



nyda

**NATIONAL YOUTH DEVELOPMENT AGENCY
OUR YOUTH. OUR FUTURE.**

IMPACT EVALUATION OF THE VOUCHER PROGRAMME

March 2019



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LIST OF ACRONYMS AND ABBREVIATION

CATI:	Computer Assisted Telephonic Interviews
CPEG:	Centre for Poverty Employment and Growth
CSP;	Concentrating Solar Power
DBIS:	Department for Business Innovation and Skills
DoE:	Department of Energy
FGD:	Focus Group Discussion
KT:	Kgofu Trading
IDC:	Industrial Development Corporation
IGFS:	Innovation and Growth Factsheet Series
IYDPS:	Integrated Youth Development Plan and Strategy
PDDD:	Programme Design and Development Division
PSC:	Project Steering Committee
M&E:	Monitoring and Evaluation
UYF:	Umsobonvu Youth Fund
NYDA:	National Youth Development Agency
SB:	Small Business
SBVP:	Small Business Voucher Programme
SEDA:	Small Enterprise Development Agency

SEFA	Small Enterprise Finance Agency
SPs:	Service Providers
SME:	Small Medium Enterprise
SMME:	Small Medium and Micro Enterprises
TOC:	Theory of Change
ToRs:	Terms of Reference
UP:	University of Pretoria
UK:	United Kingdom
VTVP:	Victorian Technology Voucher Programme
VP:	Voucher Programme

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Executive Summary

The purpose of this report is to present the outcomes of the impact evaluation programme of the National Youth Development Agency's (NYDA) voucher programme (VP) that was implemented during 2014/15, 2015/16 and 2016/17 financial years.

The key objectives of the programme are as follows:

- To create a conducive environment for youth entrepreneurs to access relevant technical assistance and managerial support for their business.
- To empower youth entrepreneurs by providing them with the means to access opportunities in business.
- To support the creation of sustainable and competitive youth owned enterprises that are active in growth-oriented sectors of the South African economy.
- To support services providers to continuously develop innovative and demand driven products through capacity building.
- To encourage appreciation of the business development services that youth entrepreneurs are willing to pay for.
- To support and give guidance to young people by providing them with mentorship support services.

The purpose of the evaluation was to assess impact of the VP on improving youth economic participation in the country from the 2014/15 to the 2016/17 financial year and to establish the return on investment that has been derived by the NYDA on the programme.

The specific objectives of the impact assessment were as follows:

- To conduct cost benefit analysis of the programme.
- To identify how VP can be scaled up.
- To determine the relevance and adequacy of financial support that was provided to the entrepreneurs and establish if it is assisting voucher recipients' businesses to be sustainable.
- To establish business progress and its status since NYDA intervention, that is, determine if there was any improvement or benefits for young people.
- To identify the gaps that, are inhibiting the youth owned enterprises from being successful and determine the causes of the gaps or lack of performance.
- To outline the possible solutions and recommendations for improving performance of the businesses including NYDA specific or non-NYDA interventions that still needs to be accessed by the businesses.

- To highlight successes and record them as benchmarks for other businesses that will be supported in the future.

The impact evaluation approach used both quantitative and qualitative techniques. The mixed technique presents evaluators greater scope to advance and make a strong argument through triangulation in such impact evaluations. In applying both mixed techniques, the evaluation was conducted according to four (4), clearly delineated phases:

- The first phase was dedicated to planning and agreeing to clearly defined deliverables and project plan.
- Phase two was used to collect primary and secondary data. These were done by undertaking desk research, literature review, Focus Group Discussions (FGDs), In-depth Interviews (IDIs), with key stakeholders and survey of programme beneficiaries in accordance with agreed samples at delivery or implementation sites.
- The third phase was dedicated to the capturing of data collected during both secondary and primary data collection processes.
- Finally, during the fourth phase, the focus was on data analysis, interpretation, report writing and the production thereof.

The main finding of the impact evaluation, which is based on data that was gathered from the Key Informants (KIs) and the programme beneficiaries, show that the voucher programme has not, overall, made significant impact on its intended beneficiaries - the youth - in terms of enhancing their participation in the mainstream economy. It appears that the goal of enhancing youth participation in the mainstream economy of the country is much more the function of the organization or the division rather than one programme.

Regarding establishing the return on the investment that has been derived by the NYDA on the programme, the cost benefit analysis has found that the benefits of the programme outweighed the costs by a ratio of 3 to 1. This is an indicator that there had been a return on investment that the NYDA had derived from the programme.

The findings related to the main objectives of the evaluation and recommendations are as follows:

Conduct cost benefit analysis of the programme

This impact evaluation has found that the *sunk* benefits of the programme, accrued between 2014 and 2017, outweighed the cost of the programme as indicated by the programme net present value of R106, 939, 524, 42 for the period under review. The three contributing variables to this *sunk* net benefit were jobs created, jobs sustained, and revenue generated. The benefits are *sunk* because the cost benefit analysis was carried out after the programme had been implemented.

The study also found that the voucher programme did represent the best possible use of resources to achieve results of the greatest possible value to the participants. However, the revenue attracted of R2 700.00 over three financial years, could probably have been much higher had the 61% of the 37% (average) of the vouchers that were issued to develop business plans not cancelled or expired.

The key recommendation is that the NYDA should set a threshold on the number of vouchers issued for the development of business plans as it was found that 61% of the average of 37% of vouchers issued for the development of these plans were either cancelled or expired. Similarly, an annual performance target should be set for each of the voucher business service areas that are offered for by a service provider.

Determine the relevance and adequacy of, and support of other NYDA interventions and their contribution to the sustainability to the enterprises of the voucher programme beneficiaries

This impact evaluation has found that the NYDA financial and non-financial interventions that are relevant to the programme beneficiaries and are in line with the objectives of the programme are the grant, market linkages, entrepreneurship development and mentorship programmes. With an average of only 30% of the voucher programme beneficiaries who have been reported as having accessed these critical interventions, the support provided to the programme beneficiaries was found to be inadequate and, therefore, failed to contribute to the sustainability and growth of the enterprises owned by the programme beneficiaries.

The main recommendation here is that the NYDA should set annual targets and performance indicators (at least 50%) as part of its Annual Performance Plan for the number of young people who are voucher beneficiaries of the programme who access the grant, market linkages and the entrepreneurial development programmes. An additional target for young women and young people in rural areas who access the programme should also be set.

Identify options for scaling up the programme

The main finding here is that the available options for the NYDA to scale up the programme are expansion, replication and collaboration. However, given the binding financial constraints that the NYDA currently faces, the expansion and replication options are not, at this juncture, financially feasible. It is thus recommended that the NYDA should consider exploring the scaling up the programme using the collaboration option informed by the development of a comprehensive, cost effective and realistic collaboration strategy.

Contrast the baseline and end-line performance to ascertain the difference made on enterprises

The main finding regarding the difference made on enterprises by the programme is that it did not produce the intended results as demonstrated by the decline in the performance of key indicators of a healthy and thriving enterprise: the number of employees, revenue and profits generated. Overall, these indicators declined after the introduction of the programme to the beneficiaries.

Two recommendations are made in this regard. The first is that the NYDA should conduct a baseline study for all future voucher programme beneficiaries that would provide a much better yardstick for measuring the results of the programme at the end of the programme. The second is that the NYDA should consider developing a mechanism that would incentivise the service providers to ensure that they also build the capacity of the voucher beneficiaries to start and manage successful and impactful businesses.

Identify the gaps and causes for poor performance and recommend appropriate solutions

The findings here are that the gaps and causes of poor performance are ineffective programme design and planning, challenges related programme management and coordination of the programme, and ineffective institutional arrangements with programmes partners. There are several recommendations to close the gaps and improve performance including the review and redefining the

objectives of the programme in the context of a logical framework and Theory of Change (TOC) of the programme.

While the results of this impact evaluation study might be mixed, it is important to note that the value of this impact evaluation to the NYDA is that it will contribute to the strategic review and assessment of the voucher programme based on these outcomes.

1. Introduction

The purpose of this report, which is based on the impact evaluation of the VP which was commissioned by the NYDA is to provide the organization with the outcomes of the evaluation and recommendations in line with the findings of the evaluation. The purpose of the impact evaluation was to assess the impact of the VP on improving youth economic participation in the country with specific focus on the 2014/15, 2015/16 and 2016/17 financial years, and to establish the return on investment that has been derived by the NYDA on the programme.

The objectives of the evaluation with their associated key evaluation questions are reflected in **table 1** as follows:

Table 1: Objectives of the evaluation and key questions

Evaluation Objective	Key Questions
To conduct cost benefit analysis of the programme.	<p>To what an extent did the voucher programme represent the best possible use of resources to achieve results of the greatest possible value to the participants and the community?</p> <p>What are the costs of implementing the programme and how does it compare with the total benefits that were attained?</p>
To identify how the programme can be scaled up.	<p>What are the options for scaling up the programme?</p> <p>What is the plan than can be developed to have better return at the least amount of resources?</p>
To determine the relevant and adequacy of financial support that was provided to the entrepreneurs and establish if it is assisting voucher recipients' businesses to be sustainable.	<p>What is the relevance and adequacy of financial support to youth entrepreneurs?</p> <p>To what an extent has the support contributed towards improving sustainability of youth owned enterprises?</p>
To establish business progress and its status since NYDA intervention, that is, determine if there has been any improvement or benefits by young people.	<p>Did the voucher programme produce the intended results in the short, medium and long term? If so, for whom. To what extent and in what circumstances?</p>
To identify gaps that are inhibiting the youth owned enterprises from being successful and determine	<p>What are the gaps that are inhibiting voucher beneficiaries from being successful?</p> <p>What are the root causes?</p>

the causes of the gaps or lack of performance (if any).	What were the barriers and enablers that made difference between successful and disappointing VP implementation and results?
To outline the possible solutions and recommendations for improving performance of the businesses including NYDA specific or non NYDA interventions that still needs to be accessed by the business.	What are the possible solutions within the NYDA that can be pursued to improve performance of voucher beneficiaries? What are the possible solutions that are outside NYDA that can be pursued to improve performance of voucher beneficiaries?
To highlight successes and record them as benchmarks for other businesses that will be supported in the future.	What are some of the successes that have been experienced by the voucher beneficiaries?

The structure of the report is based on the above objectives.

The previous evaluation of the programme, which was conducted under the auspices of the then Umsobomvu (UYF) by EICAfrica in 2007, summarised the shortcomings of the programme as follows:

- Sense of entitlement: people applying primarily because they want the money, not to enhance the effectiveness of their businesses.
- Urban bias: Most of offices are in urban areas, and visits to rural areas take place on a limited number of days.
- A lack of applications from people with disabilities and women (for reasons that are not clear to UYF).
- Limited resources and associated limitations, e.g. a limited number of locations of support.
- Operational limitations, e.g. difficulties with recruiting suitably qualified and experienced people.
- Bureaucratic stumbling blocks, e.g. detailed forms that are difficult for beneficiaries to complete.
- An inefficient service provider payment system, leading to some service providers withdrawing for reasons of late payment.

The evaluation also found that close to 90% of the voucher applications were from the urban areas, with 26.1% coming from Gauteng, 19.1% from KwaZulu-Natal and 14.1% from the Eastern Cape, and that more men acquired the vouchers than women, suggesting that there is a need to focus on enhancing female participation.

2. Programme background and context

The NYDA, is a South African based agency that derives its mandate from the NYDA Act 54 of 2008, the National Youth Policy (2009-2014), and the draft Integrated Youth Development Strategy which was adopted by the Youth Convention of 2006. It was established primarily to tackle challenges that the nation's youth are faced with. The NYDA plays a lead role in ensuring that all major stakeholders prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges. In addition, the NYDA designs and implements programmes aimed at improving lives and opportunities available to youth.

One such programme that was designed and implemented by the NYDA is the VP which is aimed at assisting young entrepreneurs by providing one-on-one business development support to access quality business development through NYDA approved business consultancy service providers, thereby enhancing their participation in the mainstream economy.

