating as the National Youth Commission and Umsobomvu Youth Fund



# LETTER OF INVITATION

**The Minister**  
**Hon OC Chabane**  
**Minister in the Presidency: Performance Monitoring and Evaluation**  
**Cc: Mr A Lungisa**  
**Chairperson: National Youth Development Agency (NYDA)**

**14 October 2011**

Dear Hon Chabane

The Portfolio Committee on Women, Children, Youth and People with Disabilities invites the **National Youth Development Agency (NYDA) to brief the committee on annual report of the NYDA for financial year 2010/11 and on the 17th World Festival of Youth and Student** that was held from the 13 – 21 December 2010 in Tshwane.

The details of the meeting are as follows:

**Date: Wednesday, 26 October 2011**

**Time: 09:30 – 13:00**

**Venue: S35, NCOP, Parliament**

The office is kindly requested to submit the relevant documentation by 19 October 2011.

For enquiries contact the Committee Secretary, Neliswa Nobatana at tel:(021) 403 3840,fax:0866607716,cell: 083 709 8472,  
email:nnobatana@parliament.gov.za  
Yours faithfully

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**DM Ramodibe**  
**Chairperson: Portfolio Committee on Women, Children,**  
**Youth and People with Disabilities**



# PRESENTATION OUTLINE:

1. Part A:
  - NYDA Mandate and Challenges
  - Background to the NYDA
  - NYDA Objectives ( Section NYDA act)
  - Youth Expectations
  - Required investment
2. Part B: NYDA Annual Report 2010-2011
3. Part C: Report on WFYS
4. Part D: Annual Audit Outcomes 2010-2011
5. PART E: 2010-2011 Highlights



**PART A**  
**NYDA Mandate and Challenges**



# NYDA MANDATE

## *BACKGROUND TO THE NYDA*

- ❑ NYDA came into existence as a result of the merger of Umsobomvu Youth Fund (UYF) and National Youth Commission (NYC)
- ❑ NYDA was established through an Act of parliament, act no 54 of 2008.
- ❑ NYDA was formally launched by the President of the Republic on the 16th June 2009
- ❑ NYDA was established to mainstream youth development across all spheres of government and all sectors of society

## ***NYDA OBJECTIVES ( SECTION 3.1 of NYDA Act)***

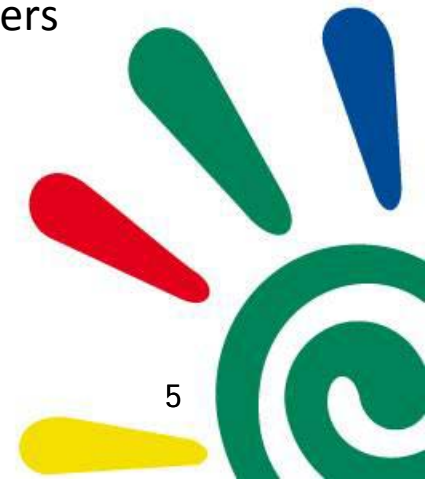
- ❑ Develop an Integrated Youth Development Plan and Strategy for South Africa;
- ❑ Develop guidelines for the implementation of an integrated national youth development policy and make recommendations to the President;
- ❑ Initiate, design, co-ordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society in general;



## NYDA MANDATE Continued

### ***NYDA OBJECTIVES ( SECTION 3 .1 of NYDA Act)***

- ❑ Guide efforts and facilitate economic participation and empowerment. and achievement of education and training
- ❑ Partner and assist organs of state, the private sector and non-governmental organisations and community based organisations on initiatives directed at attainment of employment and skills development;
- ❑ Initiate programmes directed at poverty alleviation, urban and rural development and the combating of crime, substance abuse and social decay amongst youth;
- ❑ Promote a uniform approach to youth development by all stakeholders



## NYDA MANDATE Continued

### ***YOUTH EXPECTATIONS***

- ❑ The National Youth Convention of 2006 highlighted the need for a unitary structure youth agency
- ❑ The agency must be robust and agile enough to deal with the manifold challenges of the youth in South Africa
- ❑ It further highlighted the need to mainstream youth development and provide a uniform approach to youth development
- ❑ The youth expect the NYDA to increase visibility and accessibility to its programmes, products and services to the youth



# NYDA MANDATE Continued

## ***NYDA RESPONSE AND REQUIRED INVESTMENT***

- ❑ To respond to these challenges, the NYDA submitted a funding request through the MTEF processes of R930m for its first year of operations
- ❑ Submission was informed by plan to increase direct service delivery by 20%
- ❑ It was further informed by the National Treasury Due Diligence report prior to the merger of the former UYF and NYC which proposed funding levels of approximately R600m per annum, given the infrastructure and other capacity resident within the agency at the time of establishment
- ❑ This request was based on an increase of product delivery targets by 20 %
- ❑ Increased roll out of NYDA access points with 9 Provincial offices
- ❑ A further 100 local youth offices to be added to the already existing 121 , total 221.
- ❑ An additional 39 Full Service office to add to the already 13 existing offices to bring total 52 Full service offices
- ❑ Increased visibility in all 283 municipalities





## NYDA MANDATE Continued

### ***GOVERNMENT RESPONSE AND ALLOCATED INVESTMENT***

- ❑ Through the MTEF process NYDA was allocated R370m for the financial 2010-2011
- ❑ Government funding through National Treasury was a combination of the funding already allocated to the former institutions through the MTEF
- ❑ The allocated funding is approximately 40% of required funding to meet youth expectations and address the challenges faced by youth
- ❑ Allocated funding not nearly adequate to address the youth challenges and expectations



## NYDA MANDATE Continued

### ***NYDA STRATEGY INFORMED BY ALLOCATED FUNDING***

- ❑ Given the limited funding NYDA had to reduced some of its targets and maintain the 10% delivery
- ❑ This immensely affected the increased accessibility to NYDA products and services by the youth
- ❑ The NYDA Strategy was developed in line with available resources
- ❑ NYDA strategy was submitted, presented and approved by the NYDA Executive Authority, National Treasury and Presented to the Portfolio Committee on Women, Children and Persons with Disability in March 2010
- ❑ The Strategy was endorsed as what will be implemented by NYDA due to limited resources



# NYDA Broad mandate

1. Broad Mandate informed by the ACT and Youth Expectations

2. NYDA Requested Funding: R930m

Merger due diligence budget recommendation: R600m



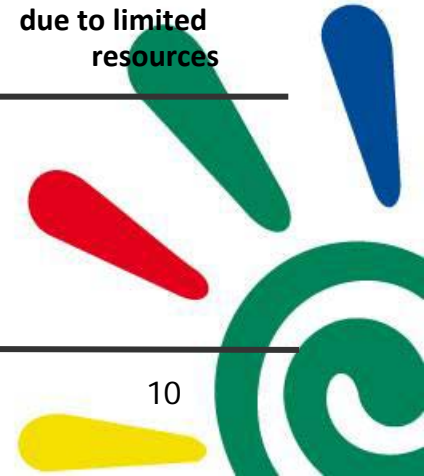
2. Actual Investment= R370



NYDA strategy and reduced targets due to limited resources

3. Annual Results  
Greater Achievements due to partnerships solicited

NYDA Proactive



## **NYDA MANDATE Continued**

### **NYDA STRATEGY**

#### **VISION**

To mainstream and integrate youth development in all organs of state, private sector and civil society for sustainable livelihoods.

