



RAPID IMPACT ASSESSMENT FOR YOUTH MICRO ENTERPRISE RELIEF FUND

NOVEMBER 2022

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Date

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1 Acronyms

Acronym	Definition
NYDA	National Youth Development Agency
COVID-19	Coronavirus disease covid-19 (SARS-CoV-2)
n = 100	Sample data of 100 surveyed businesses
SMME	Small Medium Micro Enterprise
WHO	World Health Organisation
R.S.A.	Republic of South Africa
ZAR	South African Rand



2 Executive Summary

2.1 NYDA Overview

The National Youth Development Agency (NYDA) is a South African based agency established primarily to tackle challenges that the nation's youth are faced with. The NYDA was established by an Act of Parliament (Act No. 54 of 2008). The institution was established to be a single, unitary structure, established to address youth development issues at National, Provincial and Local government level.

2.2 Purpose & Objectives

The purpose of the report is to evaluate the impact made by the relief fund towards the youth business owner's beneficiaries. The study therefore falls within the two priority areas a) economic transformation b) entrepreneurship and job creation' within the context of youth development.

The objectives of this impact assessment include:

- a) Determining the percentage of youth that were beneficiaries of the program
- b) Assessing the impact of the grant relief on SMMEs
- c) Evaluating perception of NYDA interventions on youth owned business
- d) Assessing the effects of Covid - 19 towards employment, business, and other opportunity
- e) Measuring youth participation on grant relief program S.A
- f) Measuring the impact of grant relief post Covid -19 towards functioning of youth owned companies
- g) Determining solutions and recommendation for improving young entrepreneurs

2.3 Research Methodology

The methodology includes relevant literature review (secondary research) and analysing primary data and administration data from NYDA Beneficiary list of the grant relief program recipients.

The approach and methodology adopted for Identifying all the variables were as follows:

- Sourcing of primary data for status analysis (NYDA Administration data - beneficiaries)
- Reviewing and analysing the secondary data.
- Conducting focus groups across the country for sampled businesses.

- Conducting interviews with relevant persons (beneficiaries of Grant Relief)
- Providing Recommendations

2.4 Data Gathered and used

The Evaluation based its findings on data gathered through surveys, interviews, and focus groups. This included **56 survey responses, 50 interviews** and **10 focus group** participants, totaling **116 consultations**. Based on the **303 stakeholder** contacts provided, the completed consultations represent a response rate of **38,2 %**.

The Study is predicated on an aggregate population of **1199** beneficiaries. Out of the aggregate population the Project Team was provided with contact details for **303 beneficiaries**, thus representing a Research Population of 303. The entire Research Population was approached for input, resulting in consultations covering **116 beneficiaries** (a Research Sample of **38,2%** of the Research Population, equal to **9,6 %** of the aggregate population), with the remainder of the Research Population being non-responsive. At **38,2%** of the Research Sample, completely represented in the Project findings as it is, meets the key requirement from the Project terms of reference a minimum of **30%** of the beneficiaries' feedback should find expression in the actual final report.

Data Collection Method	Respondents Actual	Count	Total
Focus Groups			116
Grant Beneficiaries	10	10	
Interviews			
Grant Beneficiaries	50	50	
NYDA	0		
Online Surveys			
Grant Beneficiaries	55	56	
NYDA Management	1		

2.5 Summary of Findings

A summary of 100 beneficiaries surveyed is indicated in figure 1. There were 44% of Female participants in the grant relief fund and 56% Males who were impacted. Survey data indicate that the top three sectors that received most grants were the Service Sector at 23%, followed by Manufacturing at 11% and ICT at 10,6%. Highest participation was in Gauteng province with 34,5%, followed by the Western Cape with 22%. The total Jobs that were created was 195.

Beneficiary Profile (Sample 100)

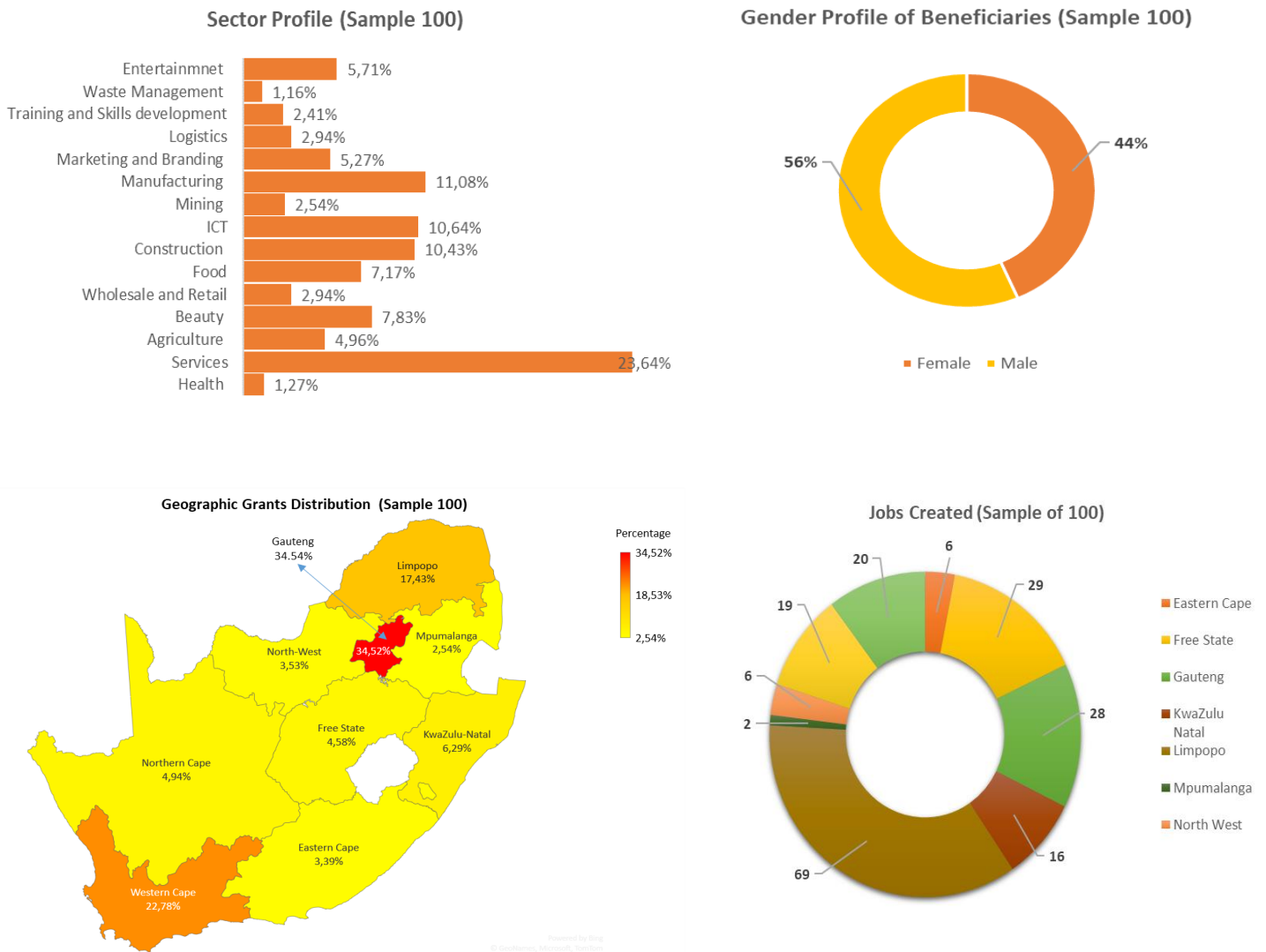
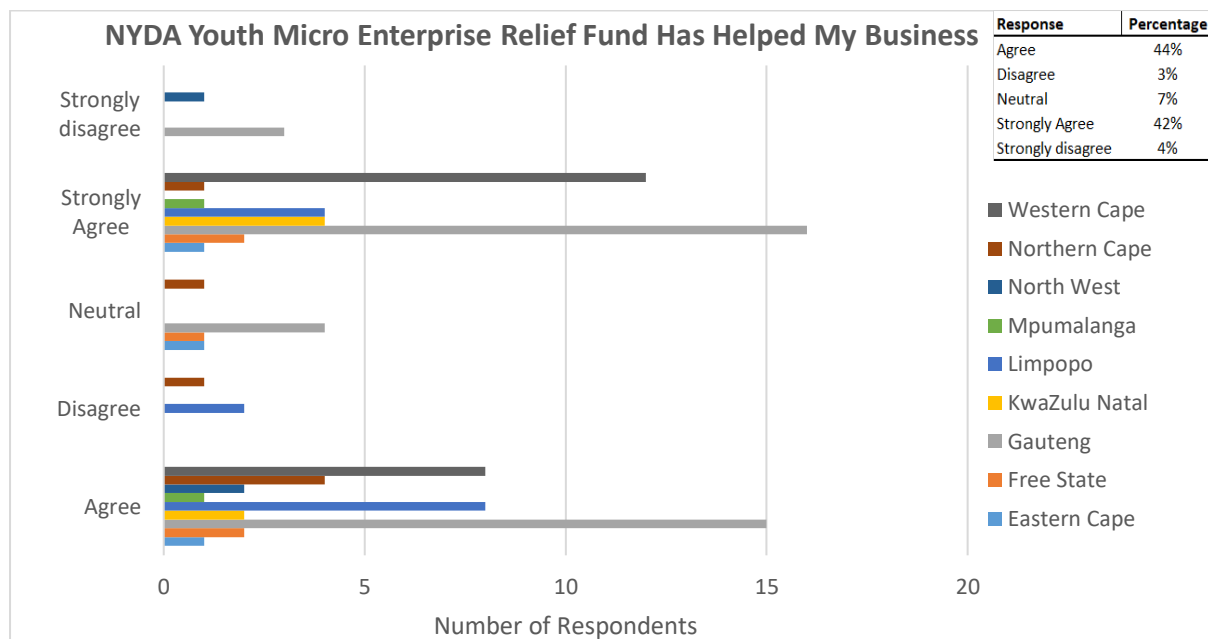


Figure 1 - Profile of grant beneficiaries

2.1 Did the Relief Grant help businesses (n = 100)

The 44% of the respondents Agree that the relief grant somewhat helped their businesses to the extent of creating jobs and some sustaining operations beyond COVID. 42% Strongly Agree that the relief fund helped their businesses in one way or the other; 7% were neutral and 4% such as Vuyokazi Magida of Lingomso Lethu Enterprise and Yolisa Mtshengu of YCM Traders Strongly Disagreeing as their businesses struggled to be sustained.



Name: Vuyokazi Magida

Company Name:
Lingomso Lethu
Enterprise

Grant: R 10 000,00

"No, it was a tough time for us. We could not sustain the company. The fund did aid in paying salaries and other operating costs; however, we could not sustain the company post Covid."

Name: Yolisa Mtshengu

Company Name: YCM
Traders

Grant: R 10 000

No, Business was bad at that time. Thank you for helping with the relief grant.

2.2 Key Learnings and Recommendations

The grant relief program appears to have been largely successful in its implementation as evidenced in the perception and impact survey conducted (See findings and results section for more details). The following table 1 outlines key learnings and recommendations to assist in addressing these areas. Implementing the recommendations will assist NYDA to improve their way of doing things as well as implementing interventions to better serve the SMMEs.

