

ATTENTION: ALL MEDIA

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AUDITOR GENERAL GRANTS NYDA 2022/2023 CLEAN AUDIT OUTCOME

The NYDA is pleased to announce a **ninth** consecutive **clean** audit report from the Auditor General of South Africa for the 2022 / 2023 financial year. Upon the appointment of the first ever in history, female-led NYDA Board in December 2021, the NYDA has continued to meet its planned targets.

Understanding the importance of good governance, the Board has committed to ensuring that the agency continues to perform and yields its mandated and desired outcomes.

Irregular and fruitless and wasteful expenditure

The NYDA has also achieved **zero** irregular expenditure in the 2022 / 2023 financial year.

Achievement of Key Performance Indicators

The Agency proudly achieved all 29 out of the 29 planned targets for the financial year which were set by its Executive Authority and approved by the Parliament of South Africa. Such performance therefore translates to a 100% performance achievement. Key highlights of the agency's performance achievements include R219 million in additional donor funding raised from various stakeholders in the public and private sector.

Other highlights are as follows:

Youth entrepreneurship

- Over 34 000 young people have been supported through non-financial business development interventions.
- Over 2 300 youth-owned enterprises in the township and rural economy provided with grant funding to start up their businesses through the NYDA Grant Program.
- Over 6500 jobs have been collectively created and sustained by our funded youth-owned enterprises.

Revitalised National Youth Service

One of the core deliverables of the Presidential Youth Employment Intervention which is a signature program of the sixth administration was the revitalisation of the National Youth Service program implemented as a collaboration of the Presidency, NYDA and the Jobs Fund. During the 2022 Youth Day Commemorations President Ramaphosa announced the launch of the revitalised National Youth Service in the country. To



date, we are proud to announce that close to 48 000 young people have participated in the revitalised NYS with over 10 000 having already transitioned into longer term more sustainable employment and enterprise activities.

Young people are engaged in community service activities in sectors such as Surveys and Digital Mapping, Sports and Recreation, Arts, Culture, Entertainment, Food Security, Child Nutrition, Learner Support Programmes, Social Support Services, Solidarity and Care, Community Works, Revitalization, Early childhood development/ Early Learning, etc. The young people recruited through the program will have an opportunity to serve their communities for 16 hours per week, earning at the National Minimum Wage for them to pursue other prospects post the program while learning new skills.

Through the National Youth Service (NYS) programme, young people will be engaged in Community Service activities. The primary aim of the NYS programme is to mobilise young people to become active citizens of the country's democracy, while earning an income and increasing their employability. The purpose of the Community Service activities as envisaged for the NYS programme is also to enhance service delivery efforts and improve the lives of marginalized communities.

The NYDA has since published the call for proposals for the second round of the National Youth Service program and would like to encourage civil society to apply for participation in the program.

Integrated Youth Development Strategy

The NYDA is also pleased to report that after a thorough consultation process comprising of young people, business, government, Parliament, civil society and organised labour, the first Integrated Youth Development Strategy was approved by Cabinet on the 15th of June 2022. The Integrated Youth Development Strategy (IYDS) is aligned to the National Development Plan and the National Youth Policy 2030.

The NYDA has published in the financial year 2022 / 2023 both the second progress report on the IYDS as well as the Status of the Youth Report.

The Integrated Youth Development Strategy (IYDS) seeks put young people at the heart of the country's development agenda. The strategy creates a framework where all youth related work in South Africa can be coordinated and linked, to build relationships, foster information-sharing, avoid duplication and ultimately maximize impact. The strategy has five key pillars which include economic transformation, education and skills development, health, social cohesion, and an effective youth development machinery. In the main the IYDS will aim to drive accountability in the system through ensuring that government meets its commitments to young people.

Closure of the NYDA's loan book

Given that the NYDA was no longer providing new loans and had moved to a grant-based model since 2014, the fourth Board of Directors of the agency, building on the work of previous Boards aimed to bring to a conclusion the loan book of the NYDA.



Therefore, the Board guided by processes in the Public Finance Management Act, which has been tested through a rigorous audit procedure can confirm the following about the R384.2 million loan financing:

- R230.6 million (60%) was collected.
- R153.6 million (40%) has been converted to grant finance.

The collected amount is in line with best practices for development finance institutions.

This is a significant decision which aims to lessen the burden on youth who already face a myriad of challenges and closing the historical loan book of the Agency. It responds to the need to have more young, African entrepreneurs who can start and scale enterprises to address the high levels of unemployment without the burden of debt.

Provincial commitments towards youth

The Agency commends the Gauteng Provincial Government for the progressive and intensive campaign on employment of youth and calls on other Provinces to follow suit in the prioritisation of youth employment.

Future of the Presidential Youth Employment Intervention (PYEI)

The PYEI is South Africa's most comprehensive effort to address youth unemployment to date. Its goal is to enable more young people to move from **learning to earning**. It seeks to coordinate, accelerate, and enhance existing programmes as well as unblock pathways to employment, training, and youth enterprising.

The NYDA is currently making requests to National Treasury to prioritise the extension of the PYEI over the Medium-Term Expenditure Framework.

This statement comes against the backdrop of the serious economic and social challenges faced by the country and fiercely compounded by the Covid-19 pandemic and increasing cost of living crises. Young people excessively bear the discomfort of these economic and social challenges. Youth unemployment remains one of the foremost challenges that a democratic South Africa faces. We must therefore rally behind the economic recovery plan announced by government and ensure that young people are placed front and centre of the plan. Equally, it is our duty to address the systematic and structural challenges that have created South Africa's unemployment challenge which continues to perpetuate poverty and inequality.

The Board of the NYDA expresses its appreciation to the Executive Authority, Portfolio Committee on Women, Youth, Persons with Disabilities, Management and all NYDA employees for their efforts, oversight, and support in achieving another clean audit outcome.

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