#### **MISSION**

To initiate, facilitate, implement, coordinate and monitor youth development interventions aimed at reducing youth unemployment and promoting social Cohesion



## NYDA MANDATE Continued

### ***TARGET GROUP***

- ❑ The NYDA is targeted at youth aged between 14 and 35 years;
- ❑ Emphasis is given to young persons with disabilities;
- ❑ Bias is towards peri-urban, semi-rural and rural areas; and Community projects are prioritised



# OUR KEY PERFORMANCE AREAS

## 1. ECONOMIC PARTICIPATION

Aimed at enhancing the participation of youth in the economy through targeted and integrated programmes. The NYDA will support both profit-making businesses as well as social enterprises that promote job placement, self-employment and income-generating activities.

## 2. EDUCATION AND SKILLS DEVELOPMENT

Aimed at promoting access to quality education and skills to both in-school and out-of-School youth through second-chance interventions for school dropouts and school-to-work programmes.

## 3. EFFECTIVE AND EFFICIENT MANAGEMENT OF RESOURCES

The NYDA aims to set efficient and effective management processes that will ensure that resources are managed optimally. This will be done through effective financial management processes, risk management, legal processes, improved business processes and the development of controls.

## 4. INFORMATION AND COMMUNICATION

Aimed at providing youth with information about various opportunities aimed at improving their living conditions. Through this area of work, the NYDA will also be able to provide information and career guidance services to the youth. National Youth Service Aimed at providing youth with meaningful and accredited skills and activities that benefit their communities through national service and patriotism.

# CONTINUED

## **5. POLICY, LOBBY AND ADVOCACY**

Aimed at creating platforms and other social dialogue forums to engage the state, civil society and other social partners for the purpose of mainstreaming youth development.

## **6. RESEARCH, MONITORING AND EVALUATION**

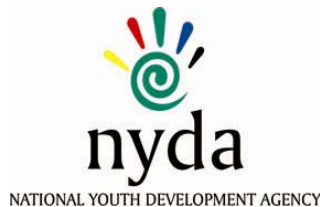
Aimed at generating a body of research, knowledge and best practice in the youth development sector. It will inform various ways through which government, business and other sectors of society can contribute towards youth development.

## **7. SOCIAL COHESION**

Aimed at engaging youth in activities that build their social capital, networks and strengthen the relationships that bind people and communities together. These activities will propel youth to reach their personal goals and develop their full capacity. Furthermore, youth will be aware of themselves and their rights and responsibilities.



# **PART B: ANNUAL REPORT OF THE NYDA FOR FINANCIAL YEAR 2010/2011**





# OPERATIONAL REVIEW REPORT

*Operational review against key performance areas*

## 1. ECONOMIC PARTICIPATION

**TABLE 1: NUMBER OF JOBS CREATED FOR YOUTH IN VARIOUS NYDA PROGRAMMES**

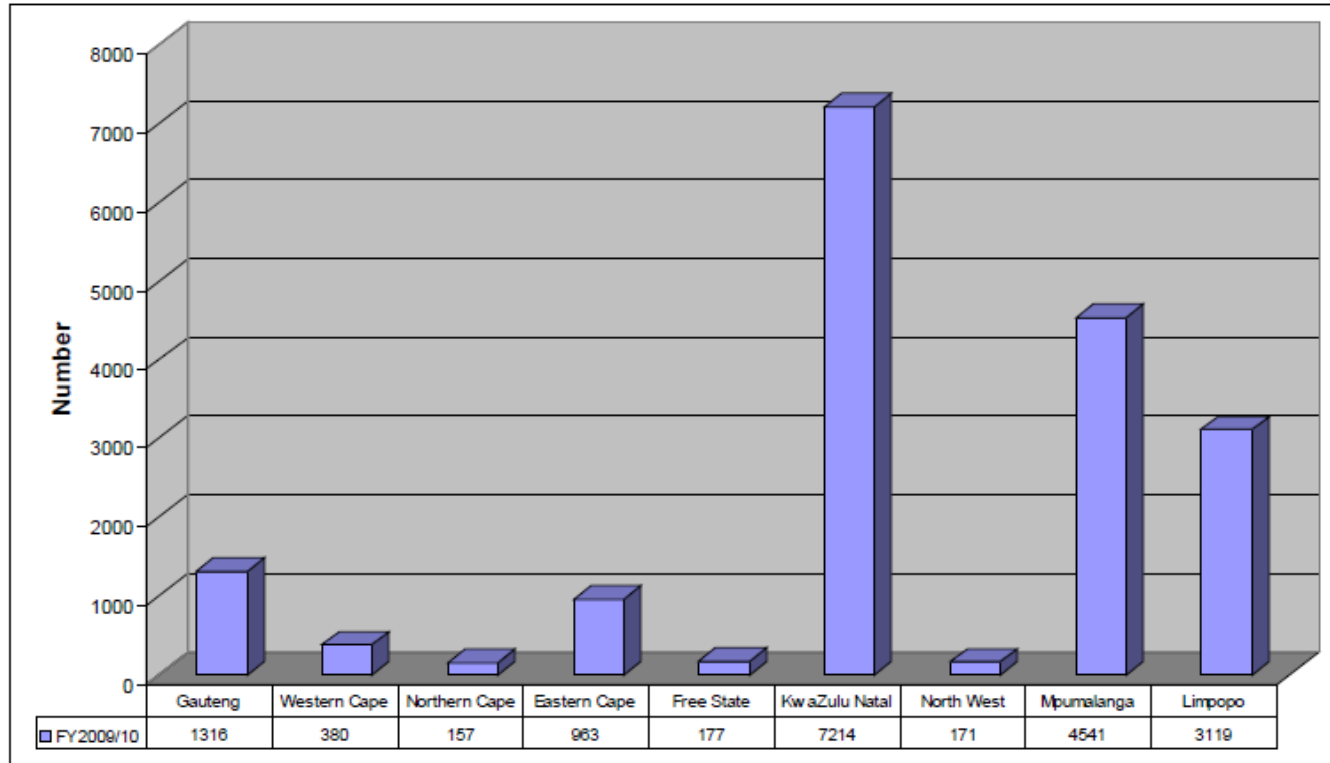
KEY PERFORMANCE INDICATOR	2010/2011 TARGET	YEAR ACHIEVEMENT
Jobs created through business support voucher programme	1,950 jobs created	2,456
Self-employment jobs created through group loans	938 jobs created	384
Self-employment jobs created through micro loans	10,500 jobs created	13,843
Jobs facilitated through placements in job opportunities	1,500 jobs placements	1,355
<b>TOTAL JOBS CREATED</b>		<b>18,038</b>

The NYDA programmes this financial year managed to create 18,038 jobs for young people. These jobs were created through job placements, and self-employment through funding youth businesses to start or expand their business. Jobs created through self-employment initiatives such as the micro-financing programme accounted for a total of 14,227 jobs, which exceeded the target of 11,438 set for the year under review.