	Area of Focus	Key Learnings	Recommendation
1.	Businesses Support in Rural Areas	i. NYDA to be visible in Rural Area, offices are mostly in urban areas and not easily accessible to those in rural areas. SMMEs travel long distances to NYDA offices	i. Youth in the rural area can partner with NYDA in identifying and mobilizing young entrepreneurs in their area and train the youth in the area
2.	Communication to Beneficiaries	i. Improve clear communication when giving feedback on the amount approved for SMMEs	i. Establish clear feedback channel to applicants validating the amount approved if different from initial request amount.
3.	Social Media Responsiveness & Awareness	i. NYDA needs to be more active on social media platforms such as Twitter. ii. To be more responsive in their social media	i. NYDA can ensure active social media platforms are utilized effectively. Have dedicated personnel to manage and coordinate responses on social media. ii. To close the gap of rural area non-visibility, NYDA can advertise in local radio stations, this will bring

			awareness to the communities even in the peri-urban area
4. Training Support	i. To have different training programs for similar sectors,	i. Build training programs that will assist with financial and technical support, this will aid with the sustainability of SMMEs	
5. Mentoring and Coaching	i. To assist in organising mentorship programs in rural areas	i. There is need for NYDA to develop mentorship and coaching programs in Rural areas. One of the respondents highlighted the following “A young Entrepreneur is assisting the youth in his rural area and would love for NYDA to bring in more resources to alleviate the burden”	
6. Completeness of application documents	i. Application response turnaround time, there is a delay in responding to application. Applicant are turned numerous of times without full indication of what is wrong with the application.	i. Create an application form requirements checklist that will be utilised to ensure completeness of applications before final acceptance.	
7. Cashflow and Purchase Order financing Support	i. Relief funds was not enough to cover most of the costs that was	i. Increasing the amount of funding to small businesses (Suggested	

		<p>enquired by businesses. A percentage a bit bigger could be suffice especially for businesses with high operating costs.</p> <p>One of the respondents highlighted “A construction company was unable to pay suppliers and labour, excluding all the other business expense” these was due to a perceived</p>	<p>R20k) to enable more impact for small companies.</p> <p>ii. Small businesses who wish to grow to compete on a large scale require things such as Purchase Order Financing with a quick turnaround time. Such businesses lose out on big orders due to challenges faced with cash flow and lack of working capital.</p>
8.	Graduation of 35+ Youth Group	<p>i. NYDA to assist in linking the youth owned business to other development funders</p>	<p>i. NYDA to assist in linking the youth owned business to other development funders.</p> <p>ii. Linkage of NYDA and streamline youth age to other funders beyond the youth age level</p>
9.	Fund utilization Audits	<p>i. Coordinators that will check the funds utilized and do audit</p>	<p>ii. Coordinators that will check the funds utilized and do audit</p>

Table 1- Key learnings and recommendations

3 Introduction

3.1 NYDA Overview

The National Youth Development Agency (NYDA) is a South African based agency established primarily to tackle challenges that the nation's youth are faced with. The NYDA was established by an Act of Parliament (Act No. 54 of 2008). 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 is located within the broad context of South Africa's youth development dynamics. Like many developing countries, South Africa has a large youth population. It comprises of the ages between 14 to 35, which represents 42% of the total population.

Given the youthful nature of the South African population much of the socio-economic challenges faced by the nation, i.e., poverty, inequality and joblessness, poor health etc, affect the youth. The gravity of challenges South Africa is faced with, require multi - pronged efforts, that simultaneously promote the development of sustainable livelihoods, reduce poverty, inequality and prioritise the development of policies which create an enabling environment for youth development.

The NYDA plays a lead role in ensuring that all major stakeholder's, i.e., government, private sector, and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges. Furthermore, the NYDA designs and implements programmes aimed at improving lives and opportunities available to youth.

On 30th March 2020 the NYDA announced the Covid-19 Relief Fund guided by the NYDA Disaster Relief Fund Policy for youth in business. The NYDA had restriction on the industry sectors except the specific exclusions stated in the policy and there was no contribution fee required for young entrepreneurs to participate in the process. The applicant must submit the complete application form, proof of business registration (not applicable to informal businesses), proof of business banking details or personal bank account for informal business, and three months bank statement.

Through this the NYDA program wants to understand to what extent did the intervention address its intentions and how these SMMEs are progressing subsequently.

3.2 Background

According to World Health Organisation (WHO 2020), the coronavirus disease covid-19 is a contagious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), the first case was identified in Wuhan, China, in December 2019. It had since spread worldwide, leading to an ongoing pandemic. Complications includes Pneumonia, viral sepsis, acute respiratory syndrome (Karger, Publishers, 2019).

The coronavirus had ushered in unprecedented times and this pandemic had, had an impact on every aspect of our global economy. As the means to eradicate the spread of the virus around the globe the nations embarked on large scale quarantines, travel restrictions, and social distancing measures, with hope that results will be sharp decrease in consumer and business spending until the end of 2020 and beyond which ultimately may lead to global recession.

South Africa was not spared as the country was exposed to the virus and so bared the impact of the virus to fight against mass layoffs and closure of businesses the government introduced a 500 billion covid-19 relief fund to help sustain the economy during the pandemic. The economic response included tax relief, funding for small business, health, UIF, and infrastructure development.

The outbreak of a pandemic Covid-19 has had a negative impact on enterprises globally and locally leading to a global recession. Youth owned enterprises have not been spared from this. Several interventions have been announced and implemented by government and the private sector to assist mitigate the negative effects of this pandemic on the productive capacity of the Small Medium Micro Enterprise's. The negative impact of this disaster had been felt from all corners of the world in terms of health, loss of revenue, retrenchments, and job losses.

In the last 9 (nine) months the National Youth Development Agency (NYDA) took a decision to financially assist youth micro-enterprises to ameliorate the impact of the Covid-19 pandemic since the lock-down was promulgated by the HE the President Ramaphosa on the midnight of 26th of March 2020.

The NYDA responded to this pandemic by providing a Covid-19 youth relief fund. The goal of

the fund was to ensure that young people particularly Small, Medium and Micro Enterprises (SMME's) received financial assistance for operational costs endured during the difficult months following the pandemic while long-term recovery efforts were being developed because of a hard lockdown to help with financial support.

3.3 Impact Study Purpose

The purpose of the report is to evaluate the impact made by the relief fund towards the youth business owner's beneficiaries. The study therefore falls within the two priority areas a) economic transformation b) entrepreneurship and job creation' within the context of youth development.

3.4 Evaluation Objectives

The objectives of the evaluation as per the National Youth Development Agency are as follows:

- 3.4.1 To determine the percentage of youth that were beneficiaries of the grant relief program.
- 3.4.2 To determine youth awareness on social relief of distress grant
- 3.4.3 To determine if perception level exists, about social relief of distress grants from NYDA interventions on youth owned business.
- 3.4.4 Assess Effects of Covid - 19 towards employment, business, and other opportunity
- 3.4.5 To measure youth participation on social relief of distress grant program in S.A
- 3.4.6 Measure the impact of social grant relief post Covid -19 towards the youth economic conditions and the side effects if any
- 3.4.7 Determine solutions and recommendation for improving social relief of distress grant drive

4 Research Methodology

In order to gain more understanding two research methodologies were utilised, i.e., Primary research and secondary research. (Heale & Forbes, 2013) describe methodological triangulation as involving and using more than one kind of method to study a phenomenon. It has been found to be beneficial in providing confirmation of findings, more comprehensive data, increased validity, and enhanced understanding of studied phenomena.

4.1 Overall Approach

The methodology includes relevant literature review (secondary research) and analysing primary data and administration data from NYDA Beneficiary list of the grant relief program recipients.

The approach and methodology adopted for Identifying all the variables were as follows:

- Sourcing of primary data for status analysis (NYDA Administration data - beneficiaries)
- Reviewing and analysing the secondary data.
- Conducting focus groups across the country for sampled businesses.
- Conducting interviews with relevant persons (beneficiaries of Grant Relief)
- Providing Recommendations

4.2 Field Research Undertaken

The sampling frame strived to have the best representation across all nine 9 provinces in South Africa, looking at businesses who were, and are still in operational.

A structured sampling was developed to cover:

- 30% sample size (requirement to cover 100 samples from a total number of 303 beneficiary contact list provided)
- Different age cohorts viz, (14 - 20) (21 - 25) (26 - 30) (31 - 35).
- All the 9 provinces of the RSA.
- Demarcation and presentation in accordance with, rural, peri-urban, and urban

The Evaluation based its findings on data gathered through surveys, interviews, and focus groups. This included **56 survey responses**, **50 interviews** and **10 focus group** participants, totaling **116 consultations**. Based on the **303 stakeholder** contacts provided, the completed consultations represent a response rate of **38,2 %**.

The Study is predicated on an aggregate population of **1199** beneficiaries. Out of the aggregate population the Project Team was provided with contact details for **303 beneficiaries**, thus representing a Research Population of 303. The entire Research Population was approached for input, resulting in consultations covering **116 beneficiaries** (a Research Sample of **38,2%** of the Research Population, equal to **9,6 %** of the aggregate population), with the remainder of the Research Population being non-responsive. At **38,2%** of the Research Sample, completely

represented in the Project findings as it is, meets the key requirement from the Project terms of reference a minimum of **30%** of the beneficiaries’ feedback should find expression in the actual final report.

Table 2 provides an outline of the fieldwork undertaken, which included online and telephonic surveys, conducting telephonic interviews, as well as hosting focus groups via Google meet with the relevant beneficiaries and stakeholders.

Data Collection Method	Respondents Actual	Count	Total
Focus Groups Grant Beneficiaries	Various time slots were given however not all slots were honoured. With only 10 participants responding	10	116
Interviews Grant Beneficiaries NYDA	50 0	50	
Online Surveys Grant Beneficiaries NYDA Management	55 1	56	

Table 2 – Consultations Conducted

4.2.1 Online Surveys

One of the data collection method approaches in this study was online surveys distributed to the entrepreneurs electronically and they provided feedback through filling in questions posed to them by the interviewer. This method helps in surveys being conducted efficiently and effectively as compared to other methods of primary data collection such as observation and experiments.

The data collection phase commenced with the distribution of surveys to the beneficiaries of the Grant Program as well as NYDA management. The aim of the survey was to collect quantitative

and qualitative data from the beneficiaries and stakeholders; to gain insights into the relevance, efficiency, effectiveness, and sustainability of the Program, as well as the impact of the Program.

The survey distribution process further included the cleaning and preparing of the beneficiary database provided by the NYDA, which consisted of a list of names and phone numbers.

Overall, 56 surveys were completed: 55 for grant beneficiaries, and 1 for NYDA management.

4.2.2 Interviews

The purpose of the interviews was to collect additional qualitative data that would lend depth to the data provided by the surveys. Interview questions were derived from the Terms of Reference.

Overall, 50 interviews were conducted: with grant beneficiaries.

4.2.3 Focus Groups

In addition to the surveys and interviews, the Project Team conducted two focus groups with grant beneficiaries. The focus groups were held on Google Meet and took the form of a facilitated session with key discussion points posed to the attendees.

The focus groups extracted key insights regarding the Program' implementation against its objectives and its impact on the beneficiaries. Additionally, the focus groups provided context to better understand issues relating to what worked well, what can be improved and how future programmes can be better implemented.

A total of 10 grant beneficiaries attended the focus groups.



5 Results and Findings

5.1 Objective 1 - Percentage of youth that were beneficiaries of the program.

5.1.1 Geographic grant participation of Aggregate 1199 beneficiaries

A total number of 1199 youth beneficiaries for the period of FY 20 (May – October 2020) and FY21 (April 2021 – November 2021). The highest beneficiary count was in the Gauteng province with a total of 369 and constituting 31%; followed by the Western Cape with 174 (15%); and Mpumalanga with 157 (13%). Lowest beneficiary count was in the North-West province with a count of 26 which equate to 2%; Northern Cape 44 (4%), and Free State 56 (5%). See Table 1 for details

Province	Relief Funds	Beneficiaries	Percentage Participation
Eastern Cape	R1 200 316,59	149	12%
Free State	R459 552,00	56	5%
Gauteng	R2 540 529,11	369	31%
Kwazulu-Natal	R908 096,37	115	10%
Limpopo	R833 951,91	109	9%
Mpumalanga	R1 418 100,63	157	13%
North-West	R232 034,02	26	2%
Northern Cape	R229 726,36	44	4%
Western Cape	R1 569 713,43	174	15%
Grand Total	R9 392 020,42	1199	100%

Table 3 - Grant Relief Youth Beneficiaries (FY20 - FY21) (Source NYDA)

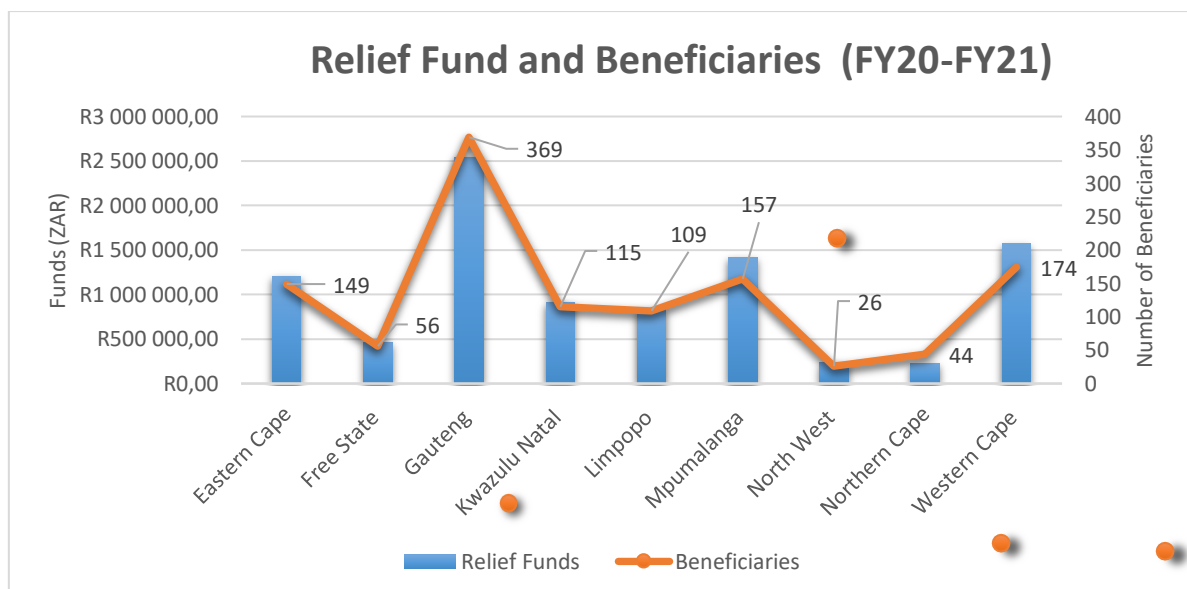


Figure 2 - Grant Relief Youth Beneficiaries (FY20 – FY21) (Source NYDA)