The key objectives of the programme are as follows:

- To create a conducive environment for youth entrepreneurs to access relevant technical assistance and managerial support for their business.
- To empower youth entrepreneurs by providing them with the means to access opportunities in business.
- To support the creation of sustainable and competitive youth owned enterprises that are active in growth-oriented sectors of the South African economy.
- To support services providers to continuously develop innovative and demand driven products through capacity building.
- To encourage appreciation of the business development services that youth entrepreneurs are willing to pay for.
- To support and give guidance to young people by providing them with mentorship support

services.

The programme aims to provide products and services as per the following business areas:

Business feasibility- To ensure and demonstrate that the business to be started is feasible from a market, financial, technical and managerial perspective.

Due diligence- To ensure and demonstrate that the business to be purchased is feasible from market, financial, technical and managerial perspective.

Business plan- To enhance bankability and planning orientation of young enterprises. It is great at giving support to start up and existing enterprises.

Bookkeeping and financial administration- To ensure that the entrepreneur can set up administration system to effectively start and manage business. To ensure that entrepreneur has planning tools in place for ensuring, controlling and directing the operational performance of the entity.

Branding and design of business forms and marketing and promotional material – to ensure that the entity can function professionally using relevant marketing and tools.

Web based marketing- To assist the entrepreneurs in obtaining a web presence and market.

Operational and procedures, manual and HR policies- To ensure that the enterprise is governed by a set of appropriate policies. To ensure that the entrepreneur is consistent when dealing with employees and their progress and future in the business.

Business Improvement- To provide existing business with business improvement and turn around strategies and plans about HR, production, marketing, purchasing, cost structuring etc. To review and redesign of business process to bring about significant improvement in critical areas of performance such as cost profitability, quality, service and speed.

Marketing strategy- To provide additional support services to business requiring more detailed analysis in order to increase sales and market share.

The VP is open to persons who are according to the South African constitution, classified as youth and aged between 18 to 35 years old, who is a permanent SA resident, either a sole owner or being in partnership with members who are youth of the new or existing business, be adequately involved in the day to day operations and management of the business, and the business should be operating within the borders of South Africa.

These young entrepreneurs receive personal business advice and support between the values of R6000 to R18000, from an NYDA accredited service provider. These service providers are professional companies that have the relevant skills and experience that can assist the young entrepreneurs in developing their business ideas or support them improve the performance of their enterprises.

The VP is designed such that young people apply to access quality business development service from NYDA thereby enhancing the participation of young people in their participation in the mainstream economy. Participants are taken through several introductory stages as a form of orientating information about the programme and services.

To ensure customer readiness for the business support service they are applying for as well as the relevance of the service to the business, all applications for the VP products are correctly assessed. On the completion of the interview, i.e. on the same day as the interview, the VP officer updates the VMS with his/her recommendations submit this to the coordinator. Notification to the applicant is only done after the co-ordinator has viewed the recommendation that has been made.

The SP is required to do the following prior, amongst other things, to the start of the service.

- Deliver the service or product as per the contracted deliverable.
- Develop a work plan with the client in line with the validity period.
- Discuss expectations the client and do conflict resolutions if needs be.

The SP, on receiving the voucher, will render services in accordance with the Service Level Agreement (SLA), and the product guideline and standards referred to as the Product Guidelines and Standards documents on the intranet. On the completion of the product the SP will:

- Upload the product and invoice (redemption pack) on VMS.
- Notify the client to review the product on VMS.

On the one hand, the customer is required to log on the VMS to:

- Evaluate the service they receive from the SP.
- Review the completed product and approve or decline.

Administrative compliance

- The invoice has thirteen (13), check points – these are used to guide the administrator when conducting compliance.
- The SP is required to respond to the query on VMS through the client workflow.
- The SP is required to respond to the query on VMS and correct the invoice. Once the SP has responded to the query, the invoice moves to the task box of the Administrator for review.

Aftercare and support to Voucher Clients

- After care at a branch is the responsibility of the VP Office which is done three (3), months after the service has been completed.
- Details of site visits must be recorded on VMS.
- It is crucial that any new businesses that were developed as a result of voucher intervention and existing business are contacted or visited by the VP Officer after the service delivery.

Monitoring and evaluation

Branches are monitored against the performance of the branch. All branches are required to submit a monthly report on the branch monthly reporting template. This report is prepared by the coordinator and signed off and submitted by the branch manager.

Quarterly visits are made to the branches by the programme manager to discuss their experiences, performance achievements and measures taken to meet targets and plans for the next quarter. This is also to conduct compliance verification of the VP process.

Management Information System

The VMS is the main system used in the VP. All users have different roles on the system with different log-ins. All technical related support is provided by the System Administrator and the Manager.

3. Literature review

The literature review examines the use of vouchers as the instrument for development globally with specific examples where these had been implemented successfully, provides a brief situational of the current situation of young people in South Africa and looks at the Small Medium and Micro Enterprises (SMME) landscape that the voucher programme beneficiaries must constantly navigate.

3.1 Making sense of a voucher as an economic and social development instrument

In a study conducted by the Human Science Research Council (HRSC) on behalf of the Development Bank of South Africa (DBSA) in 2010 to explore evidence about the extent to which vouchers, as a method to transfer social assistance benefits, might deliver larger developmental spin-offs than cash grants and in-kind social assistance compared with cash transfers the authors define a voucher is a coupon or certificate against which social grant benefits (a subsidy or tax rebate) are dispensed to qualifying/eligible people.

In the context of social protection on which the study was based, they describe the voucher as an 'intermediate' mechanism between direct public ownership and cash transfers in the provision of social assistance to the poor. Vouchers often work best when governments contract out the provision of services. Regulations attached to vouchers impose restrictions on their use: they have a capped monetary value; supplier restrictions are imposed; and vouchers are exchangeable for specified types of the goods and services. The administrative structures of voucher schemes vary considerably.

Research based on the same paper list the following uses of vouchers as instruments of social and economic development globally:

- Vouchers can be used as social policy tools to improve efficiency and equity.
- Voucher programmes in other countries are mainly aimed at helping poor families to send their children to private schools.
- School voucher systems form a model for other types of vouchers in developed and developing countries.
- For small holding farmers, vouchers can be exchanged for training and support as well as high-protein feed and limited veterinary services.
- Training vouchers exist in the US and other parts of Latin America to assist able-bodied unemployed people to move from being welfare beneficiaries to working.
- Voucher-based training programmes that target poor adults, especially the youth, are closely modelled on school voucher programmes.

- Wage-subsidy vouchers can provide cost effective assistance to low-wage workers for finding regular paid employment.
- ‘Institutional failure’ seems to be a key rationale for vouchers as it forms one among several options to make goods and services more affordable.

The HRSC paper summarised the advantages and disadvantages of vouchers in accordance with **table 2** as follows:

Table 2: Advantages and disadvantages of voucher programmes

Advantages	Disadvantages
Can be linked to other, supplementary goals – vouchers for a commodity, e.g. food, may be linked to specific supplementary goals, for example, only be redeemable against nutritious food.	Cost – vouchers can be costly in terms of printing, distribution and redemption.
Advantages women – women may have more control over the use of vouchers in household expenditure than would be the case with cash.	Lack of choice – vouchers may not meet the specific needs of households.
Less potential for anti-social behaviour – vouchers are only redeemable for specific commodities.	Corruption – if people prefer cash to vouchers a black market might develop.
Better targeting –if asking for vouchers is seen as demeaning, only the needy will apply.	Potential lack of trader participation – traders may not want to accept vouchers.

Furthermore, in its recent paper on *Economic Empowerment for the Disadvantaged, a Better Way a Better Way to Empower SA poor*, the Institute of Race Relations in South Africa strongly advocates for the replacement of the BEE with a voucher system. They argue that a system of vouchers should be an integral part of what they term Economic Empowerment of the Disadvantage (EED) a replacement policy instrument for BEE. In terms of how this would work, they propose a Means-test for South Africans, earning below a certain amount, would be entitled to government-funded vouchers, which they could use to access education, healthcare, and housing. They further argue that, for example, people would be granted education vouchers, up to the prescribed value, which they could use at the school of their choice. This, according to them, would be funded by redirecting the education budget, rather than increasing it.

They further argue that this would provide children from lower-income families with the educational choice which many middle-class people take for granted. This would also have an effect on failing state schools, which many children must attend because they have little other choice. Without this captured

market, poor state schools will have to improve and ensure that they are facilities of choice for parents, to benefit from the vouchers that families have been granted. The vouchers would work in a similar way for housing and healthcare – people would no longer have to solely rely on government services. This would not only give people more choice, but would also, likely, result in delivery of improvements in housing, education, and healthcare.

The implementation of voucher programmes in other countries have shown tremendous success. Here we look at few of these.

In 2011 the World Food Programme (WFP) conducted two pilot projects in Zimbabwe that were based on cash and vouchers. In one of them, vulnerable people in a remote area were given cash. In the other, WFP sent e-vouchers via mobile phone to beneficiaries participating in a health-based safety net programme in urban areas. The vouchers meant beneficiaries could select from a list of specified food commodities.

Both projects provided valuable lessons learned as follows:

Preparation Time: In both projects the start-up time was lengthy. The sort of assessment needed was more extensive than normal, since, for example, in addition to a standard vulnerability analysis, a more comprehensive market assessment was required. The project design was also more complex. However, it was expected setting up cash and voucher projects would become quicker as WFP and its partners gain experience. Enhancing technical capabilities and building new partnerships would be important.

Beneficiary Preferences: The use of cash transfers created some controversy within the communities. Non-recipients of food assistance preferred it when the people receiving WFP assistance were given food rations. This was because food rations were more likely to be shared with them. The actual recipients, in contrast, favoured a combination of cash and food transfers.

Impact of Cash Transfers: The cash pilot showed that it could be difficult to direct the use of cash. In Zimbabwe, the cash transfers did not result in improved dietary diversity because beneficiaries spent the money mainly on maize and not on pulses or vegetable oil. However, as the cash transfers boosted general food consumption, they achieved the intended objective. Nevertheless, the utilization of cash could be influenced to a limited degree, for instance, through the selection of different types of beneficiaries.

The final evaluation of both pilot projects showed that despite some problems, cash and vouchers were a more efficient means of providing hungry people with access to food, when compared to direct food transfers.

In Uganda, despite the investments made by the its government, the utilisation of maternal health services had remained low, resulting in a high maternal mortality (438 maternal deaths per 100,000 live births). Aiming to reduce poor women’s constraints to the utilisation of services, an intervention consisting of a voucher scheme and health system strengthening was implemented.

A study was undertaken to measure the impact of the voucher programme in 2015 and the results and conclusions reached were that:

- To promote the successful implementation of interventions with demand and supply side initiatives, such as voucher schemes, the health system should be able to respond to the demand created by providing the additional required resources such as health workers, essential supplies and equipment.
- Involving a diverse, multi-sectoral group of stakeholders was important for addressing the different barriers experienced by women when seeking maternal health services.
- Voucher schemes should have a mechanism of detecting unintended consequences and mitigating them.
- Sustainability plans should be built into such interventions to maintain the gains achieved.

In a vocational voucher programme in Kenya and its subsequent impact evaluation, few critical findings were noteworthy.

The region of rural western Kenya where this vocational training programme was undertaken is primarily agrarian. Individuals farm for subsistence, and participation rates in wage and self-employment are low. There are also important differences in the types of work performed by gender.

The evidence discussed in the report suggested that vouchers were a potentially effective way of encouraging investment in vocational education in Kenya. The results showed that individuals awarded a voucher were able to acquire more vocational education, consistent with the notion that financial constrains limit educational investments in this environment. The study found suggestive (but not dispositive), evidence of shifts out of agriculture and into (wage) employment, however, the evaluation also found little evidence of improvements in well-being or human capital due to the programme. The innovation voucher assessment found limited evidence on earnings, where only statistically-significant increases in wages among wage earners were further noted.

Further findings of the study were as follows:

- The vouchers were very successful at getting young adults to enrol in vocational training programs.
- But participants who received an unrestricted voucher—one that could be used for either a public or private training programme—were more likely to enrol and less likely to drop-out of a programme than those who received the restricted (public institution-only) voucher.
- The 10-percentage point enrolment gap might be explained partly by the greater choice of schools available to holders of an unrestricted voucher.
- However, regardless of the type of voucher, participants who had not completed secondary school were less likely to drop out than those who had.