# PROVINCIAL BREAKDOWN

Figure 1: Number of jobs created by NYDA programmes by province



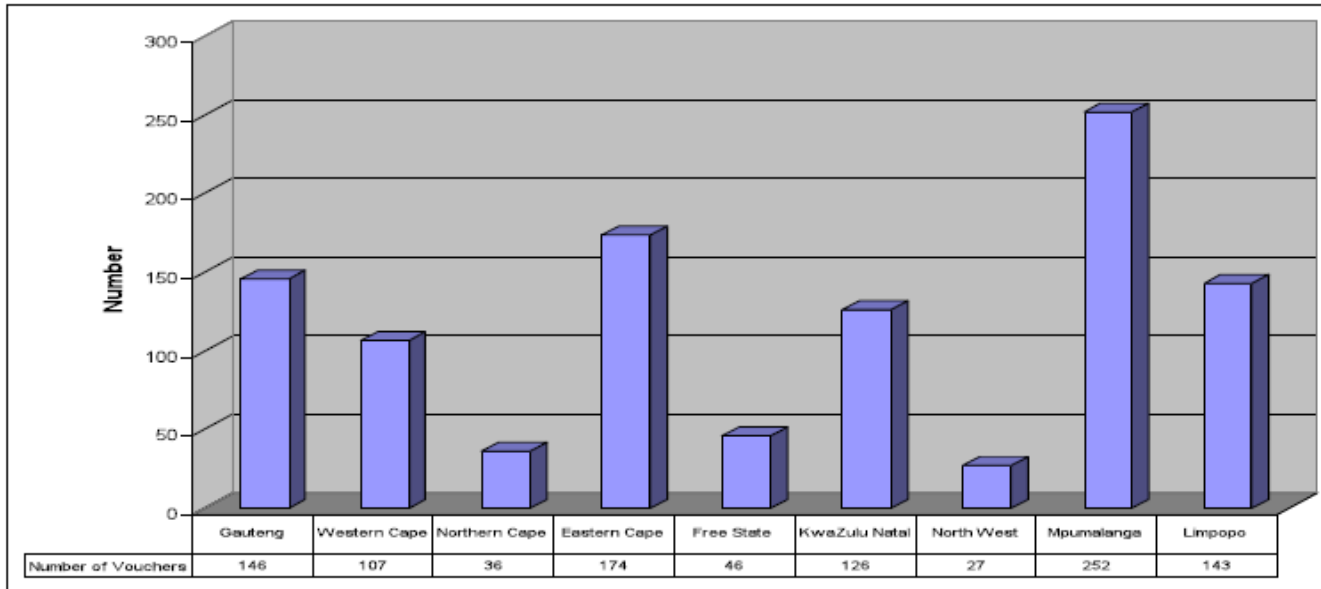
## CONTINUED

**TABLE 2: ECONOMIC PARTICIPATION: BUSINESS SUPPORT PROVIDED TO YOUTH**

KEY PERFORMANCE INDICATOR	2010/2011 TARGET	YEAR ACHIEVEMENT
Business support vouchers issued to beneficiaries	700 business support vouchers issued	1,057
Young entrepreneurs mentored	1,000 young entrepreneurs mentored	1,000
Youth-owned companies registered with CIPRO through business voucher issuance	500 new companies registered with CIPRO.	461
Young entrepreneurs accessing tenders/business opportunities	20 beneficiaries accessing tenders/business opportunities	37
Value of funding and opportunities accessed by youth	R10 million worth of funding and opportunities accessed	R17,5 million
Value of businesses opportunities sourced for voucher recipients	R20 million worth of businesses opportunities sourced.	R78,2 million
Value of loans approved for youth entrepreneurs	R11 million in loans approved	R41,7 million
Value of loans disbursed	R10 million in loans disbursed	R35,5 million
Number of loans issued to young entrepreneurs	8,150 loans issued	13,895