FY 20 Breakdown

Province	Relief Funds	Beneficiaries	Percentage Participation
Eastern Cape	R1 145 816,59	143	12%
Free State	R459 552,00	56	5%
Gauteng	R2 460 960,67	354	31%
Kwazulu-Natal	R888 696,37	113	10%
Limpopo	R786 351,91	102	9%
Mpumalanga	R1 398 100,63	155	13%
North-West	R222 034,02	25	2%
Northern Cape	R189 726,36	35	3%
Western Cape	R1 569 713,43	174	15%
Grand Total	R9 120 951,98	1157	100%

Table 4 – Grant Relief Youth Beneficiaries (May – October 2020) (Source NYDA)

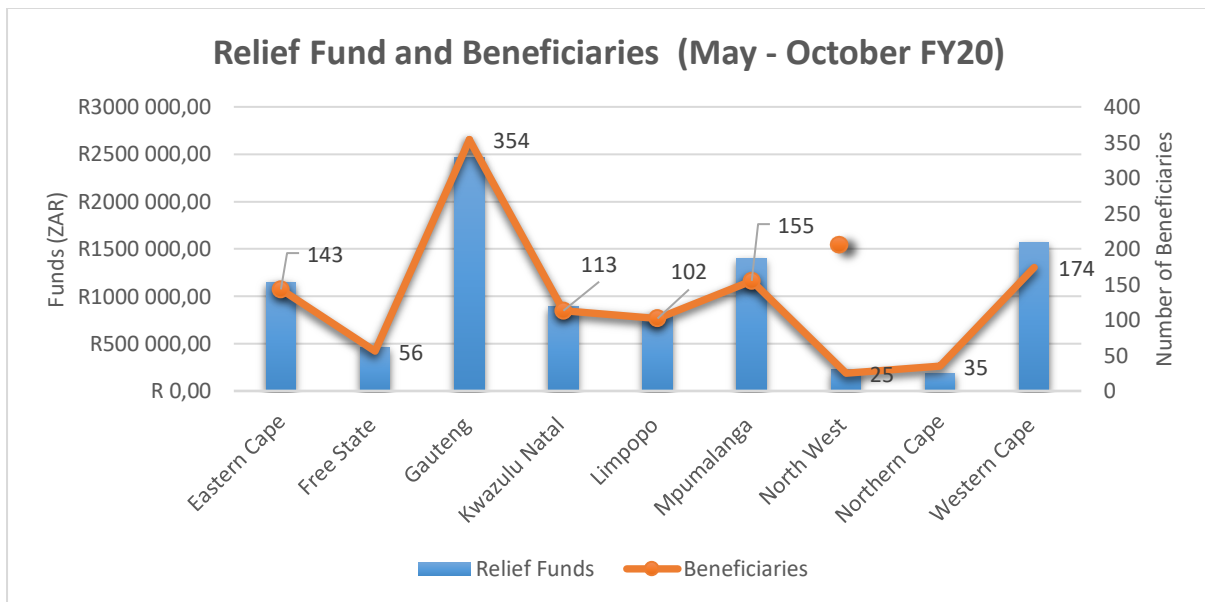


Figure 3 – Grant Relief fund and Beneficiaries (May – October) (Source: NYDA)

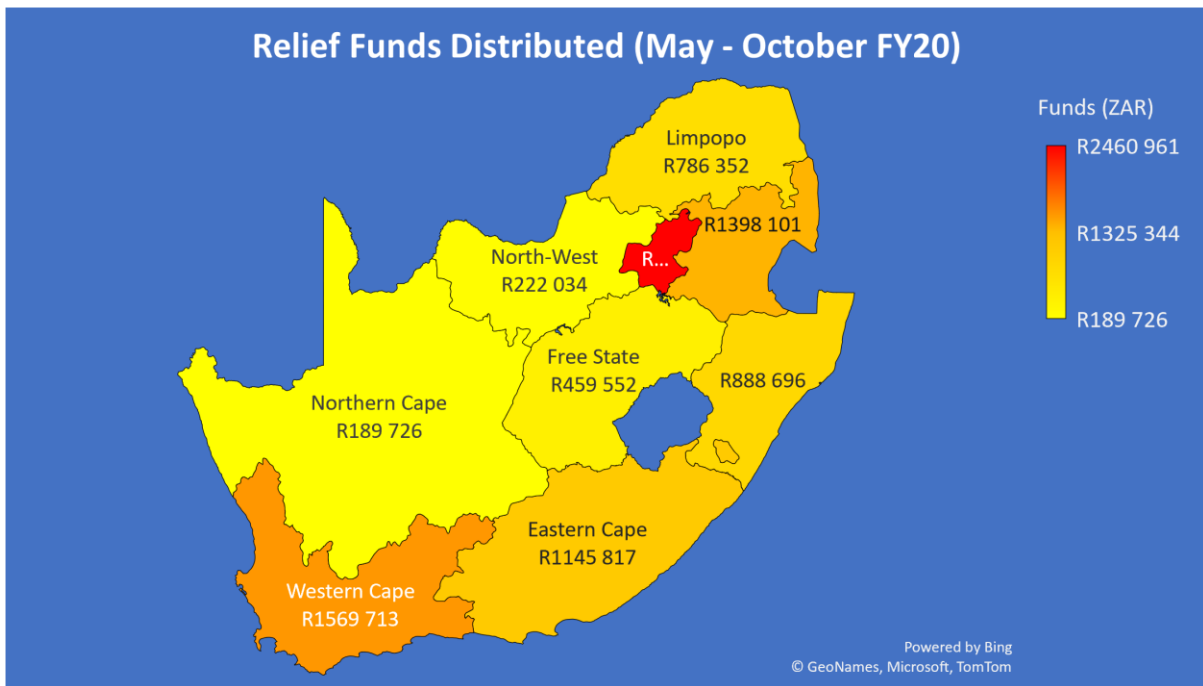


Figure 4 - Total grants distributed (May – October 2020) (Source NYDA)

FY21 Breakdown

Province	Relief Funds	Beneficiaries	Percentage Participation
Eastern Cape	R54 500,00	6	14%
Gauteng	R79 568,44	15	36%
KwaZulu-Natal	R19 400,00	2	5%
Limpopo	R47 600,00	7	17%
Mpumalanga	R20 000,00	2	5%
North-West	R10 000,00	1	2%
Northern Cape	R40 000,00	9	21%
Grand Total	R271 068,44	42	100%

Table 5- Grant Relief Youth Beneficiaries (May – October 2020) (Source NYDA)

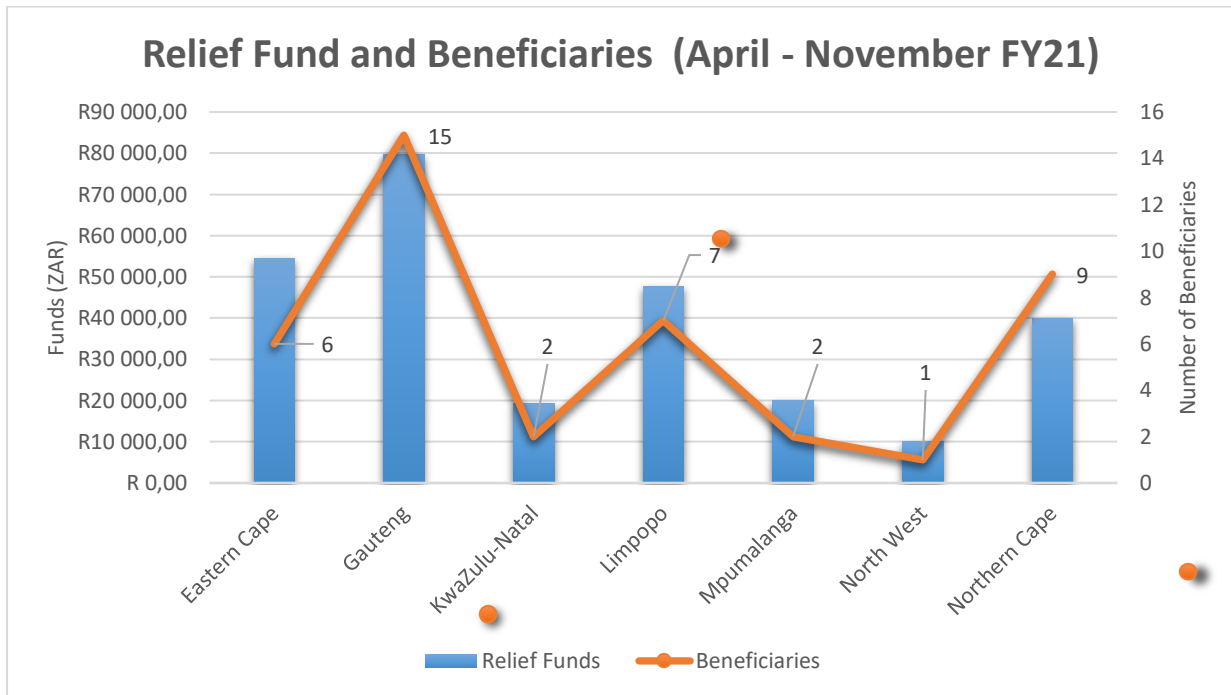


Figure 5 – Grant Relief fund and Beneficiaries (May – October) (Source: NYDA)

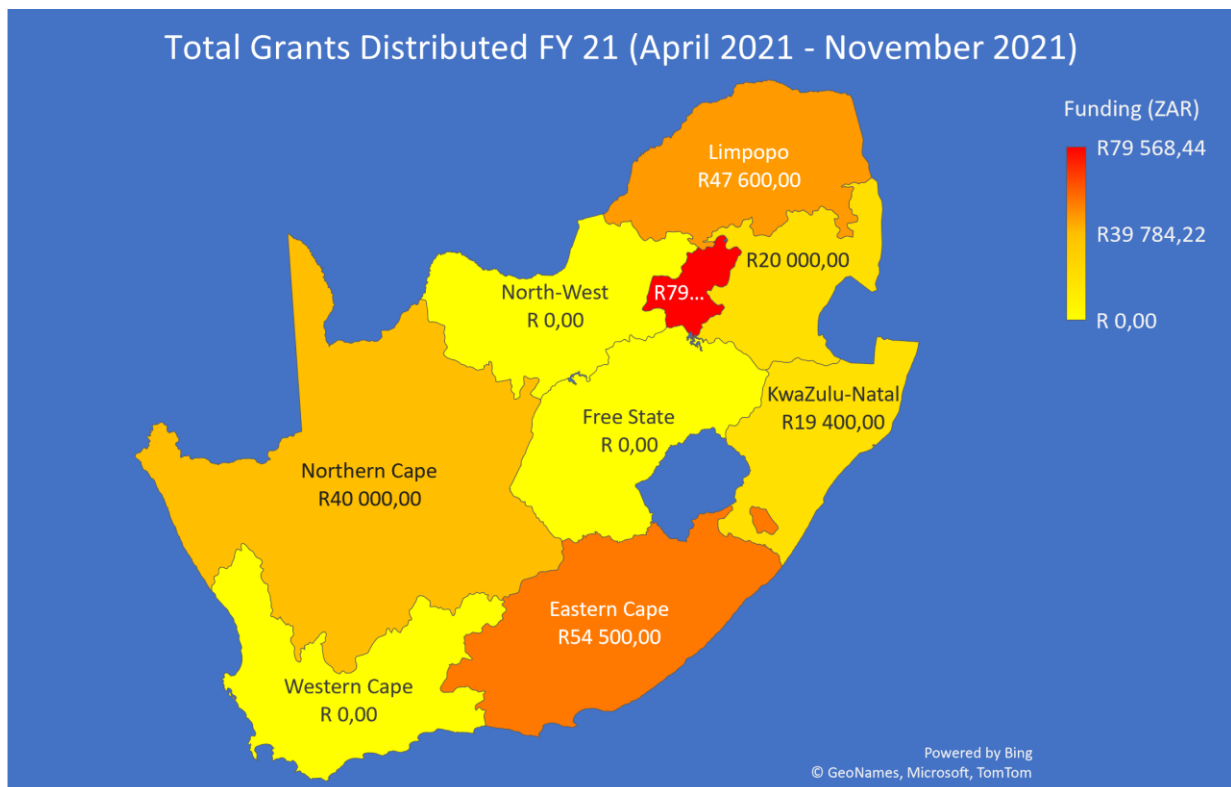


Figure 6 – Grant Relief fund and Beneficiaries (May – October) (Source: NYDA)