The voucher programme in the United Kingdom (UK) provides advice to small businesses that assist them to grow and be sustainable. During the year 2014 in UK, there was a 10 percent rise in the number of registered businesses, up to 581,000 from 526,000 in year 2013 with a six percent fall in the number of businesses had closed during the same time frame. This illustrates that government backed schemes such as the voucher programme are responsible for helping small businesses in the UK to grow, survive and flourish, and this innovation can be applied all around the world.

In Australia the voucher programme is one of the most progressive and effective technology development assistance programmes. It is used for the development of a new product and business systems. The application process in Australia takes about 2 hours online and there are no “strings attached” to the commercial outcome and no possible loss property rights due to collateral required by some institutions that offer similar services as the voucher programme.

In Ireland, the Creative Challenge Celtic Crescent North West or more commonly known as the 4CNW Project was a pilot programme funded through the European Creative Industries Alliance with the overall aim of demonstrating how public authorities can stimulate business innovation take-up and increase enterprise competitiveness and growth using creative services in business.

The main programme actions were the management of a competitive talent voucher fund that supported small and micro enterprises to address creative challenges within their enterprise. A brokered match making service was administered to help enterprises define their creative challenge and select the most suitable creative supplier to address this challenge. A creative directory was developed to make the services of creative suppliers more accessible and encourage greater use of creative services in small and micro enterprises. A range of information and awareness events were

organised throughout the programme region for beneficiary businesses and creative suppliers as well as 3 transnational events to stimulate transnational cooperation and working among participants.

The application of the talent voucher fund allowed the value of creative services to be showcased and demonstrated. It created new avenues to markets and clients for creative industries while developing new solutions for participating businesses.

3.2 Brief situational analysis of SA youth

According to the Trading Economics website youth unemployment rate in South Africa increased to 54.70% in the fourth quarter of 2018 from 52.80% in the third quarter of 2018. Youth unemployment rate in South Africa averaged 52.15% from 2013 until 2018, reaching an all-time high of 55.90% in the second quarter of 2017 and a record low of 48.80% in the fourth quarter of 2014. Unemployment rate amongst youth aged between 15 and 24 years old, sits at a whopping 52.4%. The labour absorption rate for adults is 57.8%, almost twice that of young people, at 30.8%. Young women face even higher levels of unemployment – 34.5% of young women are neither employed nor at school, including further and higher education, compared to 29.9% of young men.

According to the National Youth Policy 2020, youth-targeted interventions, like the VP, which is the subject of this impact evaluation, are needed to enable young South Africans to actively participate and engage in society and the economy.

The policy argues that the marginalisation of young people is primarily manifested in high youth unemployment. In a job-scarce environment, joining the world of work is particularly difficult for young people. This is not just a local problem – in 2013 the International Labour Organisation (ILO) estimated that, at a global level, 73.4 million young people who want to work and are actively looking for a job cannot find one. About one out of every two young people (52.9%) is unemployed or a discouraged work-seeker, and not enrolled at an educational institution (ILO 2013). The same ILO report states that the world is facing a worsening youth employment crisis, where young people are three times more likely to be unemployed than adults.

According to Statistics South Africa (StatsSA: 2014), young people constitute 37% of the country's population. This presents a powerful resource for the country, provided the youth are supported and able to become active members of society. The NDP states that: "Having a relatively young population can be advantageous; provided the majority of working-age individuals are gainfully employed. The challenge is to convert this into a demographic dividend; this will only be possible if the number of working-age individuals can be employed in productive activities" (2012: 98). Yet social norms continue to side-line young South Africans, treating political and economic participation as the

prerogative of older people, which is why there is a continued need for policies and implementation frameworks that pay deliberate attention to youth concerns

3.3 The SMME landscape in South Africa

The contribution of SMMEs to job creation and economic growth is recognised the world over. This has been demonstrated by the government's dedication to promoting and supporting SMMEs and by striving to create a conducive and enabling environment to insure the survival and growth of SMMEs. A vibrant SMME sector contributes to the economy by generating higher production volumes, increasing exports and by introducing innovation and promoting entrepreneurship skills.

There is no universally accepted definition of Small Medium and Micro Enterprises (SMMEs. According to Carvalho (2007:25), some countries will use turnover, while others may use the number of employees as a criteria. Similarly, according to Wickham (1998:5), there is no single definition of an entrepreneur or entrepreneurship. Although many definitions of the entrepreneur, or entrepreneurship, might be offered, any one definition is likely to result in a mismatch with our expectations in some cases. The type of industry that the SMME operates is also taken into account.

The most widely used criteria in South Africa is the definition of the National Small Business Amendment Act 26 of 2006, which defines all sectors of the economy, as well as the types of enterprises. The National Small Business Act of 2006 categorises small businesses into distinct groups, namely; survivalist, micro, very small, small and medium, hence the use of the term "SMME" for small, medium and micro enterprises (National Credit Regulator, 2013:24).

According to Nieman and Niewenhuizen (2013:10), the definition of small businesses consists of two parts – qualitative and quantitative criteria. In terms of the qualitative criteria that relate to the ownership structure of the business, must:

- Be a separate and distinct business entity;
- Not to be part of a group of companies;
- Include any subsidiaries and branches when measuring the size;
- Be managed by its owners; and
- Be a natural person, sole proprietorship, partnership or a legal person such as a close corporation or a company.

The quantitative criteria, classifies businesses into micro, very small, small and medium, using the following guidelines:

- Total full time employees;
- Total annual turnover; and
- Total gross asset value (excluding fixed property).

According to Small Enterprise Development Agency (SEDA), in the first quarter of 2018, the SMME sector provided employment to nearly 8.9 million people in South Africa with 2.44 million jobs for SMME owners themselves – while the balance of 6.4 million jobs were for SMME employees. The further breakdown shows that: employment in the formal sector contributes 56%, informal sector contributes 11.9%, agriculture contributes 4.7% and the contribution of private households is negligible. An estimated 37.7% of women are employed within SMMEs (SEDA, 2018:12). The ownership by age shows the majority of SMMEs are owned by 40-44-year olds (16%), 35-39-year olds (15.7%), 30-34-year olds (13.5%), and 45-49-year olds (13.5%) (SEDA, 2018:13). Thus, the listed age cohorts account for 58.7% of all SMMEs. The majority of SMMEs have been in existence for 11-20 years (22.6%), 6-10 years (22.3%) and 1-2 years (15.7%) (SEDA, 2018:14). Thus the 3 enterprise age groups represent 60.6% of the SMMEs.

According to SEDA, during first quarter of 2018, the majority of the SMMEs were in the following industries: trade and accommodation (39.3%), community service (15.1%), construction (13.6%), and Finance & business services (13.3%). An overwhelming majority of SMMEs are operated in Gauteng Province (GP) (34.7%) (SEDA, 2018:17). The most popular industries in GP include the following: travel and accommodation (35.9%), community (17.7%), finance & business services (16.1%), and construction (13.5%). These 4 industries accounted for 83.2% of the contribution of the province.

According to SEDA, in terms of population groups, the majority of SMMEs are owned by Black (74.9%), followed by White (17.3%). The educational picture pointed out that 35.4% had not completed secondary education, 25.3% of SMME owners had completed secondary education, and 21.2% attained tertiary qualification.

SEDA has further estimated that the share that SMEs contributes to the turnover of all enterprises fell slightly from 41% to 40% (R930,077 billion) in the four quarters up to first quarter of 2018 (SEDA, 2018:23). From a turnover point of view, the industries that made the highest contributions include

the following: trade (40.7%), manufacturing (25.5%), and real estate & other business services (17.8%). The three industries account for 84% of SME contribution to turnover.

4. Overview of the Voucher Programme Performance: 2014 -2017

While not part of the structure of the report that was contained in the Terms of Reference (ToRS) for the impact evaluation of the voucher programme, the evaluation team has determined that it would be of utmost importance that an overview of the performance of the programme during the years under review be provided in order to provide its historical performance and determine whether there are emerging trends or not.

This section of the report is mainly derived from the programme database for 2014 -2017 that the Unit within the Programme Design and Planning Division (PDDD), responsible for managing the programme, provided to the evaluation team for this particular purpose. It also relies on further data and information provided by the same team.

According to **table 3** below, which is based on the analysis of the database of the programme for the 2014/15, 2015/16 and 2016/17 financial years and the financial information received from the Unit, about 8,581 vouchers were issued between 2014 and 2017 financial years. Of these vouchers, the analysis of the database shows, about 30% of them were cancelled and 25% expired. It is important to note the meaning of cancelled and expired vouchers. According to the NYDA team responsible for the programme, an expired voucher means the three months life span of the voucher has lapsed while a cancelled voucher means the voucher was cancelled on the VMS.

. In terms of this explanation is correct, this effectively means that only 45% of the issued vouchers were redeemed.

Table3: Budget vs number of vouchers issues, expired, cancelled and redeemed

Financial year	Budget (cost)	Number of vouchers issued	Vouchers cancelled	Voucher expired	Actual vouchers redeemed	Average cost of the voucher
2014/15	R15,117,804	2,203	528	726	949	R15,117.80
2015/16	R1,769,536.53	3,103	853	828	1,422	R1,244.39
2016/17	R17, 182,269	3,725	1,176	592	1,967	R8,735.26

Total	R34,069,609.53	8,581	2,557	2,146	3,878	R8,785.35
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The total budget for the corresponding period, which will be computed in the next section of the report against the monetary benefits of the programme that accrued to the beneficiaries, was R34,069,609.53. Based on this figure, the average cost of the voucher during the period under review was R8,785.35.

According to **table 4**, Gauteng province, which includes the Johannesburg, Tshwane and Maponya branches, accounted for 30% of the overall vouchers issued during the period under review, followed by Mpumalanga, which includes the Emalaheni, Secunda and Mbombela branches at 19.8%, followed by the Eastern Cape, which includes the Port Elizabeth and East London branches at 14.5%. The least performing provinces were the North West at 3.2% and North West at 3.8% respectively.

Table 4: Geographical distribution of issued vouchers (2014 -2017)

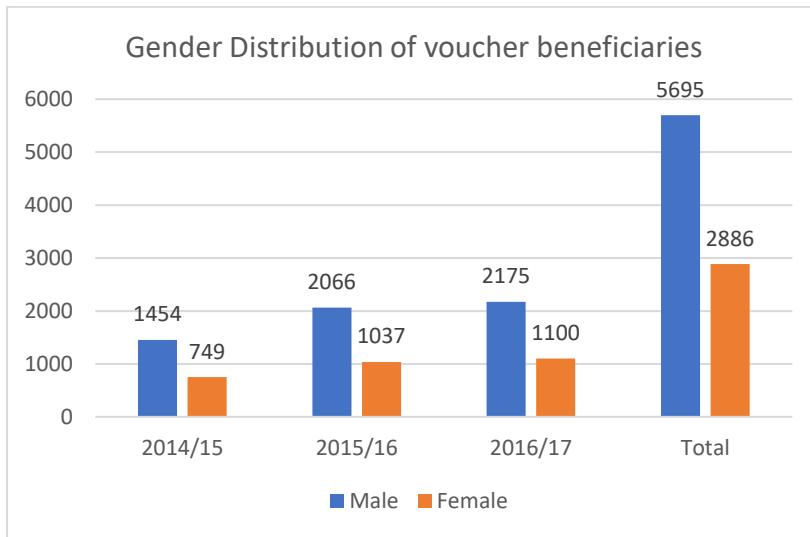
Province	2014/2015	2015/2016	20116/2017	Total
Gauteng	793	1,055	288	2,636
Mpumalanga	435	555	714	1,704
Eastern Cape	248	444	555	1.247
KwaZulu Natal	205	304	309	818
Limpopo	157	222	353	732
Western Cape	154	207	206	567
Northern Cape	61	125	147	333
North West	62	74	196	332
Free State	88	117	77	282
Total	2,203	3,103	3,275	8,581

That most vouchers were issued in Gauteng province is the confirmation that the province is indeed the economic hub of the country. What is not clear is why other economic power houses like the

provinces of KwaZulu Natal and the Western Cape issued such a low number of vouchers compared to the mainly rural provinces of the Eastern Cape and Mpumalanga.