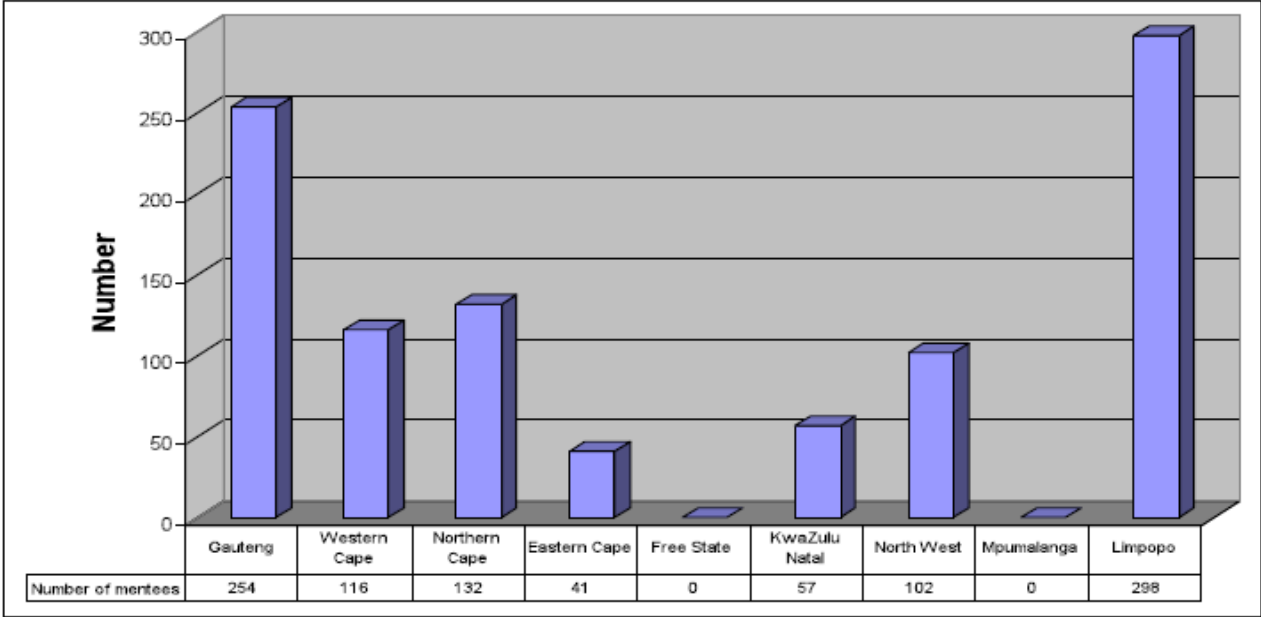
# PROVINCIAL BREAKDOWN

Figure 3: Number of vouchers issued to youth entrepreneurs by province



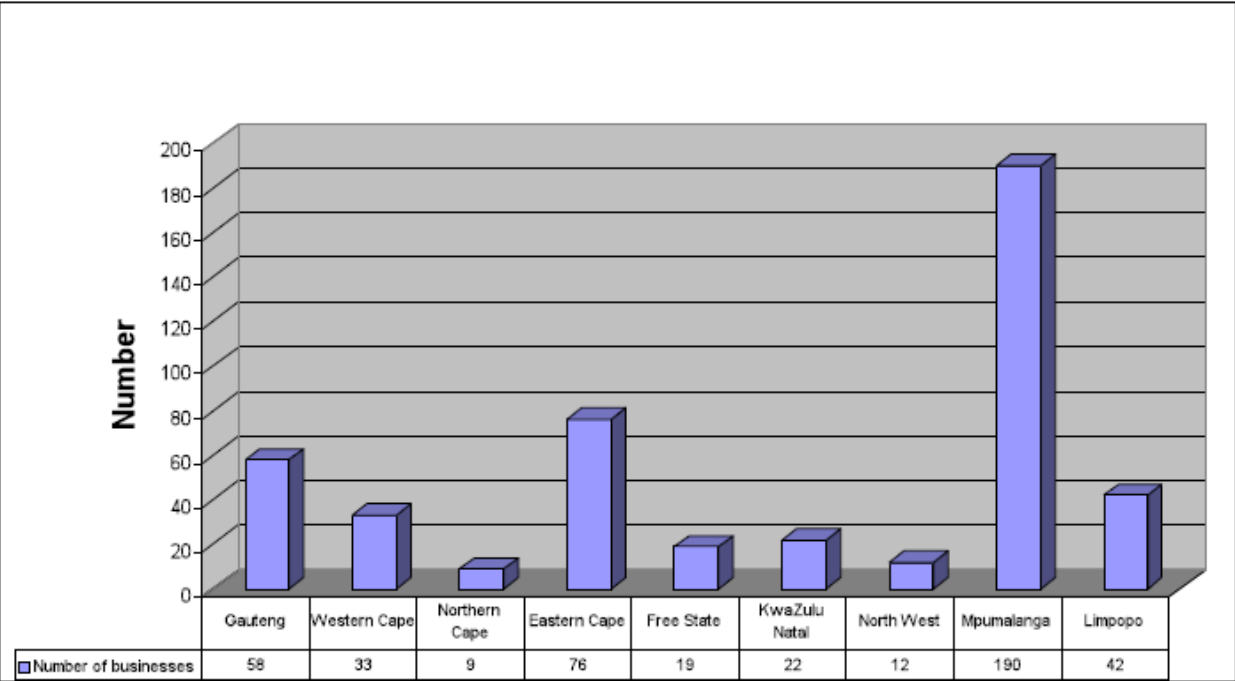
# PROVINCIAL BREAKDOWN

Figure 5: Number of mentees mentored by province



# PROVINCIAL BREAKDOWN

Figure 7: Number of new youth-owned companies registered by province



## 2. Education and Skills Development

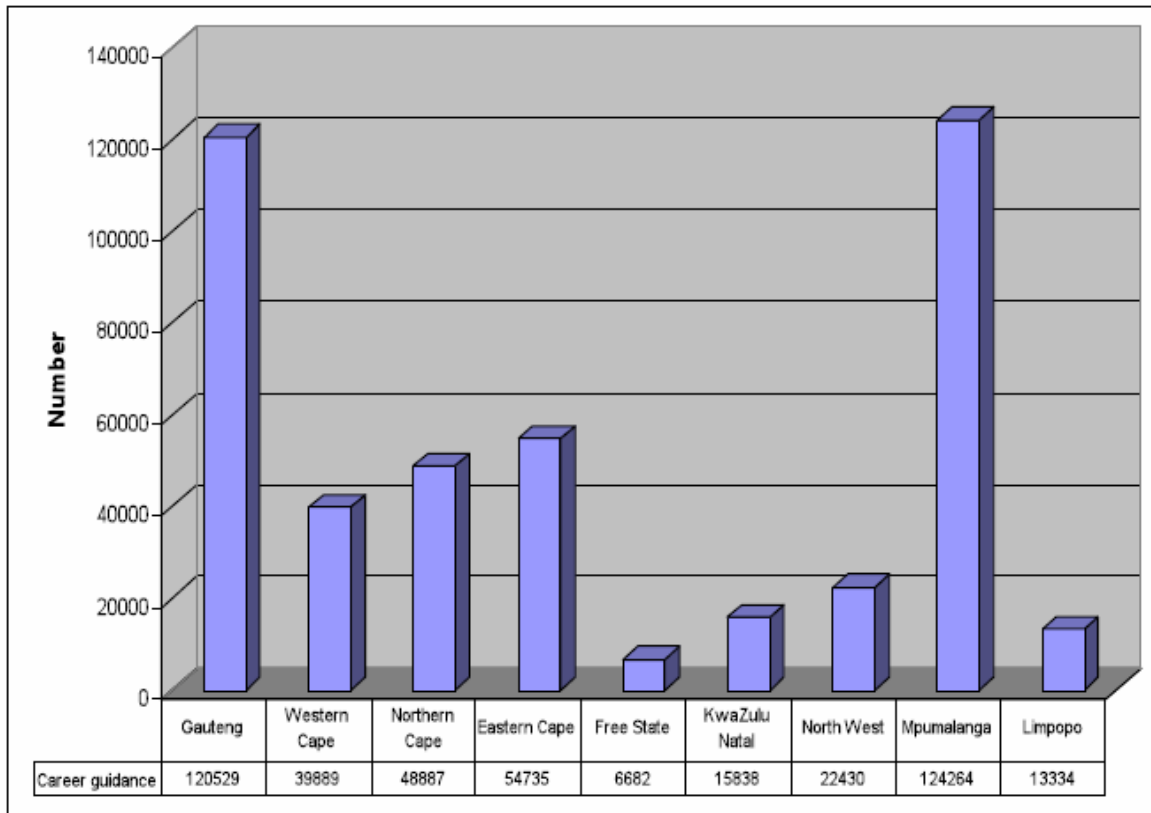
**TABLE 3: NUMBER OF YOUTHS PROVIDED WITH EDUCATION AND SKILLS DEVELOPMENT SUPPORT**

<b>KEY PERFORMANCE INDICATOR</b>	<b>2010/2011 TARGET</b>	<b>YEAR ACHIEVEMENT</b>
Number of young people provided with entrepreneurship and business management skills	15,150 young people	16,656
Number of youths provided with job preparedness training	10,000 youth participated in job preparedness	12,179
Number of young people enrolled in Youth Build South Africa projects	100 young people enrolled	105
Number of young people estimated to be provided with career guidance information	400,000 estimated	446,588
Number of young people enrolled to re-write Grade 12 exams	2,000 enrolled	2,036