Sample data survey (n=100)

Total sum of grants distributed to sample of 100 participants equated to R786 800. The survey indicate that major Grant amount was distributed to Gauteng R271 589,82; 2nd - was Western Cape at R179 250; 3rd Limpopo at R139 109,35. The data suggest that more participation was in Gauteng, Western Cape and Limpopo. See figure 7

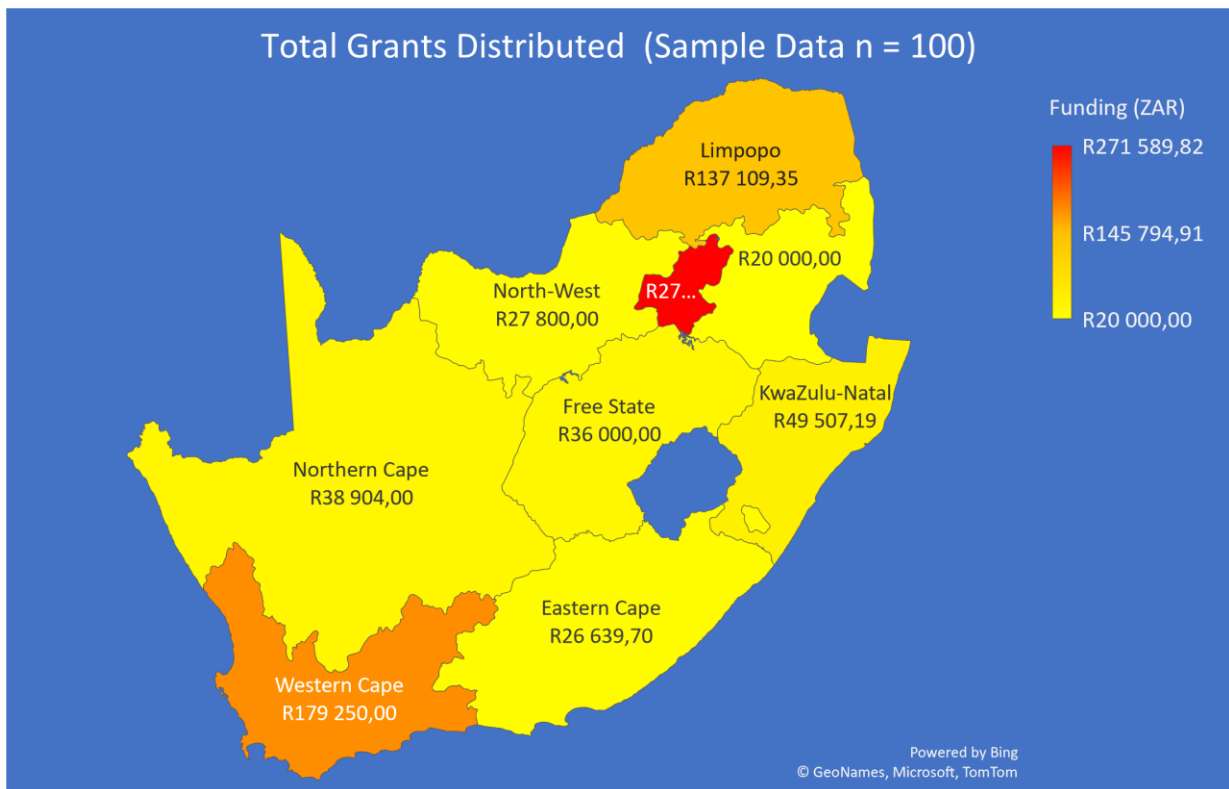


Figure 7 – Grant Relief fund and Beneficiaries (May – October) (Source: NYDA)

More participation came from Gauteng Urban areas with Females receiving R 83 000 and Males R94 000 followed by Peri-Urban. In total Males received R444 000 and Females R342 000. No strong participation in Rural areas, this may suggest non-visibility of NYDA to the Rural areas . See figure 8

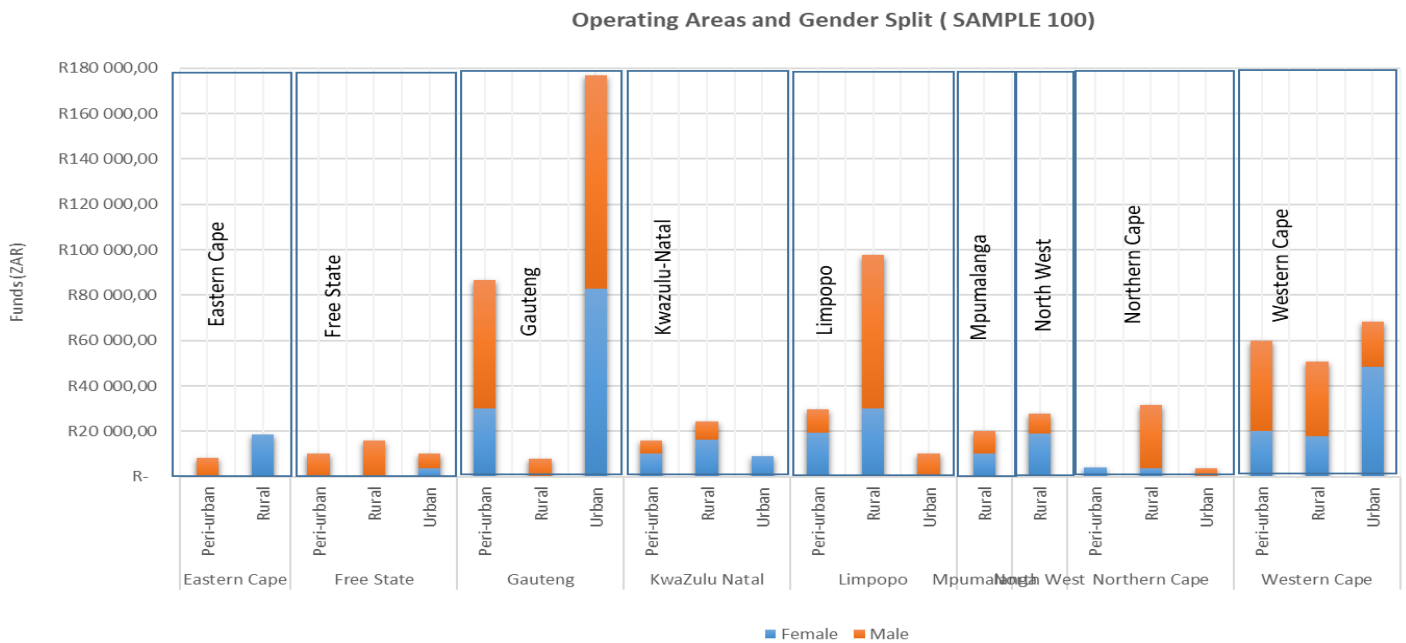
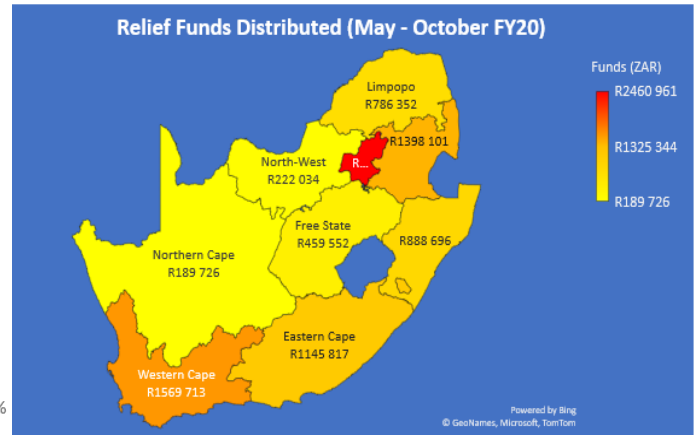
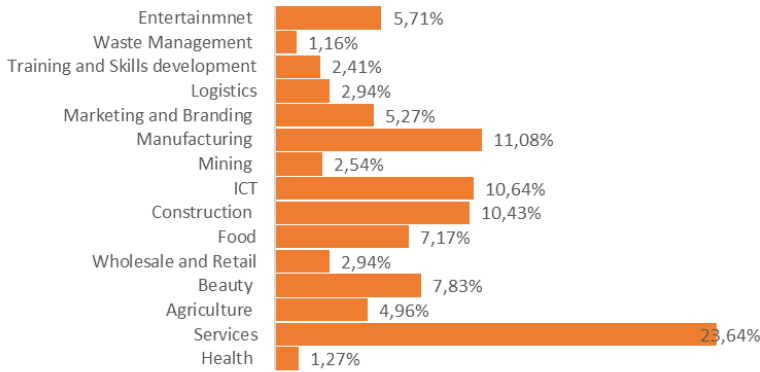


Figure 8 - Operating areas and Gender Split

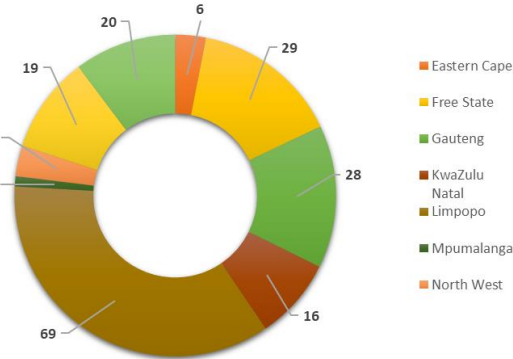
100 beneficiaries surveyed is indicated in figure 1. There were 44% of Female participants in the grant relief fund and 56% Males who were impacted. Survey data indicate that the top three sectors that received most grants were the Service Sector at 23%, followed by Manufacturing at 11% and ICT at 10,6%. Highest participation was in Gauteng province with 34,5%, followed by the Western Cape with 22%. The total Jobs that were created was 195. See figure 9

Beneficiary Profile (n= 100)

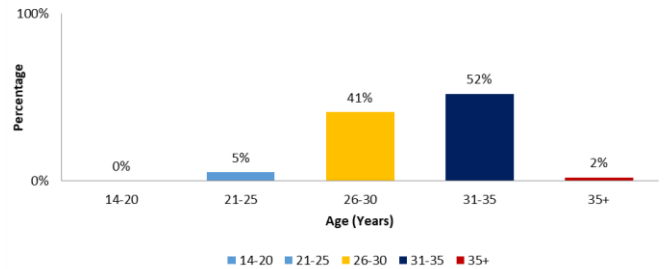
Sector Profile (Sample 100)



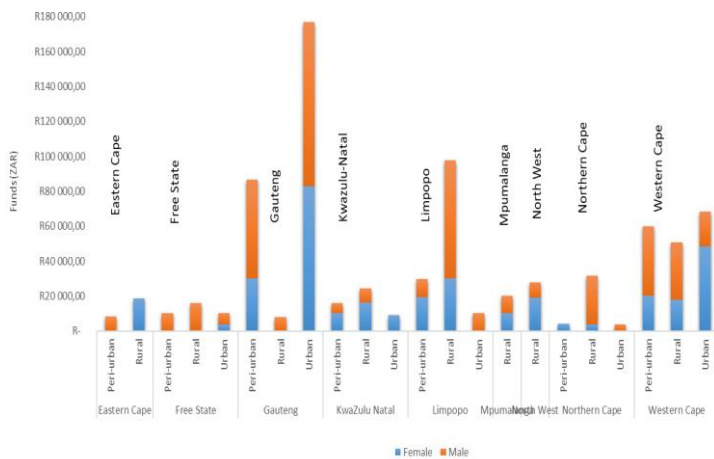
Jobs Created (Sample of 100)



Age Cohorts (Sample 100)



Operating Areas and Gender Split (SAMPLE 100)



Geographic Grants Distribution (Sample 100)

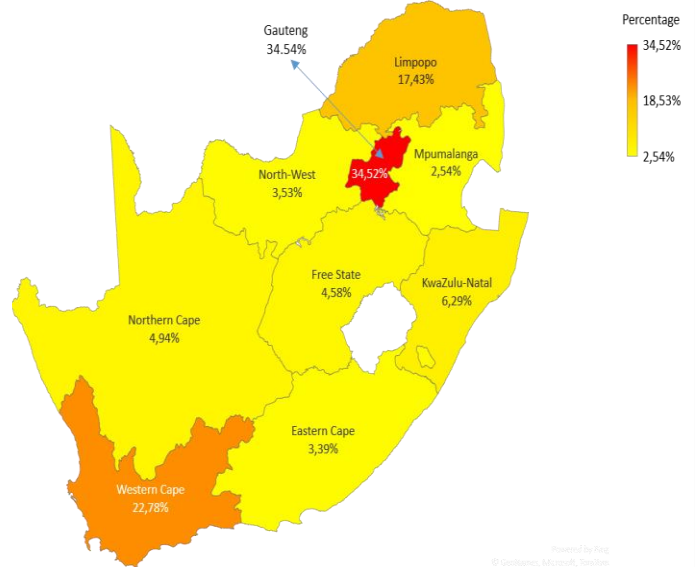


Figure 9 - Profile of grant beneficiaries (Source; NYDA)

5.2 Objective 2- The impact of the grant relief on SMMEs

A total of 45 beneficiaries received grants of between R9100 to a maximum of R10 000. The survey further indicates that 10 participants received grant amounts of between R1000 – R4000 to assist their businesses. Some of these respondents indicated that the relief grant amount was not enough to cover their requirements.