Figure 1 below depicts the gender distribution of the voucher programme beneficiaries for the 2014/15, 2015/16 and 2016/17 financial years:

Figure 1: Gender distribution of issued vouchers (2014=2017)

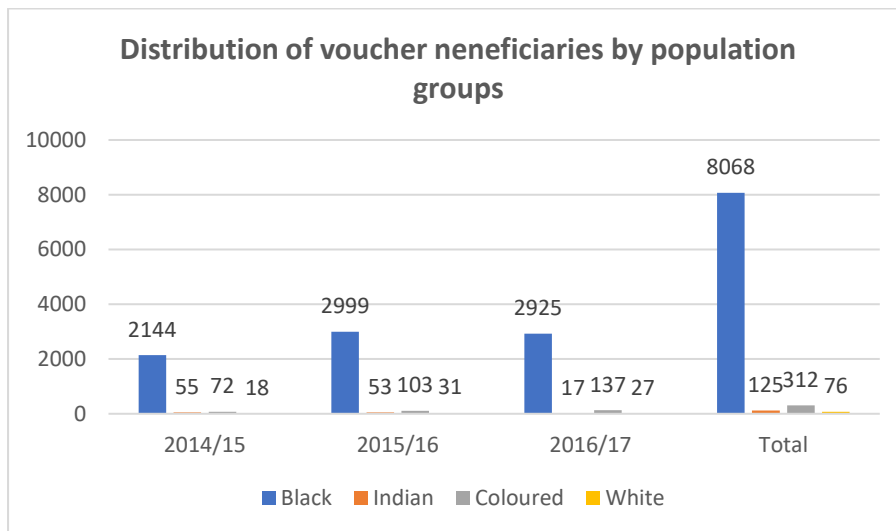


According to **figure 1**, about 66% of the total number of vouchers were issued to males compared to 44% that were issued to females – a difference of 22%. Contrast this to the last national census by Statistics South Africa (Stats SA) in 2011, that women accounted for just over half (51.7%) of the total population.

This picture seems to confirm the findings of the research conducted by the Department of Trade and Industry in 2012 that found ‘that women in business, or those planning to start a business, believe the current institutional and programme framework for enterprise development is inadequate. There are few, if any, women-specific programmes available to help women start up and expand a business, and many agencies have insufficient data on the number of women they assist. Many women in business feel excluded from the markets that are necessary to establish and grow their businesses’.

Figure 2 below shows distribution of the voucher beneficiaries by population groups during the period under review. According to **figure 2**, at 94% young blacks received the lion’s share of the issued vouchers,

Figure 2: Distribution of voucher issued according to population groups (2014 and 2017)



While the lion’s share of vouchers that were accessed by blacks could be explained as part of the government intervention to close the economic gap between black and white citizens of South Africa through provision of business skills to young black South Africans, it is not clear why racial distribution in provinces like KwaZulu Natal which large concentration of Indians and the Western Cape with large concentration of coloureds is still very low.

5. Purpose and scope of the evaluation

It is important from the outset that to note that, given the myriad of definitions of impact evaluations dominating the M&E landscape, the evaluation team that conducted this impact evaluation used of the World Bank’s definition, which defines impact evaluation as:

‘impact assessment of the programme which gets conducted normally by an independent specialist based on agreed terms and after a reasonable period of implementation, monitoring and management. This cannot be achieved in a short space of time or daily as a programme must be monitored for a specific period before we can begin to think of impact’.

The purpose of the evaluation was to assess impact of the VP on improving youth economic participation in the country from the 2014/15 to the 2016/17 financial year and to establish the return on investment that has been derived by the NYDA on the programme.

The specific objectives of the impact assessment were as follows:

- To conduct cost benefit analysis of the programme.

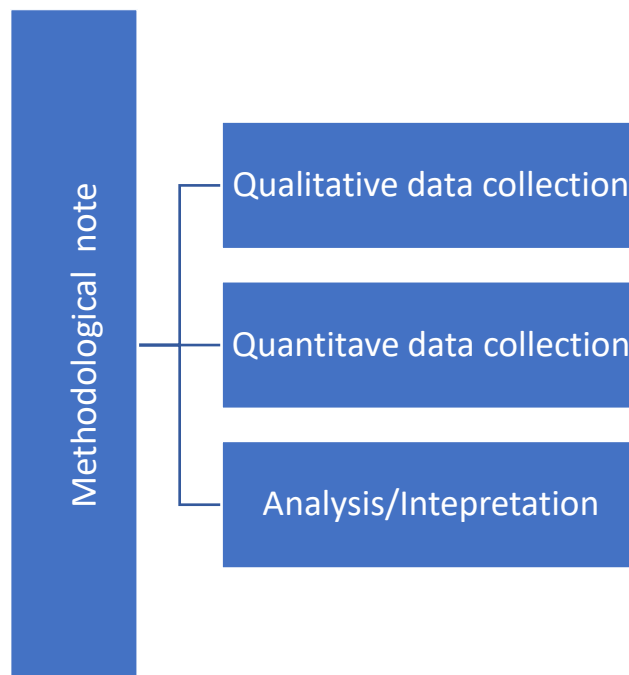
- To identify how VP can be scaled up.
- To determine the relevance and adequacy of financial support that was provided to the entrepreneurs and establish if it is assisting voucher recipients' businesses to be sustainable.
- To establish business progress and its status since NYDA intervention, that is, determine if there was any improvement or benefits by young people.
- To identify the gaps that, are inhibiting the youth owned enterprises from being successful and determine the causes of the gaps or lack of performance (if any).
- To outline the possible solutions and recommendations for improving performance of the businesses including NYDA specific or non-NYDA interventions that still needs to be accessed by the business.
- To highlight successes and record them as benchmarks for other businesses that will be supported in the future.

6. Methodology

This impact evaluation approach used both quantitative and qualitative techniques. The mixed technique presents evaluators greater scope to advance and make a strong argument through triangulation in such impact evaluations. While the questionnaires were workshopped with the NYDA office team, instruments for beneficiaries were not tested before being taken to field. As such, there could be some questions not reworked to test their appropriateness and suitability.

In applying both mixed techniques, the evaluation was conducted according to three (3), clearly delineated phases. In brief and finally, the three (3), phases are diagrammatically summarised in figure 3 below:

Figure 3: Phases of the research



- Phase one was used to collect secondary and primary data. This was done by undertaking desk research, literature review, Focus Group Discussions (FGDs), In-depth Interviews (IDIs), with key stakeholders and survey of programme beneficiaries in accordance with agreed to samples at delivery or implementation sites. The programme beneficiaries were engaged using an appropriately developed structured questionnaire administered using Telephonic Interviews, Face-to-Face Interviews and Focus Group Discussions (FGDs). The questionnaires were designed, work-shopped with NYDA and approval sought before being administered.
- Phase two was dedicated to the capturing of data collected during both secondary and primary data collection processes. In-depth Interviews (IDIs), were conducted using a semi – structured questionnaires with strategic programme stakeholders These interviews were conducted with National NYDA staff and branch staff sampled and identified to participate in the evaluation.
- Finally, during the third phase, the focus was on data analysis, interpretation, analysis, report writing and the production thereof. Data was loaded on a spread sheet and analysed.

Interviews were conducted using appropriately semi-structured questionnaires developed in conjunction with the NYDA programme team. Key informant interviews were conducted with the identified stakeholders using an appropriately developed semi-structure interview guide administered through face-to-face interviews. The guide was comprised of closed ended questions as well as open-

ended questions to enable further probing and expansion/explanations on responses given. A total of 30 (thirty) key informants were contacted and appointments made for interviews. The interview guide was designed, work-shopped with NYDA and approval sought before being administered. The key informants of the impact evaluation of the VP are summarised in the ensuing table.

The survey of the NYDA head office staff and branches as Key Informants (KIs), was conducted between 24 November and 10 December 2018. The initial plan was to telephonically interview two (2), head office staff, four (4), branch office staff in Port Elizabeth, Cape Town, and Bloemfontein and conduct four (4), FGDs with Johannesburg, Soweto, Emalahleni and Rustenburg branches. Regarding conducting telephonic interviews and after engagement with head office staff it was decided it would be more prudent to email the questionnaire rather than conduct telephonic interviews. This was done for two reasons, first to give the NYDA staff an opportunity to familiarize themselves with the questions and, if comfortable, complete it. Second to, once the completed questionnaire has been sent back to the evaluation team, make a telephonic follow up on those questions that the NYDA staff did not understand.

The survey of the NYDA Service Providers (SP) as KIs was conducted from 22 January to 1st of February 2019. It is important to note that about four SPs from the initially list that was provided to the evaluation team by the NYDA had to be dropped simply because they refused to cooperate. Indeed, one of the SP went as far as to tell the evaluation team that she 'was not being paid to answer questions and that the NYDA has not been fair to me'. This raised, in the mind of the evaluation team, two critical questions. First, whether these SPs were in it for money or enriching themselves or whether they were driven by their commitment to the development and empowerment of youth entrepreneurs in the country while at the same time benefiting economically as well. Second, whether the recruitment, selection, the appointment and orientation of these SPs was rigorous enough to weed out self-serving providers.

Table 5 below shows the response rate for both the NYDA staff and providers compared to the number of questionnaires issued.

Table5: NYDA staff response rate

NYDA Response Rate		
# of questionnaires issued	No. of questionnaires returned	Response rate (%)
10	8	80
NYDA Service Providers Response Rate		
# of questionnaires issued	No. of questionnaires returned	Response rate (%)
10	9	90

Overall, the NYDA staff response rate was 80% and that of its providers, after much prodding, was 90%.

In addition, face to face interviews were held with two key partners of the programme, the Industrial Development Cooperation (IDC) and the Small Enterprise Finance Agency (SEFA). This was way below the target of 10 partners that was initially listed in the ToRs as there were not enough Gauteng based partners that were willing to be interviewed.

Furthermore, as articulated in the ToRs of the evaluation, telephonic and where appropriate, face-to-face survey, focus group discussion, and In-depth interviews, with the clients and/or programme beneficiaries according to the agreed samples were conducted.

The programme beneficiaries were engaged using an appropriately developed structured questionnaire administered using Telephonic Interviews, Face-to-Face Interviews and FGDs. The questionnaire was designed, work-shopped with NYDA and approval sought before being administered.

A purposive stratified sampling design was appropriate for the study. The sample of beneficiaries that were considered for the impact evaluation study was not less than 220.

The beneficiaries would be distributed according to all the NYDA beneficiaries and in terms of the TORs as shown in **Table 6** below:

Table 6: The distribution of programme beneficiaries that were surveyed

Province	Number of estimated respondents	Actual number of beneficiaries who participated	Variance explanation	Data collection method
Limpopo (Thulamela)	20	0	The branch had not yet issued vouchers during the period under review.	Telephonic Interviews
KwaZulu-Natal	20	0	Non response from all respondents on the list provided by the branch.	Telephonic Interviews
Western Cape	20	9	Non response from some of the respondents on the list provided by the branch.	Telephonic Interviews
Eastern Cape	20	14	Non response from some of the respondents on the list provided by the branch.	Telephonic Interviews
Free State	20	20		Telephonic Interviews
Gauteng (Maonya Mall - Soweto)	20	11	Non response from some of the respondents on the list provided by the branch.	Telephonic Interviews
Mpumalanga (Secunda)	10	22	Respondents from this branch were so willing to participate in the survey such that a second round of interviews was conducted with different beneficiaries.	Telephonic Interviews
Gauteng (Tshwane)	10	7	Non response from some of the respondents on the list provided by the branch.	Telephonic Interviews
Gauteng (Johannesburg)	20	20		Face to face interviews
	20	10	The valuation team decided that given the logistical challenges that were encountered in arranging the first FGD, that one would be	Focus Group Discussions

			enough for the purpose of the study.	
North West	10	21	The evaluation team was given more than 30 names of beneficiaries.	Telephonic interviews
	10	0	Non response from the branch.	Focus Discussions Group
Mpumalanga (Emalahleni)	10	9		Face to face interviews
	10	7		Focus Discussions Group
TOTAL	220	150		

For the purpose of data analysis, telephone interviews were conducted with 133 programme beneficiaries. If the number of beneficiaries for FGDs which was 40 is excluded, the number of interviews with programme beneficiaries is 180. Based on this the response rate for the interviews with the beneficiaries was 73%. A response rate above 65%, according to Kothari (2014), is regarded significant and robust in explaining the findings of a study.