# PROVINCIAL BREAKDOWN

Figure 12: Number of young people provided with career guidance by province





### 3. National Youth Service and Social Cohesion

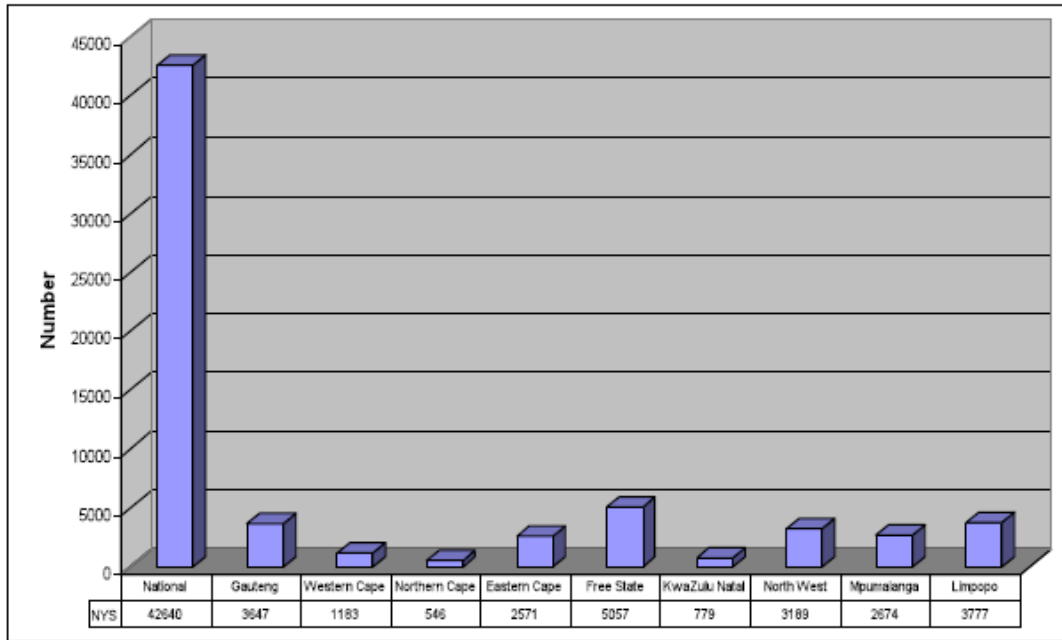
**TABLE 4: National Youth Service**

<b>KEY PERFORMANCE INDICATOR</b>	<b>2010/2011 TARGET</b>	<b>YEAR ACHIEVEMENT</b>
Number of youth enrolled in National Youth Service Programme	50,000 enrolled	66,063
NYS projects registered with government departments	8 NYS projects registered	17
NYS partnerships signed with national, provincial and local governments	5 NYS partnerships signed	49



# PROVINCIAL BREAKDOWN

Figure 14: Number of youth registered in National and Provincial NYS projects



**TABLE 5: Social Cohesion activities for youth**

<b>KEY PERFORMANCE INDICATOR</b>	<b>2010/2011 TARGET</b>	<b>YEAR ACHIEVEMENT</b>
Number of hosted dialogue sessions with young people	6 dialogue sessions	7 dialogue sessions
Hosted patriotism campaigns for young people (1 per province)	9 campaigns	9 campaigns
Comprehensive social cohesion model developed	Documented social cohesion model	Adopted model
Number of youth mobilised to participate in 16 Days of Activism	500 youth participate in the campaign	618 youth
Volunteers recruited to participate in the 2010 Soccer World Cup	15,000 volunteers recruited and participated	18,048 volunteers

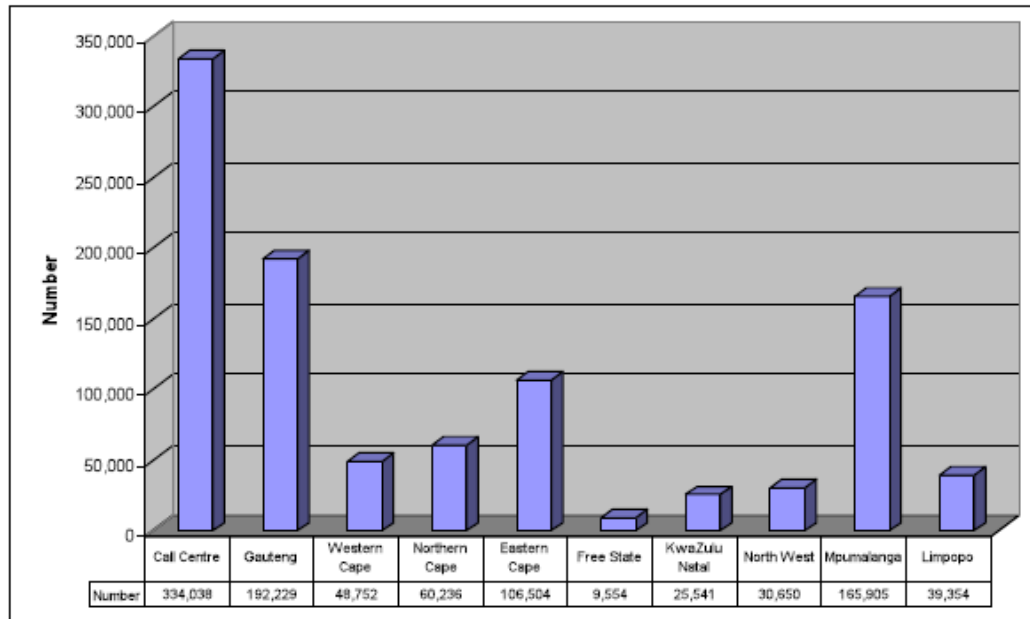
## 4. Information and Communication

**Table 6: Number of youth accessing information and NYDA access points**

<b>KEY PERFORMANCE INDICATOR</b>	<b>2010/2011 TARGET</b>	<b>YEAR ACHIEVEMENT</b>
Number of NYDA information dissemination and access points established	134 access points	144
Number of youth accessing information through NYDA service delivery access points	800,000 youth provided with information	1,012,763

# PROVINCIAL BREAKDOWN

Figure 16: Number of young people accessing information through NYDA access points



## 5. Policy, Lobby and Advocacy

**Table 7: POLICY, LOBBY AND ADVOCACY**

<b>Table 7: POLICY, LOBBY AND ADVOCACY</b>		
<b>KEY PERFORMANCE INDICATOR</b>	<b>2010/2011 TARGET</b>	<b>YEAR ACHIEVEMENT</b>
Written policy and legislation submissions	11 written policy and legislation submissions	11 submissions
Public hearings attended	2 public hearings	7 public hearings
Portfolio committee meetings attended	5 portfolio committee meetings	10 portfolio committee meetings
Constituency work engagements attended	2 constituency engagements	2 constituency engagements
Number of copies of the African Youth Charter distributed	2,000 copies distributed	2,975 copies
Number of copies of the National Youth Policy distributed	2,000 copies distributed	3,501 copies
Draft Integrated Youth Development Strategy (IYDS)	Draft IYDS	Draft IYDS
Provincial board members recruited and appointed (1 board per province)	9 provincial board members appointed	9 provincial boards
Government departments lobbied to establish Youth directorates	5 departments lobbied	6 departments
Municipalities assisted to establish Youth Councils	5 municipalities assisted	5 municipalities
Inter-departmental youth task team meetings held	4 meetings held	4 meetings

## 6. Research, Monitoring and Evaluation

**Table 8: RESEARCH, MONITORING AND EVALUATION**

KEY PERFORMANCE INDICATOR	2010/2011 TARGET	YEAR ACHIEVEMENT
Literature review report on status of youth produced	Copy of literature review	Copy of status of youth literature review report completed
Published report of SME survey	Copy of final SME survey report	Final report received
Completed NYDA Project evaluations	12 project evaluation reports	6 evaluation reports
Approved monitoring and evaluation (M & E) framework and guidelines	Approved copy of M & E framework and guidelines by NYDA Board	Approved M&E framework
Lesson learnt and knowledge brief publications produced on youth development	12 publications	15 publications

## 7. Effective and Efficient Management of Resources

**Table 9: EFFECTIVE AND EFFICIENT MANAGEMENT RESOURCES**

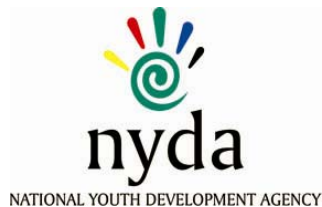
KEY PERFORMANCE INDICATOR	2010/2011 TARGET	YEAR ACHIEVEMENT
Level of clients' satisfaction	90% satisfaction level	88.7% (year average) satisfaction
Reduced current (51%) SME loan book portfolio at risk (PAR) by 10%	10% reduction on current PAR	29% increase
Reduction of current (65%) micro-finance loan book portfolio at risk (PAR) by 15%	15% reduction on current PAR	14% increase
Partnership agreements signed with public and private sector institutions to support NYDA work	10 partnerships	61 partnerships
Maintain effective corporate governance controls	Adequate controls based on internal audit opinion	9 audit reports, acceptable controls audit opinion and 1 weak audit controls opinion

## ANNUAL REPORT OF THE NYDA FOR FINANCIAL YEAR 2010/2011

- As we present to you today, the annual report with a clean audit opinion award, we look back with pride as our delivery record has improved significantly in the financial year 2010 to 2011.
- We achieved **42 out of the 49** key performance indicators thus scoring an **85% of total targets achieved**. Of the 42 targets met, some were greatly exceeded and the seven that were not met were behind with only a few points. This indeed is a significant improvement.