One of the respondents surveyed expressed their concerns as follows “A construction company was unable to pay suppliers and labour, excluding all the other business expense”.

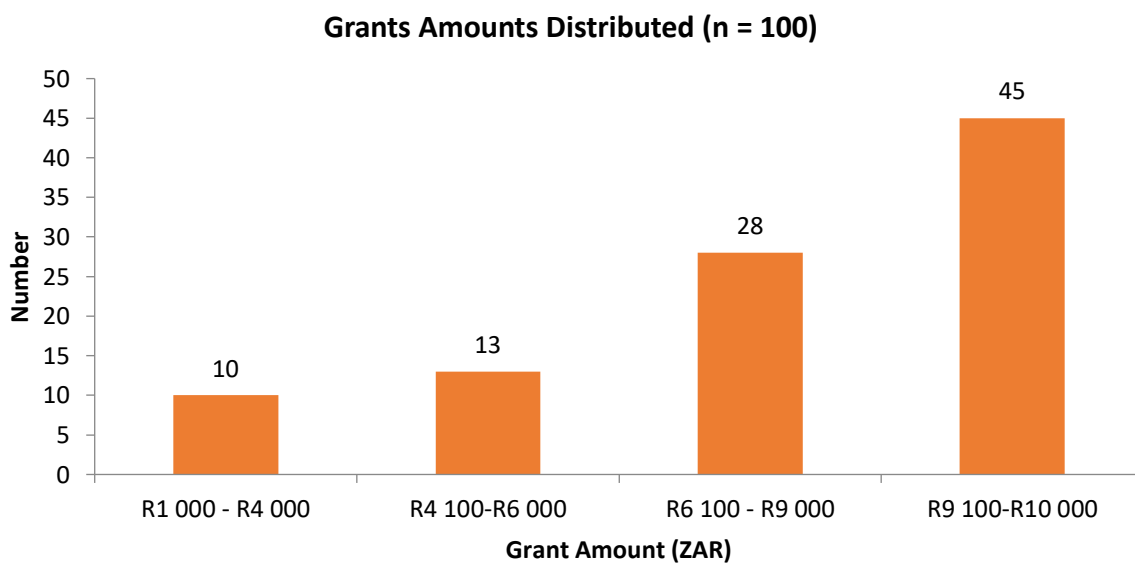


Figure 10 -Grants Amount Distributed

There were 44% of Female participants in the grant relief fund and 56% Males who were impacted. Survey data indicate that the top three sectors that received the most grants were the Service at 23%, followed by Manufacturing at 11% and ICT at 10,6%. See figures 10 and 11

Some of the comments from the respondents when they were asked whether did the Covid relief grant aid in retaining employment and sustaining their businesses:



Name: Vuyokazi Magida Company Name: Lingomso Lethu Enterprise Grant: R 10 000,00

No, it was a tough time for us. We could not sustain the company. The fund did aid in paying salaries and other operating costs; however, we could not sustain the company post Covid.

Name: Yolisa Mtshengu Company Name: YCM Traders Grant: R 10 000

No, Business was bad at that time. Thank you for helping with the relief grant.



Name: Khayalam Mokwena Company Name: KHAYALAM BUSINESS ENTERPRISE (PTY) LTD Grant: R 10 000

Yes, was able to pay for salaries. During Covid, Level 4, I received our permit to work, and I was able employ 29 employees. Currently I have 54 employees.



Name: Sizwe Tshabalala Company Name: Los Printers (PTY) Ltd Grant: R 10 000

Yes, I was able to retain our staff. We paid salaries with the relief grant and moved to a smaller office in order to cut cost.

Name: Precious Malatji Company Name: Nano Holdings (Pty) Ltd Grant: R 10 000

Yes, I re-invested in the business. I bought 2 sewing machines and penetrated the new market (producing face masks).

Yes, with the relief grant I was able to purchase a sewing machine. I employed ladies in the area who will sew. We first moved into the cloth mask industry, and the business grew to sewing normal clothes. I was then approved for the normal NYDA grant, and I purchased a printing machine. Currently I have 5 employees.



Name: Cynthia Oliphant Company Name: Cynoli Trading Grant: R 4 004

Yes, I was able to employ 3 temporary staff, of which they are now permanent. I purchased stock material with the funds that I received, and I assisted clients.

Name: Bongani Moko Company Name: Moko Originals Grant: R 3 500

Yes, we are in the manufacturing sector. We initially asked for R 10 000; however, NYDA gave us R 3 500. We were able to purchase materials from the relief funds and appointed 2 staff to assist us on an as when required basis.

Name: Picardo Abrahams Company Name: CJ Sound and Lighting Grant: R 10 000

Maybe, the grant covered for my 3 permanent staff and had to cancel insurance for my equipment in order to sustain the existing team. I was able to retain them and when the country picked up, I was able to appoint 2 temporary staff. In total I now have 5 staff.



Name: Thabo Masole Company Name: Thatha Solutions Grant: R 10 000

Maybe, we were able to pay for staff with the relief grant provided. We were also fortunate that the company was then needed to complete a project, of which I was able to appoint 4 more staff. I did not have to retrench.

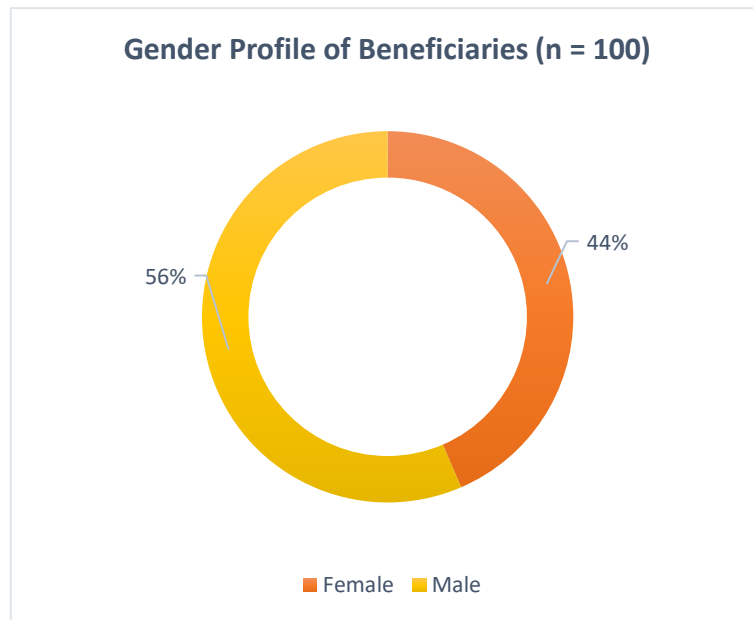


Figure 11-Gender profile of beneficiaries

There were 44% of Female participants in the grant relief fund and 56% Males who were impacted as per figure 11. Survey data indicate that the top three sectors that received the most grants were the Service at 23%, followed by Manufacturing at 11% and ICT at 10,6% see figure 12.

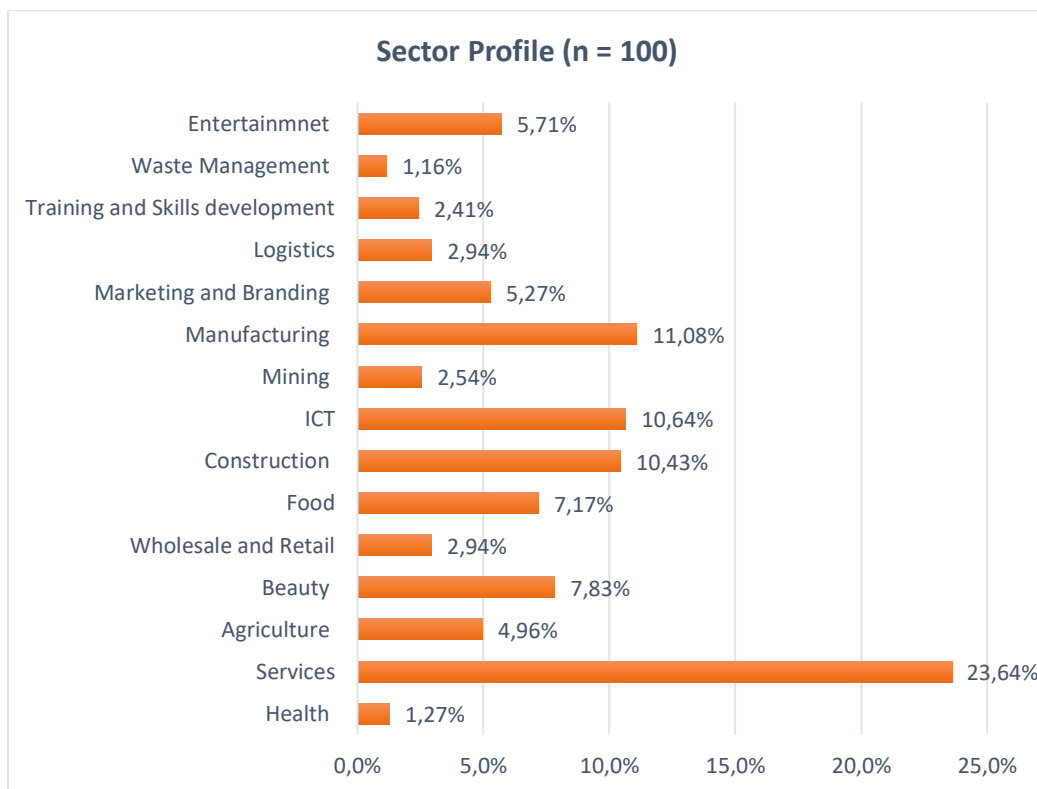


Figure 12-Sector Profile

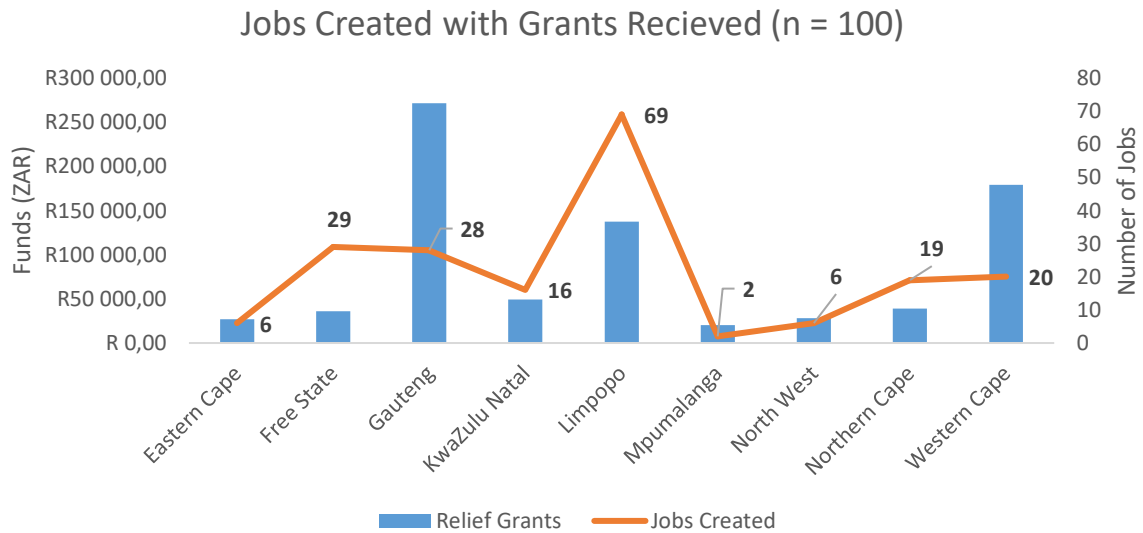


Figure 13 – Job Created from 100 surveyed respondents (Source: NYDA)