As pointed out under limitations, in those branches where there were zero interviews or where the target was below 50%, it was clear, judging by the unwillingness of the beneficiaries of the programme to cooperate, that they were either not briefed nor prepared for the interviews as the head office had requested the branches to do so.

In Limpopo, the targeted branch, Thulamela, indicated that they had not issued the vouchers during the time covered by the scope of the impact evaluation. When the focus was shifted to Polokwane, the silence of the branch was deafening.

7. Limitations

As in similar impact evaluation studies that use direct quantitative and qualitative data gathering techniques, during this process limitations arose. The following are some of the limitations that were encountered during this study:

- Firstly, the project contractual conclusions were finalised just before the beginning of the December recess period. This is usually one of the busiest times of the year as most people

are going on recess and as such, the activities invariably had a negative delay on the planned execution of the entire evaluation schedule.

- Second, it took some hassling to convince some of the evaluation informants to cooperate and assist with the planned logistics pertaining to their respective branches and their participation in the evaluation. There were numerous time delays of some of the scheduled evaluation processes, this delayed and extended the planned activities.
- Third, one of the objectives of this impact evaluation is to contrast baseline and end-line performance to ascertain the difference made on the enterprises. However, the evaluation team discovered that no baseline data was collected at the outset of a programme to establish the pre-programme conditions against which future changes amongst a target population could be measured. This was compounded by the fact that the original concept document that should contain the rationale for the project, including its logical framework could also not be found. As such this objective will only be measured using the *before* and *after* programme intervention approach.
- Fourth, the programme did not have a Theory of Change (TOC), document in place. This could have assisted in the better understanding of the long-term outcome targets that the programme intended to achieve.
- Fifth, the evaluation of this nature would have required that the evaluation instruments be tested prior to fieldwork. However, because of logistics and tight time frame, questionnaires for beneficiaries were not tested before going to field. Basically, no sufficient adjustments to tools were carried out. This could lead have led to some questions not clearly phrased or being ambiguous.
- Lastly, there were time lag challenges for the planned telephonic, face-to-face interviews, meetings and FGDs with beneficiaries. In such studies, this is usually the case regarding out-of-date contact details of sampled informants because generally, 1% of all contact listings, often have wrong numbers printed.

8. Articulation of ethical consideration

The evaluation team has from inception, design, submission of the proposal bids and commissioning of this assignment, taken as its central theme a critical consideration and observation of ethics. The team was conscious of the fact that the study involved the lives and history of people and their households who accessed services from the programme through all its phases. As such, the evaluation process was guided by a central principle of ethical observation. All those involved in the study were sensitive in how questions and methodologies were followed in collecting data.

Furthermore, Wassenaar (2006) identifies *philosophical* as well as *practical* principles regarding ethical considerations of any research, which, if applied together, are likely to enhance the ethical standing and scientific value of this baseline assessment. Autonomy and respect for the individual people as well as the participating agencies/ organisations will be expressed through voluntary informed consent. In respecting stakeholders' anonymity, we intend on doing the following:

- Guarantee respondents' autonomy that they have the right to freely decide to participate in the survey without fear of coercion.
- Explain the research objectives to give respondents the assurance that they have full knowledge of why the survey is being carried out and how participating will help them.
- Treat all respondents as equals and inform them that they have been randomly chosen to partake in the study. Their identities will be kept confidential, details will be solely for the purpose of the survey and their responses will be reported in an aggregated form where results will not be in any way linked back to them.

9. Findings and Results

It is important to note that this part of the section of the report present an analysis of the collected data, its interpretation and findings or results based on the data collected from all informants who participated in this entire impact evaluation. These informants included the NYDA head office and branch staff members involved in the VP, SPs, partners/ funders and the voucher programme beneficiaries or clients.

9.1 Beneficiary demographics and voucher business details

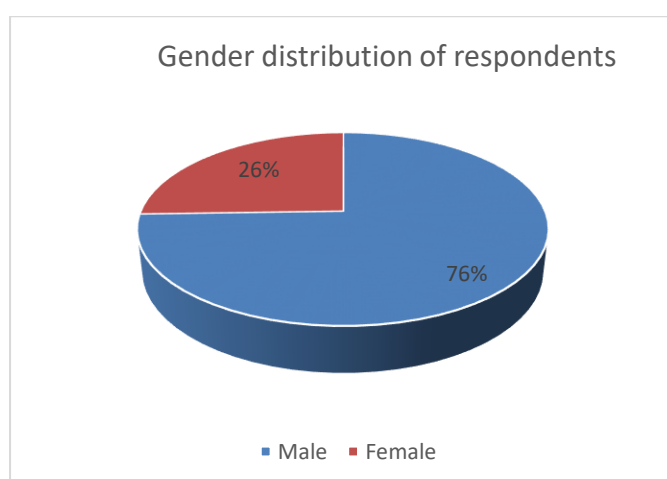
This sub-section of the report outlines the broad demographics of the sampled voucher beneficiaries and general information on the vouchers issued to them.

9.1.1 Demographics of the youth respondents

Gender distribution

The gender distribution of the beneficiaries of the voucher programme who were interviewed show that, as depicted in **figure 4**, about 74 % of the respondents were males and 26% were females, with Mpumalanga (11% males and 4% females); Western Cape (5% males and 2% females); Gauteng (23% males and 6%); Northwest (14% males and 2% females); Free State (11% males and 4%); Eastern Cape (6% males and 5%).

Figure 4: Gender distribution of respondents



Geographical distribution

The geographical distribution of the respondents is depicted in **table 7** below:

Table 7: Geographical distribution of respondents

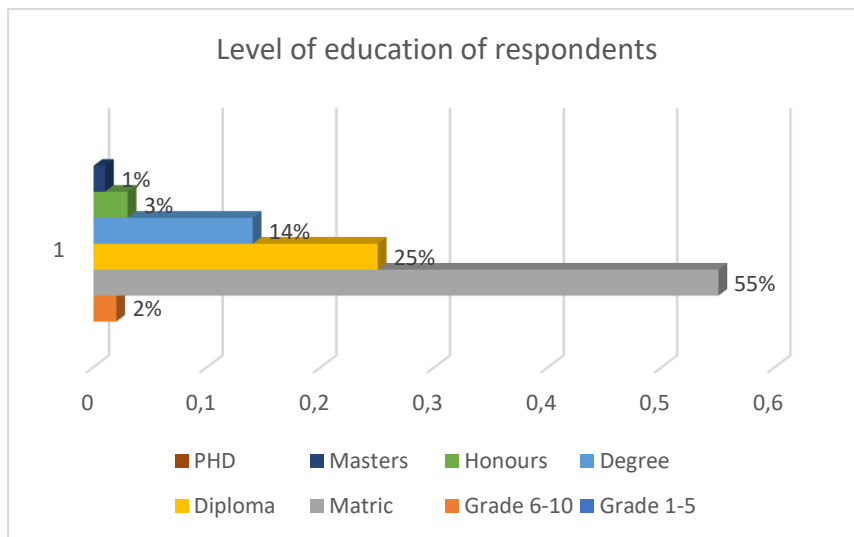
Province	Males	Females
Gauteng	23%	6%
North West	14%	2%
Mpumalanga	11%	4%
Western Cape	5%	2%
Free State	11%	4%
Eastern Cape	6%	5%

That the gender distribution is skewed in favour of males, seems to confirm the historical trend observed in the performance of the voucher programme since its inception that, although females constitute the majority population and experience more unemployment than their male counterparts, the NYDA has not done enough to ensure that more females access the voucher programme. Indeed, there appear to be no change in the number of males and females who access the programme since the last evaluation was conducted in 2007. If the organization is committed to women economic empowerment, some drastic action needs to be taken to ensure that more young women access the programme

Level of education

Figure 5 below shows the level of education of the respondents. The results indicate that 55% of the respondents have matric, 25% a diploma, 1% have a master's degree and 2% PHD qualifications.

Figure 5: Educational levels of the respondents

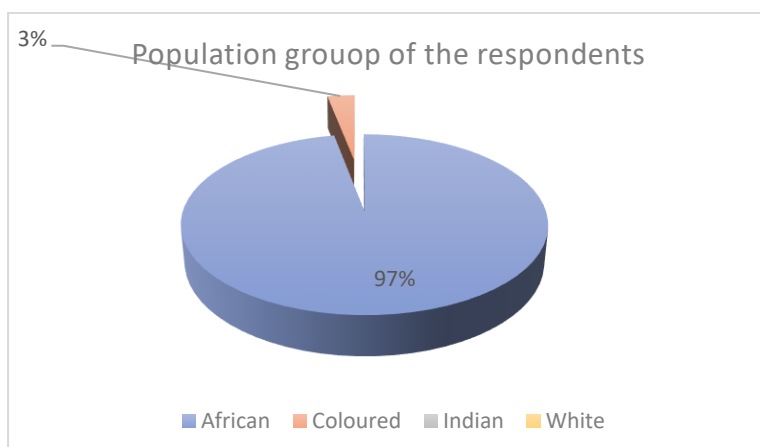


The analysis regarding the voucher beneficiaries who have accessed the NYDA scholarship programme over the period under review shows that only 25% had accessed this programme over the last three years and that there has been no significant improvement or increase in the number that have accessed the scholarship. This lack of increase in the voucher beneficiaries who have accessed the scholarship programme could perhaps be explained by the fact that many of the beneficiaries are more interested in growing their enterprises than furthering their education.

Distribution of respondents according to population groups

Figure 6 below confirms the historical trend observed in the section of the overview of the programme and the evaluation conducted by UYF in 2007 that the voucher programme is accessed mainly by young black people. In terms of this survey, 97%, of those interviewed were black 3% were coloured.

Figure 6: Distribution of respondents according to population groups

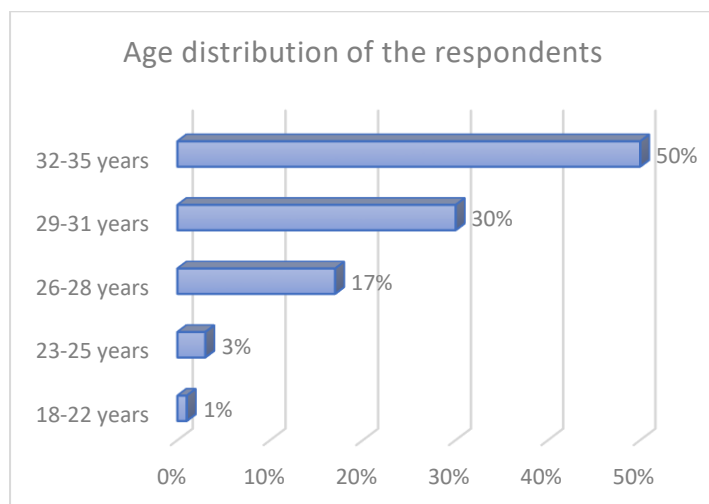


The fact that the voucher programme is accessed mostly by black young people, even in provinces where the minority races, for example in KwaZulu Natal where there is sizeable population of Indians and the Western Cape where there is sizeable population of coloureds, has the potential to open the NYDA to the criticism that it ‘only serves young black people’. As with the specific targeting of young women, the NYDA needs to determine how it can reach these minority populations, especially in provinces where they have sizeable populations

Age distribution

The ages of the respondents were classified into five different categories. The range of the respondents was, in line with NYDA policy, from 18 to 35 years of age. According to **figure 7** below, very few respondents (1% and 3%) fall in the age range of between 18-25 years. About 17% of the participants fall under the age group 26-28 years, followed 30% under age group 29-31 years. About 50% falls under the age group 32 -35 years, which represents the majority. This large concentration of 50% of the voucher programme beneficiaries could lend credibility that indeed, most of the respondents would have accessed their first vouchers during the period under review.