# FINANCIAL INFORMATION





# NYDA FINANCIAL PERFORMANCE INFORMATION

*Total Revenue for the Agency for the year under review and how it was expended:*

DESCRIPTION	AMOUNT
<b>Revenue (Excluding WFDY)</b>	
Government Grant	R 369 Million
Interest Income	R 10 Million
Loans Capital Repayments	R 39 Million
<b>Total Revenue</b>	<b>R 418 Million</b>
<b>How the revenue for the year was spent</b>	
<b>Youth Development Projects Costs</b>	
Internal Projects Disbursements	R 156 Million
External Projects Disbursements	R 44 Million
<b>Total Youth Development Project Costs</b>	<b>R 200 Million</b>
<b>Enterprise Financing for Young People Owned Business Ventures</b>	
Small and Medium Enterprises	R 2 Million
Micro Finance and Cooperatives	R 5 Million
<b>Total Enterprise Financing</b>	<b>R 7 Million</b>

## CONTINUED

DESCRIPTION	AMOUNT
<b>Support Staff Employee Costs</b>	
Employee Costs	R 43 Million
<b>Capital Expenditure Costs</b>	
Property Plant and Equipment	R 2 Million
Intangible Assets	R 3 Million
<b>Total Capital Expenditure Costs</b>	<b>R 5 Million</b>
<b>Operating Costs</b>	
Operating Costs	R 104 Million
<b>Total Operating Costs</b>	<b>R 104 Million</b>
<b>Total Expenses</b>	<b>R 361 million</b>
Surplus	R59 million
WFDY	R43 million
<b>Cash on Hand at Year End</b>	<b>R16 million</b>

# FINANCIAL INFORMATION ANALYSIS

## Total Funds Received

- ❑ Government Grant – 88%
- ❑ Loan repayment and Interest Income – 12%

## Service Delivery Expenditure

- ❑ Youth Development Projects Costs
  - Internal Projects Disbursements – 37%
  - External Projects Disbursements – 11%
- ❑ Enterprise Financing for young people owned business ventures – 2%

## Support Costs

- ❑ Staff Employee Costs – 10%
- ❑ Capital Expenditure Costs – 1%
- ❑ Operating Costs – 25%

**Cash on Hand – 14%**



# HUMAN RESOURCES AND STAFFING MATTERS

- National Board Members 7
- Provincial Advisory Board members 61
- Executive Managers 8 (2 Acting positions)
- Chief Operations Officer and the Chief Financial Officer
- Inherited Staff (UYF 320 + NYC 29)
- New recruits 34
- Total 447



## HR AND STAFFING MATTERS

<b>Total number of Staff for the NYDA</b>	<b>447</b>
<b>Senior Management salary</b>	<b>R 32,599,672.71</b>
<b>General Staff salary Bill</b>	<b>R 89,019,833.05</b>
<b>Provincial Advisory Board Members</b>	<b>R 9, 944,712</b>
<b>National Board Members</b>	<b>R 3,352,767</b>
<b>The total salary bill for the NYDA</b>	<b>R 134,916,984.76</b>
<b>The average salary of the NYDA</b>	<b>R 322,269 per annum</b>



## FINANCIAL INFORMATION ANALYSIS (CONTINUED)

### ❑ Internal projects disbursement

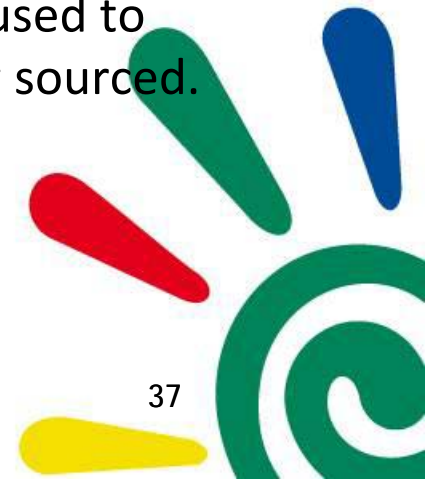
- Staff Employee Costs – R90 million
- Projects Operating Costs – R66 Million

### ❑ Enterprise financing for young people owned business adventures

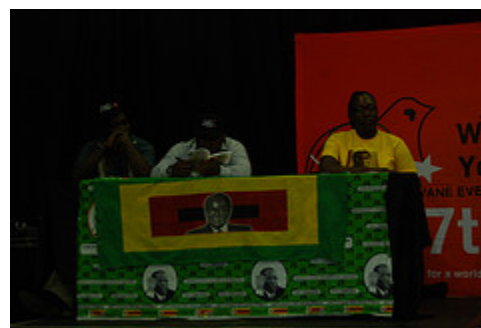
- Enterprise Financing disbursed more on Micro Finance as it benefits more young people rather than the disbursement on SME which benefit few individuals.

### ❑ Cash surplus

- The cash surplus at year end appears more – Part of it was used to fund WFDY due to non – recovery of some expected funding sourced.



**PART C**  
**REPORT ON:**  
**WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)**



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### BRIEF BACKGROUND TO WFDY

- The Festival was organised by the World Federation of Democratic Youth (WFDY)
- The WFDY was founded in London in 1945, in London
- Its Membership includes over 63 nations, all over the world
- Currently its headquarters are in Budapest, Hungary
- WFDY's Agenda is:

***“... the struggle against imperialism and war, for democracy and freedom, for social progress, for peace, for a new society without exploitation, for national sovereignty and international solidarity is determinant and a contribution for the fight's development and for the conquest of the youth rights.”***





## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### THE FESTIVAL BID

- ❑ WFDY had held 16 festivals before, the last one was in Caracas with 17000 participants from 144 countries.
- ❑ In March 2010, The NYDA delegation presented a bid to the World Federation of Democratic Youth (WFDY) to host the Youth Festival in South Africa
- ❑ The WFDY indicated that only members of the body can bid to host the WFYS, (NB: in South Africa the ANCYL is the only member) thus the partnership



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### FUNDRAISING AND PROCUREMENT PROCESS

- ❑ After South Africa was announced as the hosts of the WFYS, NYDA approached government for funding and also sought the services of an events management company.
- ❑ A National Preparatory Committee (NPC) was set up by the board to help with political organization of the festival
- ❑ After a normal bid process, the NYDA appointed a single service provider to handle the whole project in a turnkey arrangement.
- ❑ The Service Provider (Global Interface) was to fundraise and procure all other goods and services required for a successful festival on condition that they be paid a percentage of the amount fundraised.




## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### FUNDRAISING AND PROCUREMENT PROCESS CONT...

- Unfortunately SP (Global Interface) withdrew at the eleventh hour
- The NYDA had to then handle those responsibilities with the help of the NPC, thus a policy compliant approval for the DEVIATION from normal process.
- Given the fact that it was December, the NYDA was encountered with real challenges in executing the responsibilities.
- Under circumstances, NYDA did well



# WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS): NYDA TENDER

 <p><b>OUR YOUTH. OUR FUTURE.</b></p>	
<p><b>The National Youth Development Agency (NYDA) is a national public entity established through the NYDA Act 54 of 2008 and by merging the National Youth Commission (NYC) and Umsobomvu Youth Fund (UYF). The mandate of the NYDA is to develop and implement integrated and sustainable youth development programmes, as well as create and promote coordination in youth development matters in the country.</b></p>	
<p>The NYDA invites bids for rendering of a service by a professional event management company to organise and manage content and logistics for the XVII World Festival of Youth and Students Conference.</p>	
<p><b>BID Number: RFP/2010/IRP</b> <b>Closing Date: 10 September 2010 at 11:00</b> <b>Briefing Session: 06 September 2010 at 10:00</b></p>	
<p>Contact Jack Serite at 011 651 7272 for Procurement related questions and Mzwabantu Ntlangeni at 082 332 1534 for Technical related issues.</p>	
<p>The Bid documents must be deposited in the tender box which is situated at the following address: <b>Agency House, 11 Broadwalk Avenue, Midrand, Halfway House, 1685</b></p>	
<p>All bids must be submitted on the official forms. Terms of reference can be accessed at <b><a href="http://www.nyda.gov.za">www.nyda.gov.za</a></b></p>	
<p><i>Late bids will not be considered. Bids submitted through e-mail will not be considered. This bid is subject to general conditions of contract and if application any other special conditions of the contract.</i></p>	



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

- ❑ From the 13th-22 December 2010 The NYDA hosted the XVII World Festival of Youth and Students, attended by 15 000 Participants from 126 nations across the globe.

### OBJECTIVES OF THE WFYS

- ❑ Promotion of youth participation in democratic process, in civic decision making, community and all development levels
- ❑ Responsiveness to the needs and aspirations of the youth in a participative manner
- ❑ Promotion of the value of sustainability without compromising the needs of current and future generations



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### *Common ground for NYDA's objectives and WFYS'*

- ❑ The festival aimed at “Uniting the youth for the world of peace, solidarity and social transformation”
- ❑ NYDA is charged with raising critical policy issues aimed at impacting governments of the world
- ❑ NYDA must mainstreaming the African Youth Agenda
- ❑ NYDA has an obligation to forge social cohesion amongst the SA's youth and the Youth in the Region, Continent and the World.
- ❑ The Festival discussed amongst others, xenophobia
- ❑ The NYDA has to promote education and training
- ❑ The Festival discussed issues on education, including the issue of free education up to the first tertiary level qualification for all.



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFDY)

### WFYS ACHIEVEMENTS

- ❑ The declaration by the festival delegates outlines the critical policy interventions anticipated by the youth of the world from world organization of states and the governments.
- ❑ The most concrete proposal by the festival is that the United Nations should be lobbied to adopt the declaration as its own and ensure its realization. Festival Resolutions strongly influenced the **recently adopted by the UN which are:**
- ❑ Uniting the youth for a world for peace, solidarity and social transformation to create a world free of human rights abuses and creation of sustainable environment
- ❑ Raised critical current issues in order to impact the shaping of policies of governments of the world.



## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFSY)

### WFYS ACHIEVEMENTS CONT...

- ❑ Mainstream the African youth agenda and place youth from Africa, Latin America and the Middle East at the center of the World Youth Development Agenda
- ❑ Average expenditure per person per day was R700 ( food, transport and accommodation)
- ❑ About 1200 temporal Jobs created for the duration of the festival
- ❑ Tourism was boosted in Pretoria and the surrounds fro the duration of the festival





## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

### THE DECLARATION

- Paid tribute to the first South African to be elected as President of WFDY, Mr. Andile Yawa, from Port Elizabeth.
- Highlighted and acknowledged the role of women in the struggles against oppression.
- Expressed concerns on the growing problem of youth unemployment.
- Condemned wars and international terrorism.
- Stressed the importance of education for all the youth of the world.
- Expressed condemnation of the increasing problems of drug use by youth.
- Expressed urgency of interventions to curb the scourge of HIV and AIDS particularly among youth.
- Called for an end to wars and violations of human rights in many parts of the world including Africa.
- Denounced xenophobia in all its forms.
- Expressed support and solidarity with democratic struggles around the world.



## EXPENDITURE:

DESCRIPTION	AMOUNT
Administration	R106,000
Security	R2,801
Travel and Accommodation	R27,118
Catering Services	R27,716
Advertising	R3,019
Media Products	R28,595
Launch	R16,021
<b>TOTAL COST OF THE FESTIVAL</b>	<b>R106, 376</b>



# INCOME FUNdraISED

World Festival of Youth and Students	
INCOME STATEMENT	Income
	R'000
<b>Total contribution from Partners</b>	<b>82,192,176</b>
Department of Arts and Culture	3,000,000
Premiers Office - Free State Province	1,000,000
Premiers Office - Mpumalanga Province	1,592,775
Premiers Office - Eastern Cape Province	1,000,000
Premiers Office - Northern Cape	1,000,000
Premiers Office - Limpopo Province	1,000,000
Eden Municipality	10,400
Overberg Municipality	9,600
Chris Hani District Municipality	52,000
Western Cape- Cape Winelands Municipality	13,600
Batataise Municipality	2,500
WC/ Beaufort West	1,600
Gauteng/ WFYS	5,600
Makhuduthamaga Municipality	10,400
Bitou Municipality	13,600
Oudtshoorn Municipality	12,000
Breede Valley Municipality	13,600
Knysna Municipality	13,600
Namibia Youth Council	191,400
Hessequa Municipality	13,600
Department of Communications	1,890,296
Medium Term Expenditure Framework	29,000,000
Delegates registration fees	2,345,605
Lotteries Board	40,000,000
Fundraising in progress	17,808,069.42

## ...WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

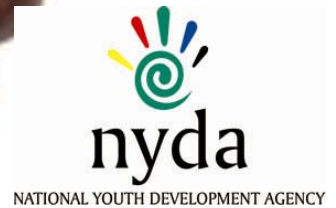
### INVESTIGATION BY THE PUBLIC PROTECTOR

- Complaints in relation to the Festival were lodged with the Public Protector by the AfriForum
- Main complaint and the initial inquiry sought to answer two questions: Was the festival within the NYDA mandate? Was there any misappropriation of funds?
- Further enquiry related to the role of the ANC Youth League
- We are still awaiting the outcomes of the investigation

**NB: FEEL FREE TO CHECKOUT MORE INFO ON OUR WEBSITE, [WWW.NYDA.GOV.ZA](http://WWW.NYDA.GOV.ZA)**



## PART D: ANNUAL AUDIT OUTCOME 2010-2011



# AUDIT OUTCOMES

## Opinion:

Unqualified audit opinion

## 5 Matters of Emphasis:

Significant uncertainties

Restatement of corresponding figures

Irregular expenditure

Fruitless and wasteful expenditure

Material impairments



## EMPHASIS OF MATTER: FINANCIAL INFORMATION

The AG has, without amending his clean audit opinion, highlighted few emphasis of matter. It is important to note that some have since been resolved, whilst we are working tirelessly to improve on others. These matters include the following:

### 1) Restatement of Prior Year Figures

The Auditor General has reported an accounting error that happened in the previous financial year 2009/2010, in this regard a loan amount to the value of R 3.6 million received from First National Bank in terms of a joint venture agreement between the NYDA and FNB was incorrectly accounted for as an accrual.