There were 541 jobs created during the month of June 2020 according to the survey that was conducted. The respondents claim to have created around 102 jobs in Cape Town with a total funding of R576 650 including the individual and cooperatives received. See information in figure 13

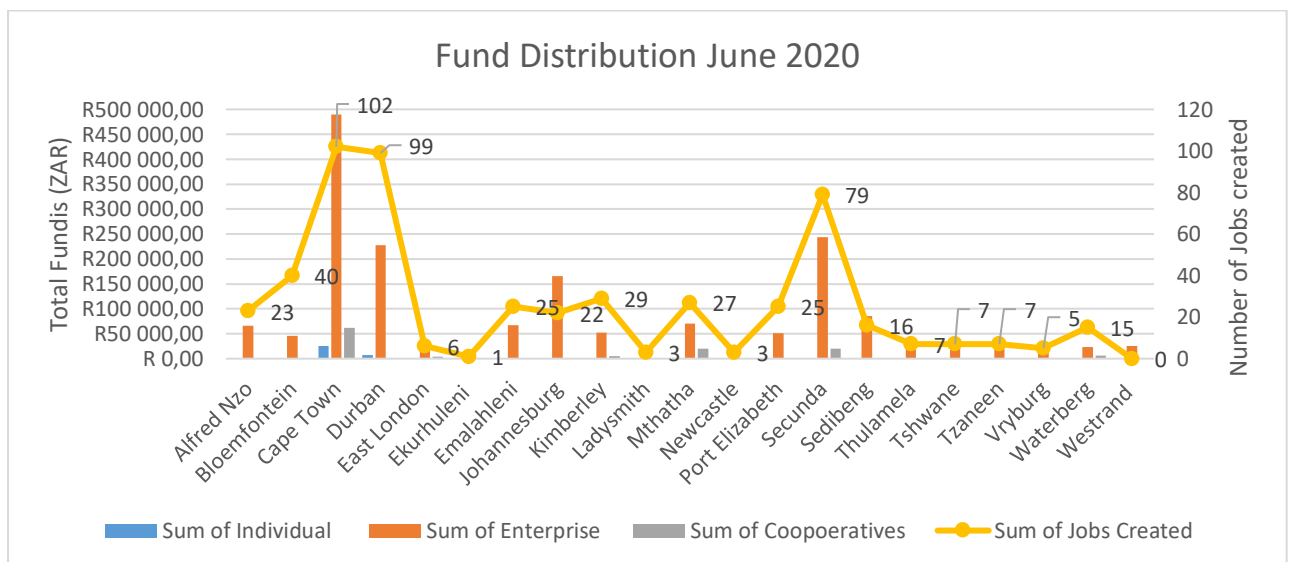


Figure 14 – Job Created in May 2020 (Source: NYDA)

There was a total funding grant distribution of R2.4 million for the month of May thus enabling 655 jobs creation as per figure 14. The bulk of the grants were distributed to enterprise business structure.

5.3 Objective 3 - Perception of NYDA interventions on youth owned business.

Sample (n = 100)

Online grant application process experience and responses: 38% of the respondents found the online application process to be Good; 36% Excellent; 24% Fair and only 2% poor Gauteng had the highest number of respondents. See figure 15

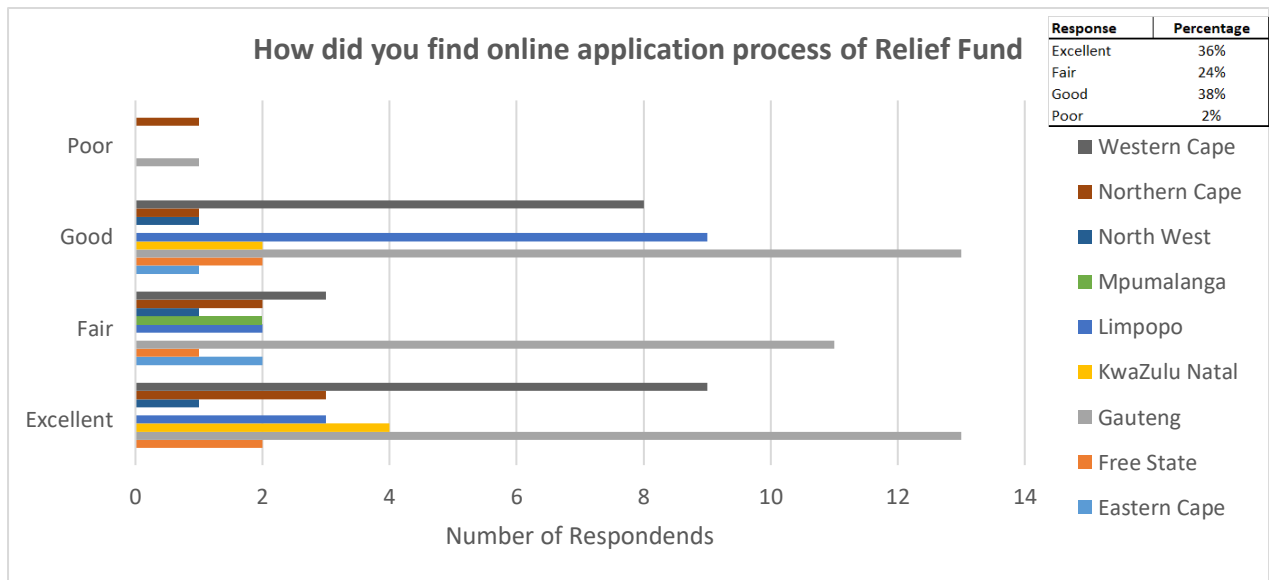


Figure 15 - Online Application Experience (Source: NYDA)

The administrative process turnaround time: 28% of respondents felt that the administration process was exceptional; 63% indicated that the process was good and 9% poor. See Figure 16

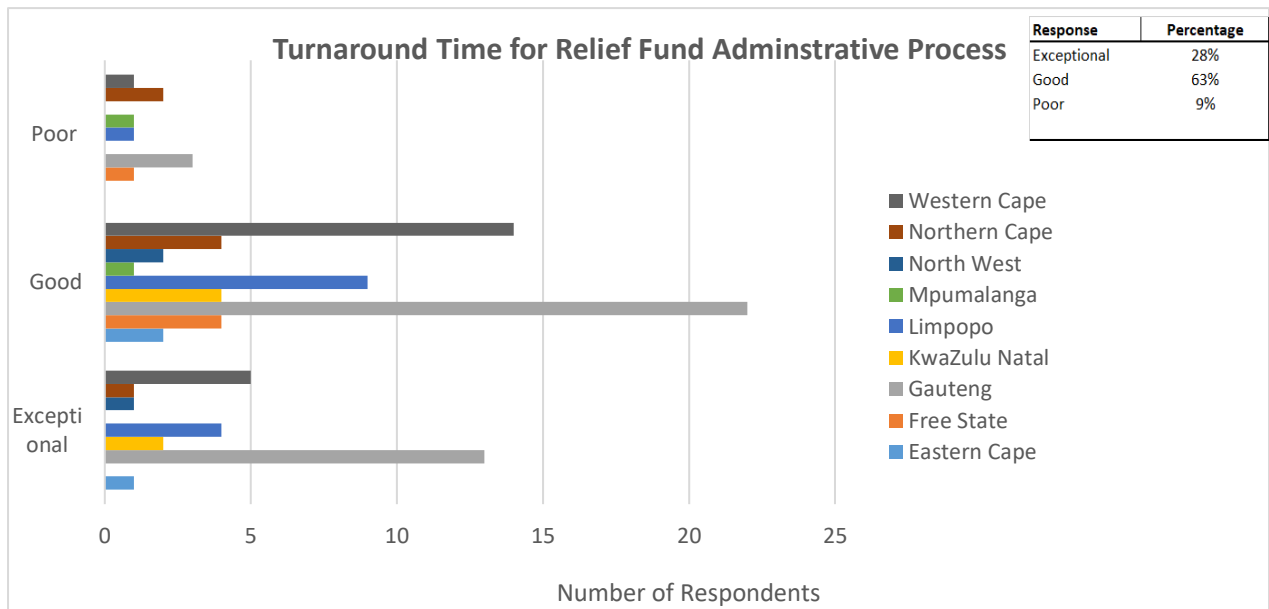


Figure 16 – Administrative Process Turnaround Time (Source: NYDA)

The grant application criteria seemed to have been clearly defined according to 47% Strongly agreeing and 47% Agreeing. Only 4% were neutral in their response and 2% disagreed. See figure 17

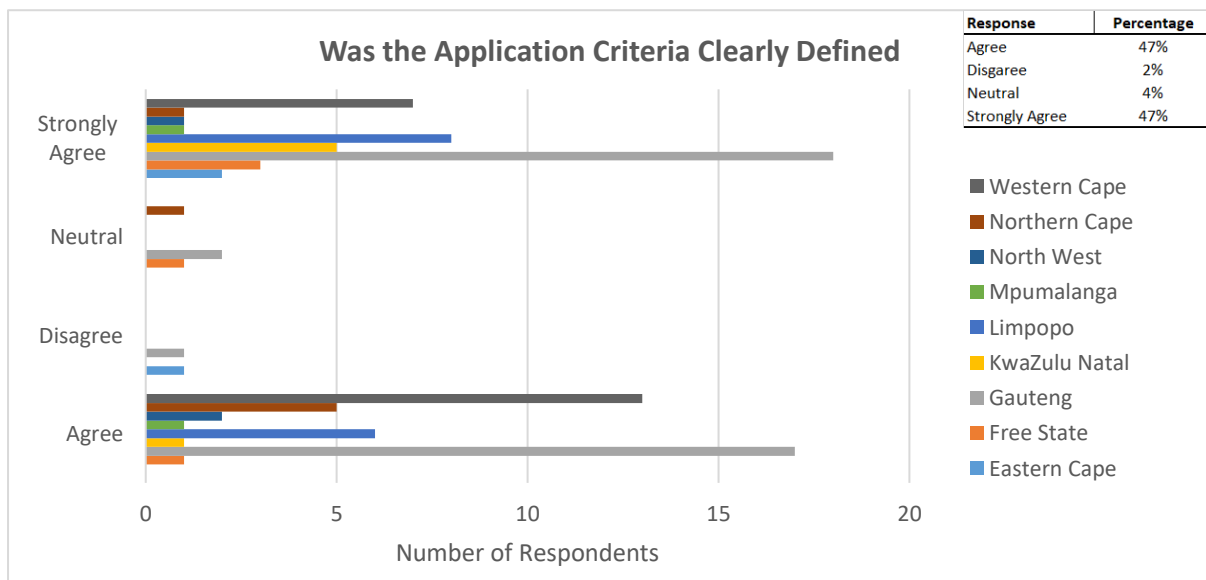


Figure 17 – Application Criteria Clarity (Source: NYDA)

The 44% of the respondents Agree and 42% Strongly Agree that the relief fund helped their businesses in one way or the other; 7% were neutral and 4% Strongly Disagree. See figure 18