Figure 7: Age distribution of respondents



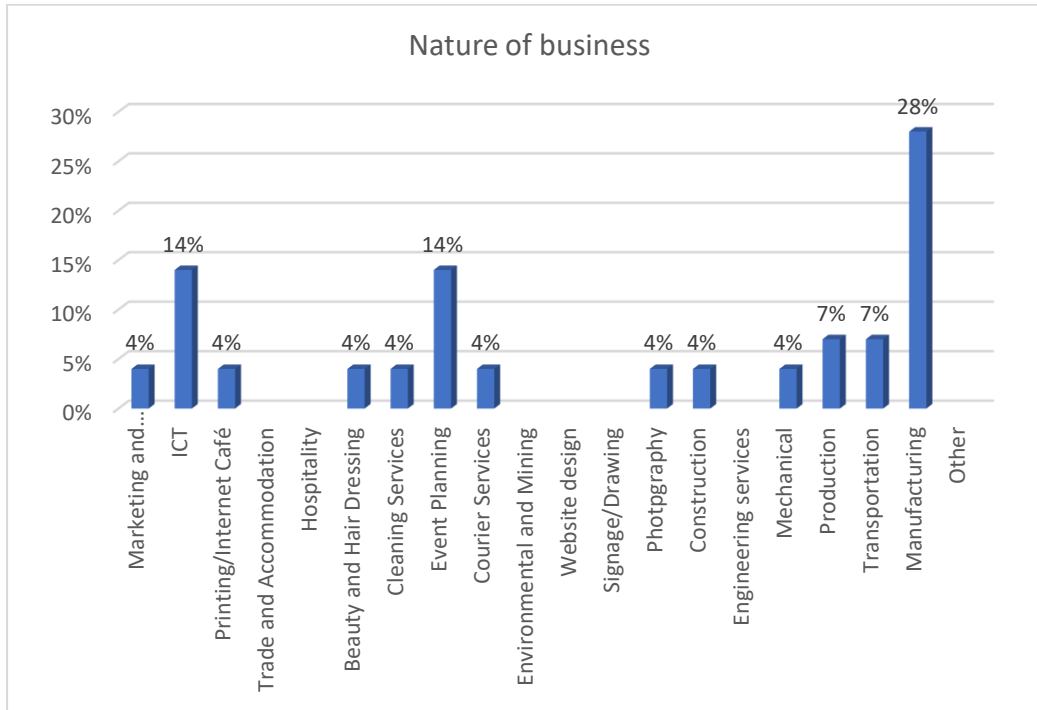
9.1.2 Business details of the respondents

Types of business

Findings from the survey indicate that voucher programme beneficiaries are involved in a variety and wide-ranging businesses, the majority of which are aligned to the business focus of the vouchers issued. According to **figure 8** below, 28% of the respondents, which constitutes the majority, are in the manufacturing sector. Manufacturing might be most attractive sector for young people mostly due to its diversity and the sector’s massive demand for skilled people. In addition, employment trends

in the country show that there is a huge array of career progression opportunities in the manufacturing sector.

Figure 8: Types of enterprises that VP beneficiaries are involved in

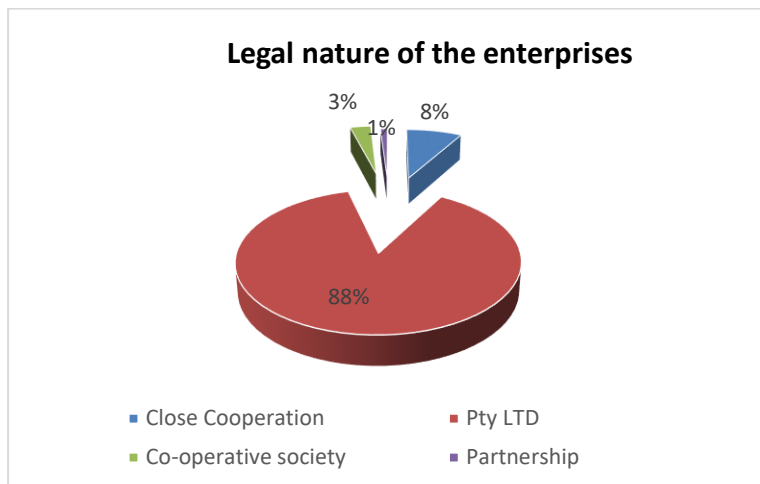


The results also indicate that the voucher programme beneficiaries are also involved in mainly ICT (14%) and event planning (14%) sectors. ICT business is an important business, as it enables self-paced learning, provides access to wide range of up-to-date learning materials, enriches learning through a combination of audio, video, images, text and animation. The other business sectors that voucher beneficiaries are involved in are marketing and communication (4%), printing (4%), hair dressing (4%), courier services (4%), photography (4%), construction (4%), mechanical (4%), production (7%) and transportation (7%).

The legal nature of enterprises owned

Figure 9 below depicts the legal nature of enterprises operated by the voucher beneficiaries. From the respondents, the largest legal nature adopted by the beneficiaries, is the private limited (Pty Ltd) legal entity with 88% of the respondents, close cooperation with 8%, co-operative society (3%).

Figure 9: Legal nature of businesses owned



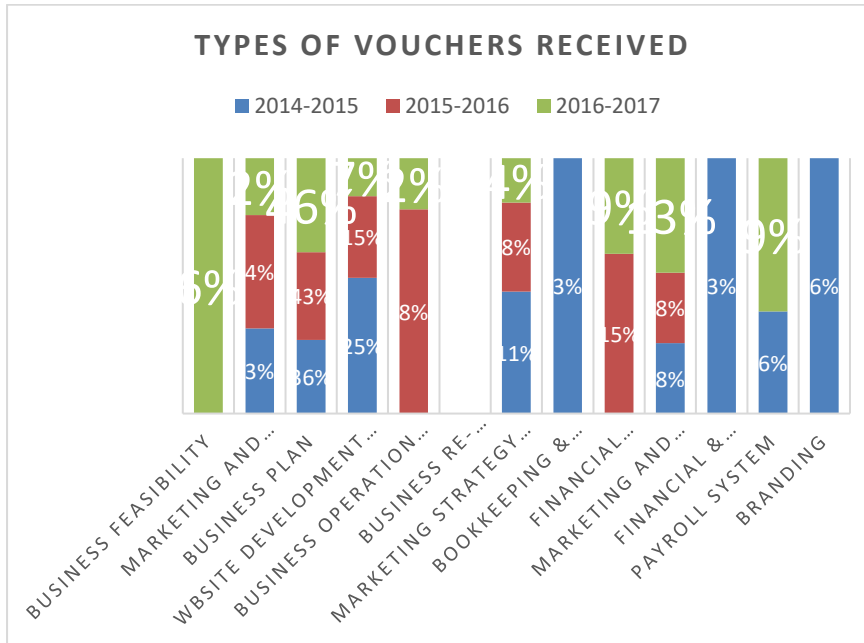
The huge adoption of Pty LTD might be explained by its advantages that, in liability of shareholders is limited to the share capital they have subscribed, and any debts which they may have personally guaranteed. Shareholders and directors can be employed by the company under normal salary and wage conditions and their income taxed at personal rates.

That the partnership is the least adopted form of business ownership might be explained the principle of liability involved in this form of ownership. In a partnership, generally, partners are personally liable for the business debts and liabilities. Each partner is also liable for the debts incurred by the actions of other partners.

Types of vouchers received

Figure 10 below depicts types of vouchers received by beneficiaries from year 2014-2017.

Figure 10: Types of vouchers received



According to the figure, in 2014/15 financial year, the most preferred and in high demand voucher was the business plan voucher (36%), followed by the website development and hosting for one-year voucher (25%). The vouchers with less demand were marketing and promotion (3%), book keeping and financial administration also (3%) and financial account systems (3%).

In the 2015/16 financial year the business plan voucher was again in high demand and followed by the financial management (Accounts & Policies) voucher at 15%. The vouchers that were in less demand were the marketing and promotion vouchers at 4%.

In the 2016/17 financial year, the business plan voucher was, once again, the voucher in high demand at 46%, and followed by the marketing and branding voucher at 13%. The voucher that was in less demand during this financial year was the business operation manuals. with least vouchers received being the Business Operation Manuals.

The consistent high demand for business plan vouchers during the period under review for the programme could be explained by two factors. The first factor is that most of the beneficiaries are first time applicants for the voucher programme. The second is that many young people are increasingly exploring starting their own enterprises and that the first step in this direction, in terms of their own perspective, is to develop a business plan. However, as discussed later in this report, there tends to

be low chances of success in getting the business plans financed. Due to the popularity of this voucher and its low return on investment, the NYDA might need to consider setting specific terms and conditions for the service providers involved in the development of these business plans, for example, linking the business plan development voucher with the business feasibility study voucher.

Were vouchers used for intended purpose?

This question was intended to test whether the result that a high proportion of cancelled and expired vouchers relative to those redeemed between 2014 and 2017 was valid and reliable. According **table 8** below even though the business plan voucher, as shown in the previous discussion, was consistently the highest in demand, it was also the one that was not utilized for its intended purpose once it had been issued. The high demand for business plan vouchers and less utilization once issued further validates the argument that this voucher needs to be looked at in-depth and determination made whether there should be specific terms and conditions for service providers issuing these vouchers.

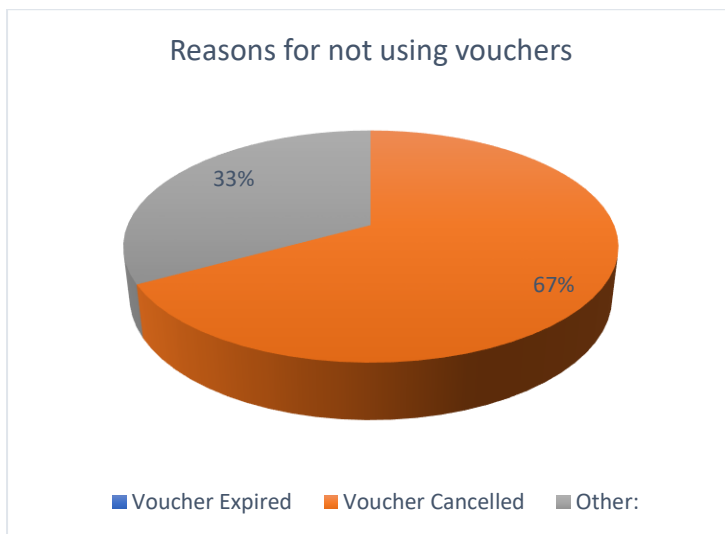
Table 8: Voucher used for intended purpose

	Yes	No
Business Feasibility conducted	24%	13%
Business plan developed	38%	61%
Website Developed	8%	-
Business Operation Manuals developed	3%	11%
Business Re-engineering conducted	1%	-
Marketing Strategy Plan developed	6%	5%
Bookkeeping & Financial administration in place	6%	8%
Financial Management (Accounts& Policies) in place	10%	-
Financial & Accounting Systems development	-	3%
Payroll System Development	4%	-

Reasons for not using vouchers

The survey also inquired about the reasons why the beneficiaries were not using the received vouchers. According to **figure 11** below, about 67% of respondents indicated they could not use the vouchers because they were cancelled and 33% indicated there were other reasons for why they were not using the vouchers.

Figure 11: Reasons for not using vouchers



Values of voucher received

In order to determine the range of the values of the voucher allocated the evaluation team further investigated the value of vouchers received by the beneficiaries. **Table 9** below indicates different intervals of the amount of money on vouchers received by the beneficiaries from 2014-2017.

Table 9: Value of voucher received

Value of voucher	2014/2016	2015/16	206/17	Average
Between R 7000 and R 10 000	77%	79%	93%	83%
Between R 11 000 and R15 000	16%	11%	7%	11.
Between R 16 000 and R 20 000	5%	3%	0	3
Above R20 000	2%	7%	0	3

Conclusion

Generally, there appears to have been no significant changes or improvement in the demographics of the programme since the last evaluation was done in 2008. For example, the geographic distribution and allocation of the vouchers is still skewed towards urban areas, and the gender distribution is still biased toward young men compared to young women.

9.2 Cost benefit analysis of the VP

This sub -section of the report seeks to answer the following two key evaluation questions:

- What were the costs of implementing the VP and how do they compare with the total benefits that were attained?
- To what an extent did the VP represent the best possible use of resources to achieve results of the greatest possible value to the participants and the community?

To respond to and address these key questions in a comprehensive way, especially the first question, a Cost Benefit Analysis (CBA) methodology was employed. In addition, the FGDs were used to partially measure the impact and results of the programme in line with the second key evaluation question.