### 2) Irregular Expenditure

For the financial year 2010/2011 the NYDA incurred expenditure to the value of R67 649 297 that was not in accordance with the requirements of the treasury regulations. Of these irregular expenditure incurred R26 million relates to expenditure incurred for the World Festival of Youth.



## **EMPHASIS OF MATTER: FINANCIAL INFORMATION** (continued)...

### **3) Fruitless & Wasteful Expenditure**

The Auditor General reported on fruitless and wasteful expenditure incurred by us as the NYDA to the value of R 2 million. This expenditure arose from interest paid by the NYDA to Old Mutual. We were liable for this interest as a result of late payment of management fees to Old Mutual in relation to a Joint Venture that was entered into during the Umsobomvu Youth Fund days.

### **4) Material Impairments**

This refers to clients who have the “potential” not to pay. This is not bad debt yet. The Auditor General also reported on material impairments on the NYDA’s loan book which had to be impaired during the financial year which amounted to R 38 million.





# ACTION PLAN ON AUDIT ISSUES

Summary of audit finding	Responsible Person	Corrective action or action taken to prevent recurrence of finding	Expected completion date
<b>Significant Uncertainties</b> (Contingent Liability arising from a claim by the City of Tshwane on transport costs for the world festival of youth and students)	CEO/CFO	Meeting with the City of Tshwane to resolve the dispute	The matter has been resolved. An agreement has been reached with the City where the costs will be shared equally by the City and NYDA (i.e 50:50) which amounts to R 2.8 million.
<b>Restatement of corresponding figures</b> (A loan from FNB erroneously accounted for as an accrual in the financial statements of the 2009/2010 financial year)	CFO	Restatement of the prior year figures	This matter has been resolved, the annual financial statements for the 2010/2011 shows a restated figure of prior year figures.
<b>Irregular Expenditure</b> (R26 million relating to the WFDY festival and R 41 million relating to normal operations of the NYDA)	CFO	For WFDY ( No action as this was a result of time constrains when the festival was held) For Normal Operations, Centralisation of procurement within the entity and going to tender where there were no contracts with suppliers.	Centralisation implemented on 01 October 2011 and contracts being entered into with service providers, i.e. the major expenditure related to travel expenditure and a tender has been issued and it will close on the 27 of October 2011 and appointment of the service providers will be made.
<b>Fruitless and Wasteful Expenditure</b> (Old Mutual, FNB, MERSETA, interests due to late payments of the management fees and failure to negotiate retaining of savings on a sponsorship granted to NYDA)	CFO	Payment of suppliers timeously	Implemented already
<b>Material Impairments</b> (Amounts affected by the possibility of non-repayment of loans by beneficiaries)	CEO and Executive Management	Revision of the funding model for micro finance lending	To be implemented before the end of the financial year.

# CONTINUED

Summary of audit finding	Responsible Person	Corrective action or action taken to prevent recurrence of finding	Expected completion date
<p><b>Annual Performance and Annual Financial Statements</b> (Failure to account for transactions in accordance with GRAP which resulted changes being made on the annual report submitted to the Auditor General for audit purposes)</p>	CFO	Accounting for transactions accurately	Already Implemented
<p><b>Procurement and Contract Management</b> (Non compliance to the PFMA and Treasury Regulations resulting in irregular expenditure and fruitless and wasteful expenditure)</p>	CFO	Adherence to PFMA and Treasury Regulations	Already Implemented
<p><b>Borrowings</b> ( An amount paid for by First National Bank on behalf of the former Umsobomvu Youth Fund on the re-capitalisation of the Joint Venture between the two institutions)</p>	CFO	Adherence to the PFMA	The Agency has no plans to make any borrowings in the future
<p><b>Internal Controls</b> (Leadership vacuum and weak internal control environment affecting the financial management due to the vacant positions of the Chief Financial Officer and General Manager: Finance)</p>	CEO/CFO	Appointment of the Chief Financial Officer and General Manager: Finance	The CFO has been appointed and has resumed duties as of the 1 <sup>st</sup> of June 2011 and the General Manager: Finance has been appointed and will resume duties on the 7 <sup>th</sup> of November 2011.

## WORLD FESTIVAL OF YOUTH AND STUDENTS (WFYS)

- ❑ From the 13<sup>th</sup>-22 December 2010 The NYDA hosted the XVII World Festival of Youth and Students, attended by **15 000** Participants from **126** nations across the globe.



# PART E: 2010-2011 HIGHLIGHTS



# HIGHLIGHTS of FINANCIAL YEAR 2010-2011

- ❑ ACCELERATED ARTISAN TRAINING PROGRAMME (ATTP)
- ❑ NYDA introduced lending policy reforms in the area of collateral and Loan Interest rates now @6% no longer prime plus 5
- ❑ MATRIC REWRITE PROGRAMME
- ❑ ITHUBA LENTSHA PROGRAMME
- ❑ INTENSIFIED NYS



## Measures introduced to manage defaulting loan clients:

- ❑ A zero tolerance approach has been adopted where all defaulting clients from both Microfinance and SME are immediately handed over for legal collection by our attorneys.
- ❑ The general practice for written off loans is that they are removed from the books but collection on same still continues and where there has been successful collection this portion is accounted for as bad debts recovered which accounts for our profits.
- ❑ Since the implementation of these measures, there has been an increase in payments by defaulting clients, others have made payment arrangements. In addition a decision has been taken to restructure the loan repayments based on affordability.
- ❑ There has been an increase of 6% in loan repayments during the second quarter for SME Loans, and this increase was as a result of the measures taken.

# MANAGING THE PORTFOLIO AT RISK

- ❑ The introduction of Microfinance Product Specialists (MFPS) within the new structure will ensure that for Microfinance each of the four MFPS has been allocated to at least three provinces. Their roles include, but are not limited to the following:
  - a) Compliance Issues as identified in the Risk Register
  - b) Product Roll out support – to ensure that the right methodology is used for the writing of the loans which will result to quality loans
  - c) Collections Support – to ensure that they assist branches with their respective collection strategies and collection drives
- ❑ **Microfinance Task Team:** A MF Task Team has been constituted to include Finance and Risk. The role of this committee is to ensure that the whole cycle of the microfinance product roll out is revisited and restructured in order to eliminate the writing of bad loans.
- ❑ **After Care:** At SME, more and regular aftercare have been planned. This will enable identification of problems that the businesses are facing at a very early stage. This will also allow NYDA to verify the pledged collateral from time to time.