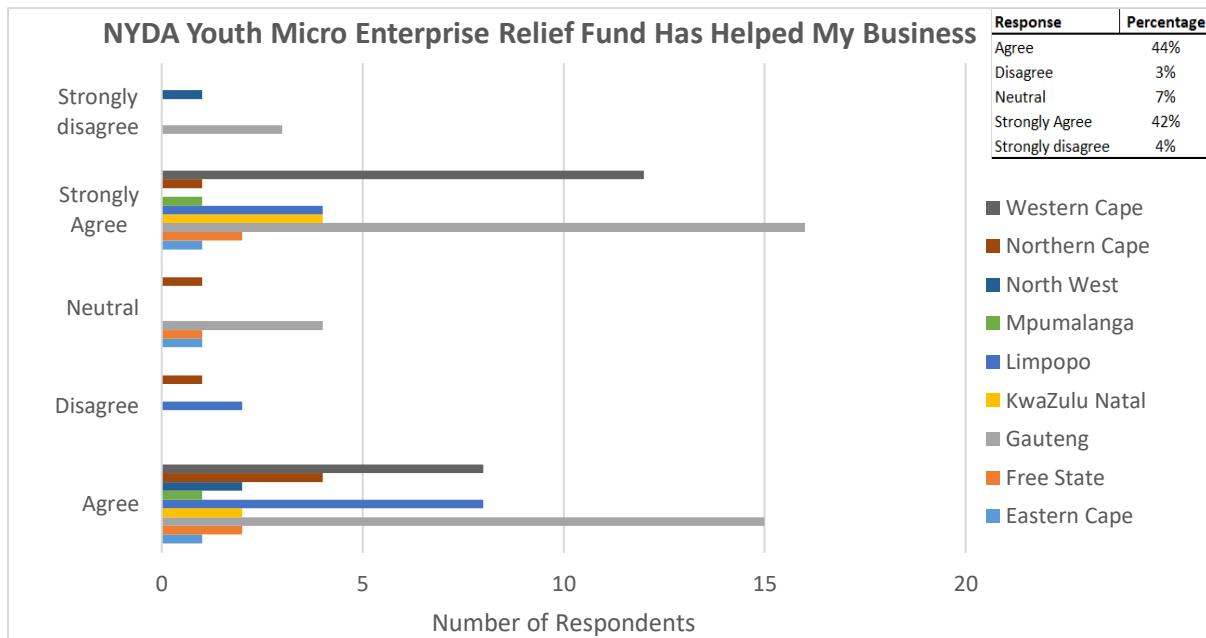


Figure 18- Relief Fund Helped My Business (Source: NYDA)

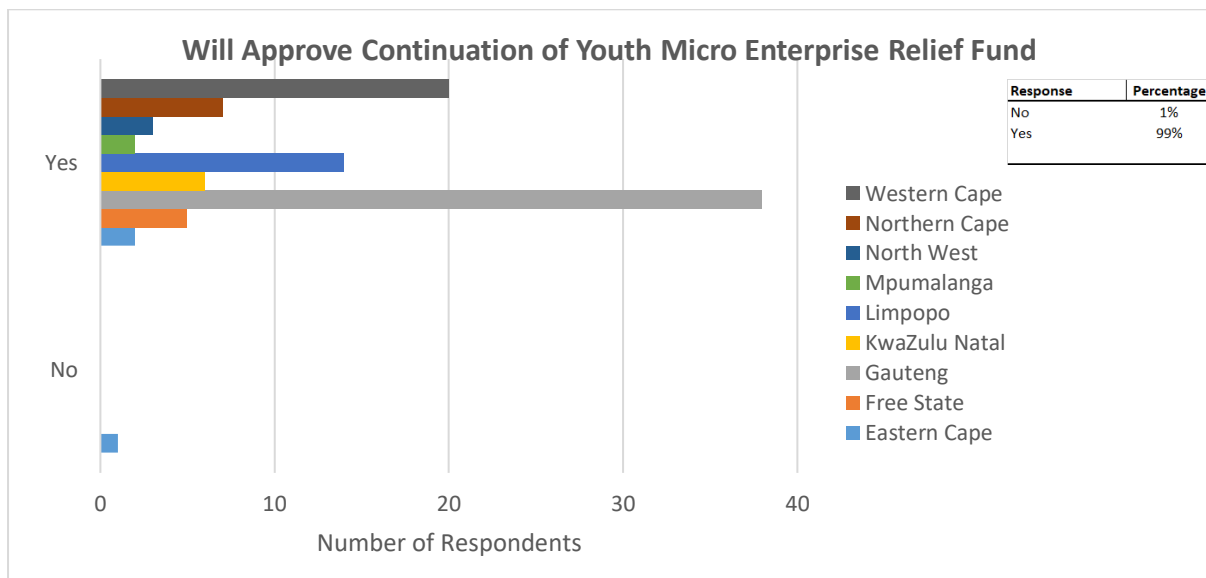


Figure 19- Approval for Continuation of Relief Fund (Source: NYDA)

The relief fund covered aspects of the business needs according to 52% who responded with “Yes” and those who were not sure who responded Maybe 16%. 32% of the respondents felt that the amount allocated did not cover business aspects. See figure 20

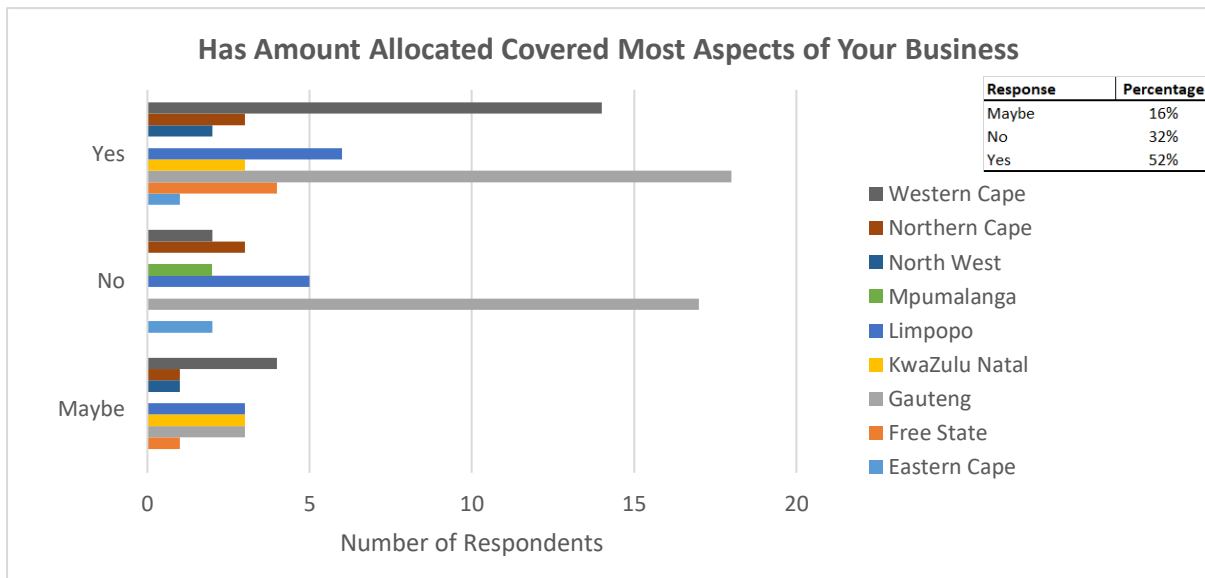


Figure 20– Relief Fund Allocation Covered Most of Business Needs (Source: NYDA)

54% of SMMEs agree that the relief funds boosted their cash flow and 29% believe it did not. See figure 21

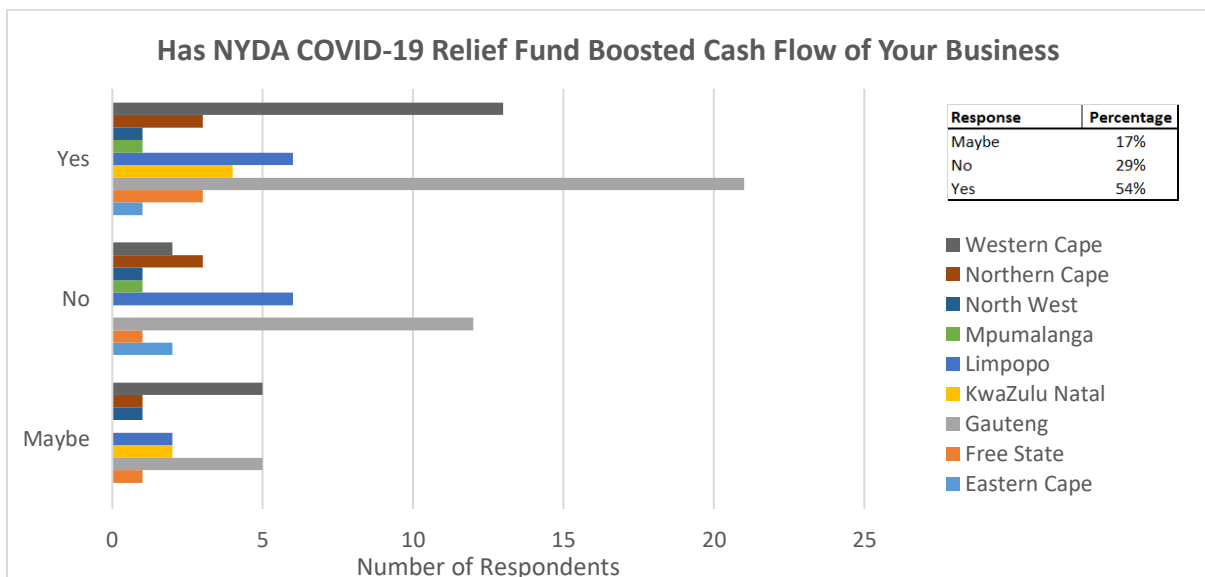


Figure 21– Relief Fund Boosted Cash Flow (Source: NYDA)

5.4 Objective 4 - Effects of Covid - 19 towards employment, business, and other opportunity

48% of SMMEs indicated that post COVID-19 relief funds their businesses slightly improved. 23% of these indicated improvement and 22% did not see any improvement. 8% indicated that their businesses worsened. See figure 22

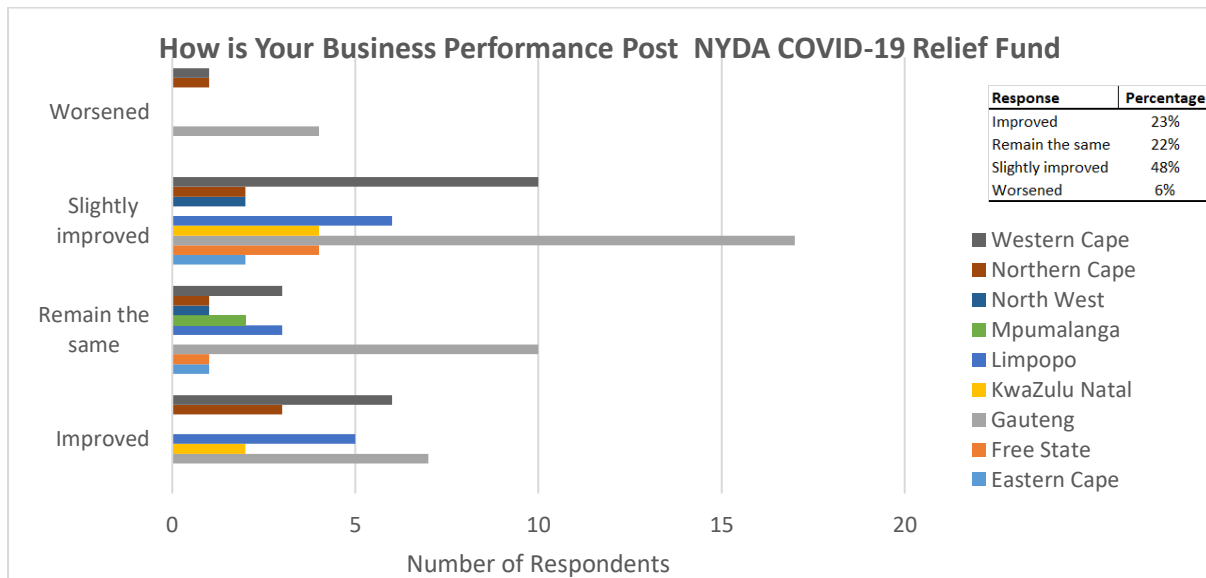


Figure 22- Business Performance Post COVID-19 Relief Fund (Source: NYDA)

5.5 Objective 5 - Youth participation on grant relief program S.A

A sampled youth of 100 indicates that a lot of participation 52% is between the age group of 31 – 35, followed by 41% of 26-30 with the least participation of 5% ages of 21 -25 and 2% of 35+. The data suggest that the age group of 26 – 35 which accounts for 93% might be more aware of grant offering by institutions such as NYDA. See figure 23 and figure 24