The aim of CBA was to put a monetary value on the benefits expected from the programme and compare these to the costs which were incurred between 2014 and 2017. If the benefits exceeded the costs there was, therefore, no economic justification for the programme to go ahead. In the case of this impact evaluation, as the programme has already been implemented, the approach adopted was of *Ex Post* CBA. This refers to a CBA carried out after a project has been completed. At this stage all the costs are 'sunk', that is they have already been invested in the programme. This type of CBA is therefore used primarily to assess the project contributing to 'learning', so that the information gathered can be used in assessing future programmes of this nature.

The evaluation team approach was to assess the overall cost (budget) of the voucher programme for the 2014/2015, 2015/2016 and 2016/2017 financial years and to compare these with the benefits of the programme accrued by the voucher beneficiaries in the same corresponding financial years. **A discount rate of 5%** was used. The main assumption regarding the budget is that it was inclusive of all the costs of the programme during the period under review.

9.2.1 Quantifying the benefits of the programme

The following variables were used to compute the monetary benefits of the voucher programme during the period under review:

- Revenue generated
- Jobs created and sustained
- Investment attracted

Several assumptions were made in determining and computing these variables into monetary benefits. These assumptions are discussed below.

Determining the revenue generated

In determining and computing the revenue generated by the enterprises of voucher programme beneficiaries the evaluation team made use of the **table 10** which depicts the revenue generated- both positive and negative - by the voucher programme beneficiaries during the period under review. The table shows the *before* and *after* percentages of the amount of revenue generated. These percentages also reflect the actual number of beneficiaries who fall under that revenue bracket.

Table 10: Revenue generated by youth owned enterprises

	2014-2015		2015-2016		2016-2017	
	Before	After	Before	After	Before	After
Zero turnover						
Between R10,000 and R20,000	19%	19%	22%	21%	41%	36%
Between R21,000 and R30,000	10%	0	4%	0	26%	5%
Between R31,000 and R40,000	6%	13%	4%	8%	15%	14%
Between 41,000 and R50,000	3%	6%	13%	13%	8%	10%
Between R51,000 and R60,000	0		4%	4%	3%	2%
Between R61,000 and R70,000	0	3%	0	0	3%	2%
Between R71,000 and R80,000	3%	3%	0	4%	0	0
Between R81,000 and R90,000					3%	2%
Between R91,000 and R100,000	10%	9%	17%	17%	15%	14%

Above R100,000	48%	47%	35%	33%	10%	14%
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The revenue for the youth owned enterprises, who were the beneficiaries of the programme, was computed by multiplying the mean of a turnover ranging from **R10,000** to **R100,000** with the difference as expressed by *before* and *after* percentages based on the number of respondents who reported that their revenues were between these means.

Table 11 below shows the 2014/15 revenue generated – both positive and negative – by the voucher programme beneficiaries during the 2014/15 financial year. The total is negative **R272, 800.00**.

Table 11: Revenue generated by voucher beneficiaries

Mean revenue in R000's	B %	A %	C	Total revenue in R000's
15	19	19	0	0
26	10	0	-10	-360
35.5	6	13	5	177
50.5	3	6	3	151.5
55,5	0	0	0	0
65.5	0	3	3	0
75.5	3	3	0	0
85,5	0	0	0	0
95,5	10	9	-1	-141
100	48	47	-1	-100
TOTAL				-272.8

Please note **B** denotes Before, **A** denotes After and **C** denotes Change.

Table 12 below shows the revenue generated – both positive and negative – by the voucher programme beneficiaries during the 2015/16 financial year. The total is **R631, 500**.

Table 12: Revenue generated by voucher beneficiaries

Mean revenue in R000's	B %	A %	C	Total revenue in R000's
15	22	21	-1	-15
26	4	0	-4	-104
35.5	4	8	4	142
50.5	13	13	0	0
55,5	4	4	0	0
65.5	0	0	0	0
75.5	0	3	3	266.5
85,5	0	4	4	342
95,5	0	0	0	0
100	17	17	0	0
TOTAL				631.5

Table 13 below shows the revenue generated – both positive and negative – by the voucher programme beneficiaries during the 2016/17 financial year. The total is negative **R386, 000**.

Table: 13 Revenue generated by voucher beneficiaries

Mean revenue in R000's	B %	A %	C	Total revenue in R000's
15	41	36	-5	-75
26	26	5	-21	-546
35.5	15	14	-1	35.5
50.5	8	10	2	101
55,5	3	2	-1	-55
65.5	3	2	-1	-65.5

75,5	0	0	0	0
85,5	3	2	-1	-85.5
95,5	15	14	-1	-95.5
100	10	4	4	400
TOTAL				-386

Determining the investment attracted

In determining and computing the investment attracted by the enterprises of voucher programme beneficiaries the evaluation team made use of the **table14** below which depicts the investment attracted- both positive and negative - by the voucher programme beneficiaries during the period under review. The table shows the *before* and *after* percentages of the amount of the investment attracted. These percentages also reflect the actual number of beneficiaries who fall under that investment bracket.

Table 14: Amount of investment attracted by the business

	2014-2015		2015-2016		2016-2017	
	B	A	B	A	B	A
Less than R50,000	75%	73%	57%	48%	44%	83%
Between R50,000 and R100,000	4%	8%	19%	29%	33%	10%
Between R100,001 and R150,000	0	0	10%	10%	0	0
Between R150,001 and R200,000	13%	12%	5%	4%	0	0
Between R200,001 and R250,000	0	0	0	0	0	0
Between R250,001 and R300,000	0	0	5%	4%	0	0
Between R300,001 and R400,000	0	0	0	0	0	0
Between R400,001 and R500,000	0	0	0	0	0	0
Between R500,001 and R600,000	0	0	0	0	22%	7%
Between R600,001 and R700,000	0	0	0	0	0	0
Between R700,001 and R800,000	0	0	5%	4%	0	0
Between R800,001 and R900,000	0	0	0	0	0	0
Between R900,001 and R1 million	4%	4%	0	0	0	0
Above R1 million	4%	4%	0	0	0	0

The investment attracted by the youth owned enterprises who were the beneficiaries of the programme was computed by multiplying the mean of an investment attracted ranging from **R50,000** to **R1000,000** with the difference as expressed by *before* and *after* percentages based on the number of respondents who reported that the investment attracted by their enterprises were between these means.

Table 15 below shows investment attracted – both positive and negative – by the enterprises of voucher programme beneficiaries during the 2014/15 financial year. The total is negative **R25,000**

Table 15: Investment attracted by voucher beneficiaries

Mean investment in R000's	B %	A %	C	Total investment in R000's
50	75	73	-2	-100
75	4	8	4	300
125	0	0	0	0
175	13	12	-1	-175
225	0	0	0	0
275	0	0	0	0
350	0	0	0	0
450	0	0	0	0
550	0	0	0	0
650	0	0	0	0
750	0	0	0	0
850	0	0	0	0
950	4	4	0	0
1000	4	4	0	0
TOTAL				-25

Table 16 below shows the investment attracted – both positive and negative – by the enterprises owned by voucher programme beneficiaries during the 2015/16 financial year. The total is negative **R1, 150,000**.

Table 16: Investment attracted by voucher beneficiaries

Mean investment in R000's	B %	A %	C	Total investment in R000's
50	75	57	-18	-900
75	19	29	10	750
125	10	10	0	0
175	5	4	-1	-175
225	0	0	0	0
275	5	4	-1	-225
350	0	0	0	0
450	0	0	0	0
550	0	0	0	0
650	5	4	-1	-550
750	0	0	0	0
850	0	0	0	0
950	0	0	0	0
1000	0	0	0	0
TOTAL				-1 150

Table 16 below shows the investment attracted – both positive and negative – by the enterprises owned by voucher programme beneficiaries during the 2016/17 financial year. The total is negative **R9, 525 ,000**.

Table: 16 Investment attracted by voucher beneficiaries

Mean investment in R000's	B %	A%	Change	Total investment in R000's
50	44	83	39	1 950
75	33	10	-23	-1 725
125	0	0	0	0
175	0	0	0	0
225	0	0	0	0
275	0	0	0	0
350	0	0	0	0
450	0	0	0	0

550	0	0	0	0
650	22	7	-15	-9 750
750	0	0	0	0
850	0	0	0	0
950	0	0	0	0
1000	0	0	0	0
TOTAL				-9,525

Determining the monetary value of benefits: jobs

In the analysis for job creation, the evaluation team used the actual number of vouchers redeemed as a reliable indicator to represent the number of jobs created. For jobs sustained, the evaluation team used the data derived from the survey of the beneficiaries as a reliable indicator to calculate the number of sustained jobs during the period under review. It is important to note that a job created is defined as when one voucher is issued to and redeemed by the intended beneficiary to utilise in accordance with the required service. A job sustained is defined as an additional job that the voucher beneficiary created for another young person as the result of the utilization of the issued and redeemed voucher.

In computing the monetary value for each job, the evaluation team used **table 17** below that shows the average salaries in the country at the end of 2015:

Table 17: Average salaries in the country at the end of 2015

Industry	Average salary (excluding bonuses and overtime)	Average salary (including bonuses and overtime)
Electricity, gas and water supply	R34 444	R37 228
Transport, storage and communication	R20 002	R21 323
Mining and quarrying	–	R21 006
Community, social and personal services	R20 317	R20 702

Financial intermediation, insurance, real estate and business services	R18 229	R18 683
Manufacturing	R14 630	R15 841
Construction	R12 556	R13 186
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants	R11 456	R11 759
All Industries		R17 517

Source: Stats SA in Brief report for 2016

Based on the **table 17** above the evaluation team used the average R17, 517 as the benchmark for jobs created and sustained in 2014/15 financial year and for the 2015/16 this was increased, based on the median salary increase during that year, to 6% which increased the average salary to R18, 568.02 and 7% for the 2016/17 financial year which increased the average salary to R19, 867.78.

Table 18 below depicts the number of jobs created and sustained and their associated monetary values during the period under review.

Table 18: Number of jobs created and sustained

Year	Number of Jobs Created	Monetary Value	Number of Jobs Sustained	Monetary Value
2014/15	949	R16,623,633	949	R16,623,633
2015/16	1,422	R26,403,724.44	1,422	R26,403,724.44
2016/17	1,967	R39,079,923.26	1,967	R39,079,923.26
Total	3,878	R82,107,280.70	3,878	R82,107,280.70

Note: The number of jobs sustained was calculated as one additional job created by a voucher recipient

9.2.2 Quantifying the costs of the programme

According to the information provided by the NYDA, the budget of the programme, which represents the costs of the programme and which it is assumed was inclusive of all costs of the programme for the years under review, was as shown in **table 19** below (see second column):

Table: 19 Costs/budget of the programme

Financial year	Budget/budget (all inclusive)	Number of vouchers issued	Vouchers cancelled	Voucher expired	Actual vouchers redeemed	Average cost of the voucher
2014/15	R15,117,804	2203	528	726	949	R15,117.80
2015/16	R1,769,536.53	3103	853	828	1,422	R1,244.39
2016/17	R17, 182,269	3725	1176	592	1,967	R8,735.26
Total	R34,069,609.53	8581	2557	2146	3,878	R8,785.35

9.2.3 Determining the costs and benefits of the voucher programme

Table 20 below shows that after the benefits of the programme in during the period under review outweighed the costs by R106, 939, 424, 42. Giving a 3:1 ratio.

Table 20: Costs vs benefits of the programme

Quantitative Analysis	2014/15 (Rs)	2015/16 (Rs)	2016/17(Rs)	Total (Rs)
BENEFITS				
Revenues	-272,800	661,500	-386,000	2,700
Amount of investment attracted	-25,000	- 1,150,000	-9,525,000	-10,700,000
Salaries (jobs created)	16,623,633	26,403,724	39,079,923	82,107,280
Salaries (jobs sustained)	16,623,633	26,403,724	39,079,923	82,107,280
Total Benefits	32,949,466	52,318,948	68,248,846	153,517.260
COSTS				
Non-Recurring	15,117,804	1, 182,269	17, 182,269	34,069,609.53
Total Costs	15,117,804	1, 182,269	17, 182,269	34,069,609.53
Net Benefit or Cost				119,440,651

Present Value of Total Benefits:		137,791,191.16
Present Value of Total Costs:		30,651,666.74
Net Present Value		106,939,524,42

While the CBA show a return of almost three times of the original costs, and a positive revenue generation of R2700, it is still of great concern that the investment attracted was negative. However, the negative investment attracted should be seen in the wider context of the South African economy which experienced low foreign and domestic direct investment in the country during the years under review. While the revenue generated was positive, it was still from a low base and this might have been as the result of the overall indicator being dragged down by the enterprises of those beneficiaries who were still in the business planning and marketing phases of their enterprises, meaning their businesses were not yet operational.