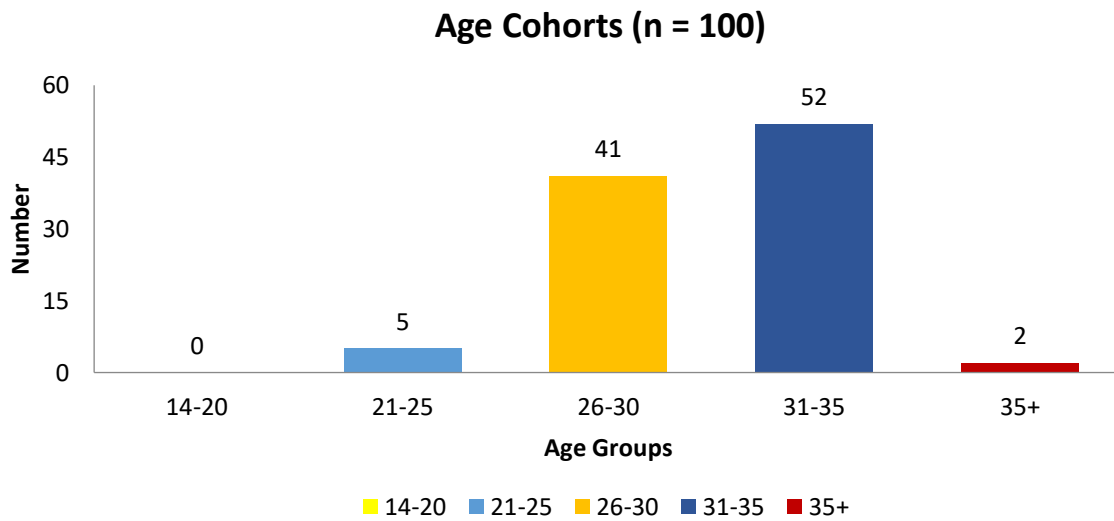


Figure 23- Age Cohort 100 Respondents (Source – NYDA)

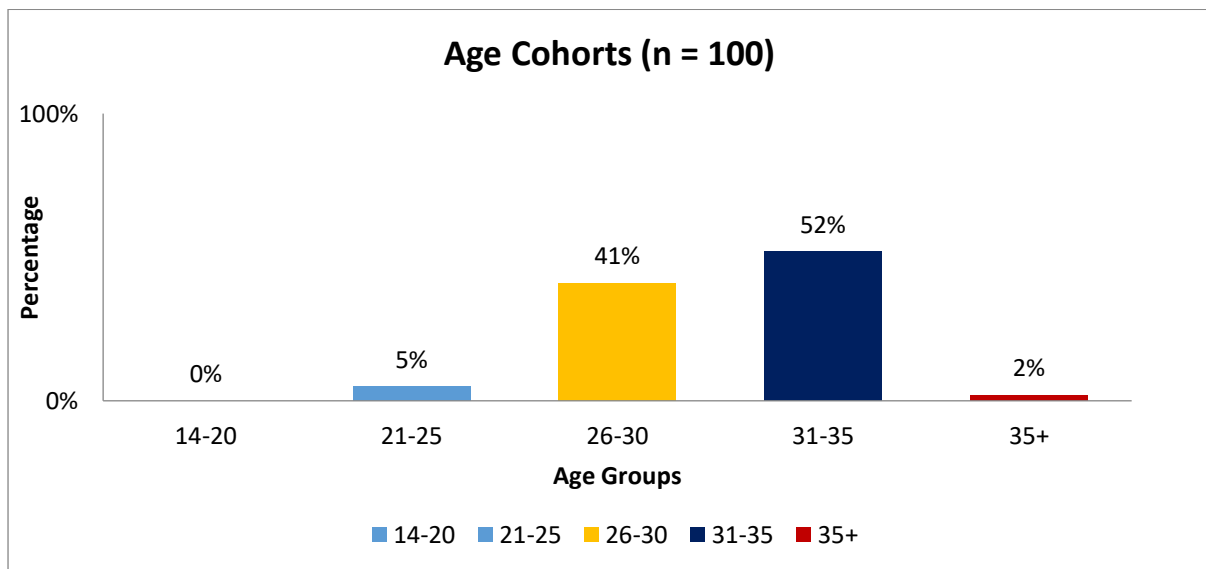


Figure 24 - Age Cohort percentage split

Figure 25 indicate aggregate population beneficiaries of various age groups. Age groups of between 31-35 (49,48%); 26-30 (39,79participants); 21 – 25 (10,12%); 14-20 (0,35%); 35+ (0,26%).

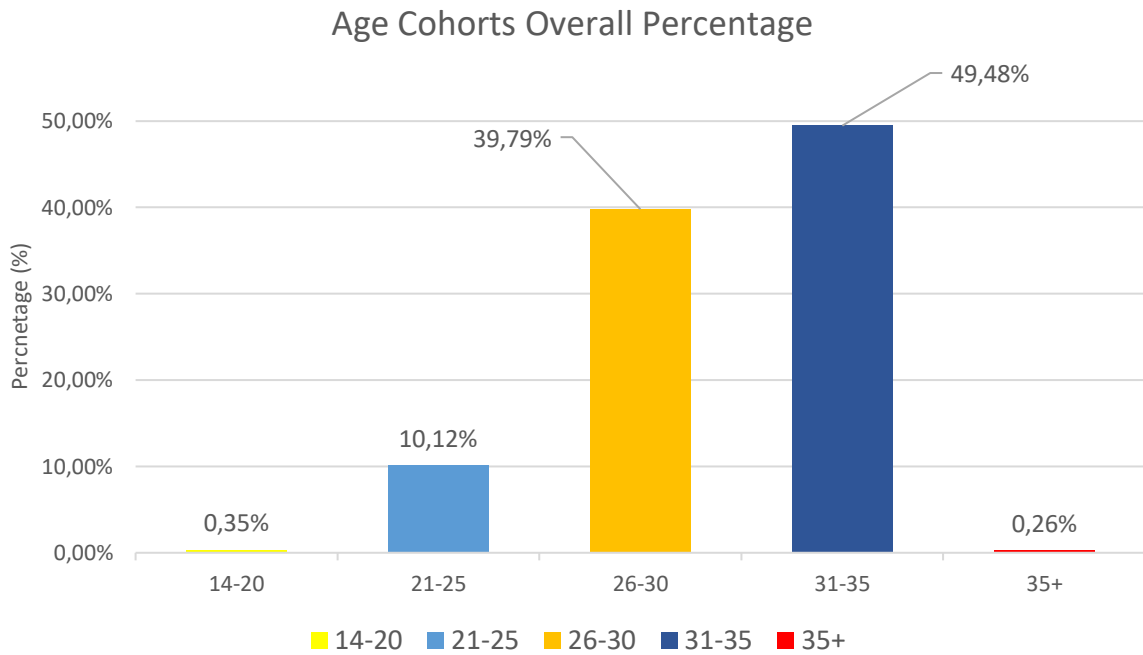


Figure 25 - Aggregate Population Percentage of youth participation in grants (Source NYDA)

5.6 Objective 6 - Impact of grant relief post Covid -19 towards functioning of youth owned companies

One of the companies that was surveyed used the money from NYDA to open a cafe and appointed 3 staff members.

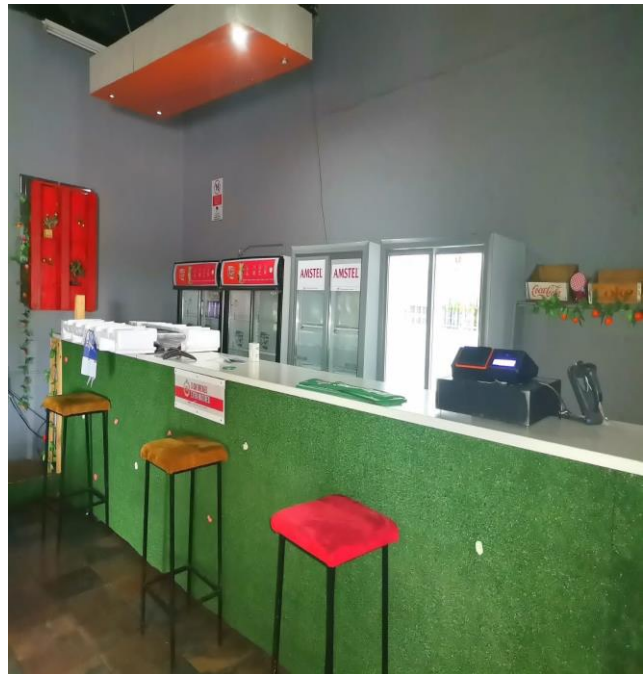




Figure 26 - Picture of Beneficiary establishment

One of the respondents "I was able to buy a sewing machine and start with the sewing project"



Figure 27 - Beneficiary Sewing project

5.7 Solutions and recommendation for improving young entrepreneurs

It is essential as part of improving young entrepreneurs that training programs be built that will assist with financial and technical support, this will aid with the sustainability of SMMEs.

6 Recommendations and Key Learnings

The grant relief program appears to have been largely successful in its implementation as evidenced in the perception and impact survey conducted (See findings and results section for more details). The following table 1 outlines key learnings and recommendations to assist in addressing these areas. Implementing the recommendations will assist NYDA to improve their way of doing things as well as implementing interventions to better serve the SMMEs.

Area of Focus		Key Learnings	Recommendation
10.	Businesses Support in Rural Areas	i. NYDA to be visible in Rural Area, offices are mostly in urban areas and not easily accessible to those in rural areas. SMMEs travel long distances to NYDA offices	i. Youth in the rural area can partner with NYDA in identifying and mobilizing young entrepreneurs in their area and train the youth in the area
11.	Communication to Beneficiaries	ii. Improve clear communication when giving feedback on the amount approved for SMMEs	ii. Establish clear feedback channel to applicants validating the amount approved if different from initial request amount.
12.	Social Media Responsiveness & Awareness	iii. NYDA needs to be more active on social media platforms such as Twitter.	iii. NYDA can ensure active social media platforms are utilized effectively. Have dedicated personnel to manage and coordinate

		<p>iv. To be more responsive in their social media</p>	<p>responses on social media.</p> <p>iv. To close the gap of rural area non-visibility, NYDA can advertise in local radio stations, this will bring awareness to the communities even in the peri-urban area</p>
13. Training Support		<p>ii. To have different training programs for similar sectors,</p>	<p>ii. Implement or collaborate in support training for sector specific that will focus on business operations and administration.</p> <p>iii. Build training programs that will assist with financial and technical support, this will aid with the sustainability of SMMEs</p>
14. Mentoring and Coaching		<p>i. To assist in organising mentorship programs in rural areas</p>	<p>i. There is need for NYDA to develop mentorship and coaching programs in Rural areas. One of the respondents highlighted the following “A young Entrepreneur is assisting the youth in his rural area and would love for NYDA to bring in more resources to alleviate the burden”</p>

15.	Completeness of application documents	<p>i. Application response turnaround time, there is a delay in responding to application. Applicant are turned numerous of times without full indication of what is wrong with the application.</p>	<p>i. Create an application form requirements checklist that will be utilised to ensure completeness of applications before final acceptance.</p>
16.	Cashflow and Purchase Order financing Support	<p>i. Relief funds was not enough to cover most of the costs that was enquired by businesses. A percentage a bit bigger could be suffice especially for businesses with high operating costs.</p> <p>One of the respondents highlighted "A construction company was unable to pay suppliers and labour, excluding all the other business expense" these was due to a perceived</p> <p>i.</p>	<p>iii. Increasing the amount of funding to small businesses (Suggested R20k) to enable more impact for small companies.</p> <p>iv. Small businesses who wish to grow to compete on a large scale require things such as Purchase Order Financing with a quick turnaround time. Such businesses lose out on big orders due to challenges faced with cash flow and lack of working capital.</p>
17.	Graduation of 35+ Youth Group	<p>i. NYDA to assist in linking the youth owned business to other development funders</p>	<p>iii. NYDA to assist in linking the youth owned business to other development funders.</p>

			iv. Linkage of NYDA and streamline youth age to other funders beyond the youth age level
18. Fund utilization Audits	i.	Coordinators that will check the funds utilized and do audit	ii. Coordinators that will check the funds utilized and do audit

Table 6 – Recommendations and key learnings (Source: NYDA)

7 Conclusion

The relief fund contributed positively to SMMEs and to some helped to create jobs in various sectors and provinces. It is imperative that NYDA continue to refine and make their grant or money distribution processes more efficient and accessible, including in rural areas. Most businesses wish to be sustainable and that requires continuous training, coaching and guidance as such training programs that will assist with financial and technical support should be implemented to aid with the sustainability of SMMEs. Improvement on clear communication when giving feedback on the amount approved for SMMEs and coordinators that will check the funds utilized and conduct audits.

The program was well received, and NYDA plays a critical role in protecting and enabling SMMEs during a period of economic turbulence. NYDA should also focus on raising awareness among SMEs as to the support available to them.

8 References

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9 Appendix – Beneficiary secondary questionnaire

Questions used for interviews, survey (survey was done on 300 recipients), and focus groups

- a) How were you able to utilize the NYDA relief fund to rescue your business?
- b) How do you think NYDA could have further assisted you during Covid to sustain your business?
- c) How did you manage to create jobs with the relief fund?
- d) Where you able to get further opportunities
- e) Rural, Peri-Urban or Urban
- f) Share your recommendations and solutions so that it may be presented to the NYDA board.



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