It is also reasonable to expect that possible significant improvements could had been achieved in revenue generation over the next three to five years period. Indeed, research shows that it takes between two and three years for most SMME's to break even.

9.2.4 Intangible benefits

The above analysis relied exclusively on outputs as the function of the benefits of the programme. However, in the FGDs there was recognition that some of the benefits that could have been accrued to beneficiaries and their communities could also have been intangible and as such could not be converted into monetary benefits. The approach taken during the FGD was to let the participants think of benefits in terms of outcomes and results rather than just in terms of outputs.

'The voucher programme added professionalism and legitimacy to my business, which helped me gain access to clients and opportunities,' an FGD participant at the Johannesburg branch.

According to the reports of the FGDs in both Emalahleni and Johannesburg branches, the beneficiaries agreed that the vouchers were indeed valuable and useful. They were aware that the vouchers held value and that they would not have realized on their own, specifically in terms of affordability.

According to the same reports, some of the participants reported the following benefits that accrued to their enterprises as the result of having been able to access the voucher programme:

- The participants are now well known within their areas of operation and have more clients because of the VP intervention. One beneficiary who is doing pottery had received the business plan, branding and design voucher and since then, she was selling her products at museum, fun fairs and at Easter Rand Shows. The participant also received funding of R50,000 from the NYDA to grow her business.
- One beneficiary who had received a voucher of audited financial statements and business plan; was now able to apply for funding from the IDC. At the time the FGD was conducted, he was still waiting for a response.
- One beneficiary reported that he benefitted from the relationships he established with other entrepreneurs working with the Agency. In this way, he has been able to learn from them and avoid mistakes.

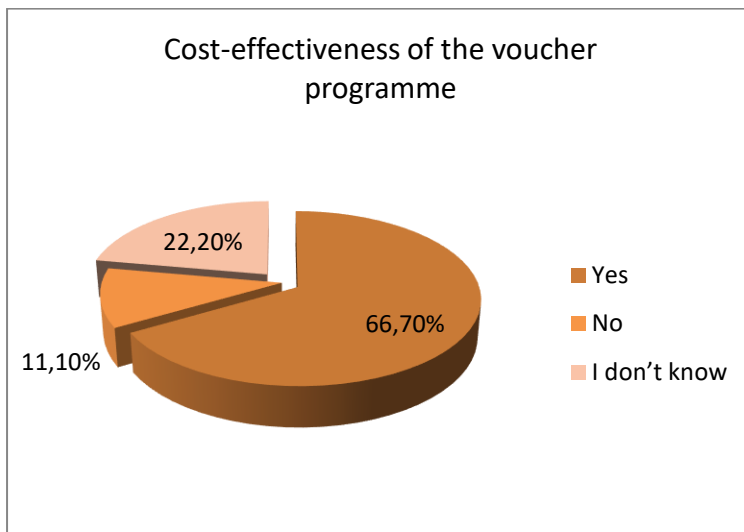
9.2.5 Cost effectiveness of the programme

Although the ToRs for this evaluation were specific about investigating whether the benefits of the programme outweighed its costs, as has been done above, the evaluation team also sought to determine from the SPs whether, in their perception, the programme was cost effective. Here the team sought to elicit SPs views about the potential success of the programme, rather than computing the effectiveness of programme.

On the assessment by the SPs on whether the programme was cost effective or not **figure 12**, below shows that:

- Two thirds (66.7%), of the respondents indicated that VP is cost effective.
- Just over one fifth (22. 2%), of the respondents indicated that they really could not tell whether the programme was cost effective or not.
- While a tenth (11.1%), of the respondents indicated that the programmer that the was not cost effective.

Figure 12: SPs opinion on the cost effectiveness of the programme



Respondents who indicated that the programme was effective supported this perception on the basis that the cost for SPs to service the vouchers was way below the labour market. They also indicated that the electronic voucher system saved time and made it easy for communication. They pointed out that communication through electronic media reduced costs associated with the redemption of vouchers as well travelling costs. In addition, they argued that the electronic delivery of completed products to the branches/HO reduced printing costs. As part of the benefits of the programme, they indicated, everyone was trained on business management prior to receiving the voucher compared other agencies.

However, some respondents disagreed arguing that overhead costs of running the programme with the required team and infrastructure was way above revenue potential. This meant that the programme required certain level of skills and infrastructure from a SP, yet the programme had no full capacity to provide adequate business strengthening mechanisms to comply with the requirements of the programme.

9.2.6 Findings

Using an **Ex Post** CBA this impact evaluation has found that the *sunk* benefits of the programme, accrued between 2014 and 2017, outweighed the cost of the programme as indicated by the programme net present value of R106,939,524,42, yielding a 3:1 ratio, for the period under review. The sole contributing variables to this *sunk* net benefit were jobs created and sustained.

That the revenue was, overall, a positive R2,700 and only the investment attracted was a negative R10,700, it can be concluded that the VP did represent the best possible use of resources to achieve results of the greatest possible value to the participants. However, the revenue attracted could have been much higher had the 61% of the 37% (average) of the vouchers that were issued to develop business plans not cancelled or expired. The inability of the voucher programme beneficiaries' enterprises to attract investment should be seen in the wider context of the South African economic situation where there had been no significant foreign and domestic direct investment in the country during the period under review.

9.2.7 Recommendations

Based on the above findings it is recommended that:

- To further improve the revenue generated of the voucher beneficiaries enterprises, the key recommendation in this regard is that the NYDA should set a threshold on the number of vouchers issued for the development of business plans as it was found that 61% of the 37% (average) vouchers issued for the development of business plans were either cancelled or had expired. In addition, a performance target should be set for each of the voucher business service areas that are offered for by a service provider.
- The NYDA should set annual targets and performance indicators as part of its Annual Performance Plan for the number of young people who are the beneficiaries of the programme who access the grant, market linkages and the entrepreneurial development programme.

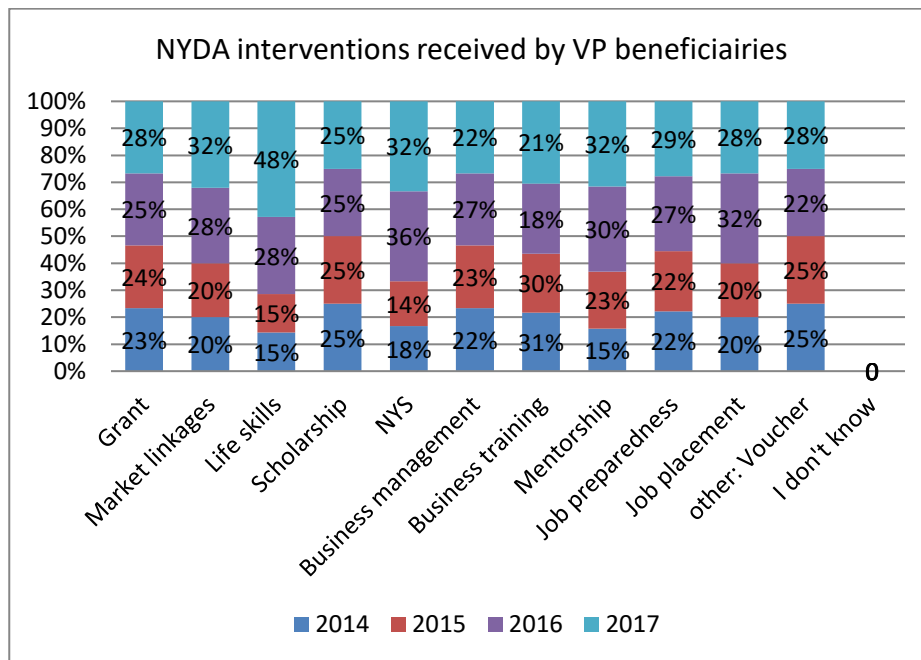
9.3 Relevance and adequacy of financial support and extent of contribution to sustainability

This sub-section of the report seeks to answer the following two key evaluation questions:

- What is the relevance and adequacy of financial support to VP youth entrepreneurs?
- To what extent has the support contributed towards improving sustainability of VP youth owned enterprises?

The NYDA has several financial and non-financial programmes, projects, products and services that are offered to young people ranging from grants, scholarships, job preparedness to skills development. Indeed, it is the integration policy and requirement of the NYDA that all its beneficiaries are enabled to access other organizational interventions compatible with the products and services that they have initially applied for and received. Based on the above key evaluation questions, it was important to determine whether any of the voucher programme beneficiaries had, once they had been enrolled in the programme, been enabled to access the other NYDA products and services. This part of the report seeks to establish and determine how the voucher programme beneficiaries accessed some of these and whether they were relevant and adequate both from a financial and non-financial perspective and to what extent these contributed to the sustainability of the enterprises of the programme beneficiaries. **Figure 13** depicts the percentage of VP beneficiaries who received the support during the period under review.

Figure 13: Interventions received by VP beneficiaries



Grant Programme

The NYDA grant programme is designed to provide young entrepreneurs with an opportunity to access both financial and non- financial business development support in order to enable them to establish or grow their businesses. The NYDA grant finance is in the form of micro-finance grants for survivalist youth entrepreneurship and cooperative grants for greater participation of youth in the cooperative sector and ranges from R1,000 to R250,000.

Consequently, from an operation and integration point of view, one would have expected that people strategically located to access grants would had been the VP beneficiaries by virtue of the grant programme being administered in the same division, the PDDD, that the VP is located in. **Figure 13** above shows that just over one fifth (23%), of VP beneficiaries received grants in the 2014. Furthermore, another one fifth (24%), of VP beneficiaries received grants in the 2015, a further 25%, of the VP beneficiaries received grants in 2016 and lastly, another 28% received grants in 2017. The above scenario represents only five percent (5%), increase in the grants provided to NYDA voucher programme beneficiaries over a period of four (4), years (2014, 2015, 2016 and 2017).

Based on this data, less than 70% of the programme beneficiaries accessed this critical financial intervention during the period under review. The anomaly here is that these are young persons who have been enrolled in the VP, and by a virtue of that they would have been (It's assumed), better placed to access the grants than any of the other NYDA financial services available to any South African youth. This anomaly could probably had been attributed to the complexities of the internal administrative NYDA processes, which could have hindered internal integration.

Market linkages

The objectives of market linkages, which is also located within the PDDD and is a non-financial intervention, include the following:

- Linking young entrepreneurs to emerging procurement opportunities in the private and public sector.
- Enhancing the competitiveness and supply capacity of the youth owned companies.
- Facilitating the purchase of equity stakes by youth entrepreneurs (minimum of 26% stake per transaction); into viable businesses.
- Facilitating the provision of joint venture as well as sub contract opportunities to youth entrepreneurs.

About a fifth (20%), of beneficiaries accessed market linkages in 2014 and 2015 respectively. Another 28% accessed market linkages in 2016 and just under one third (32%), accessed market linkages in 2017. The positive outlook from this information is the fact that, this represented about one in ten (12%), increase in linking NYDA voucher programme beneficiaries to markets. Nonetheless, the data also show that less than 70% of the programme beneficiaries received support to access the market linkage programme. This could also had been attributed the complexities of the internal administrative NYDA processes, which could have hindered internal integration.

Life skills

The NYDA accredited life skills, which consists of twenty-four modules, help young people to become responsible and productive individuals, citizens, employees or employers.

In terms of **figure 13** above, over a tenth (15%), of the programme beneficiaries were empowered with life skills in 2014 and 2015 respectively. About 28% of beneficiaries were empowered with skills in 2016 and just under half (48%), were empowered with life kills in 2017. With an increase of

a third (33%), in empowering the programme beneficiaries with life skills, this represent the biggest and improved access to an NYDA product during the years under review.

Scholarship

The scholarship fund was created in memory of Solomon Mahlangu. The scholarship is awarded for duration of one (1), year but is renewable subject to student's academic performance. In terms of **figure 13** above the years, just over a fifth (25%), of the VP beneficiaries received scholarship in all four years. These are probably young people who had initially wanted to go into business but found the reality of starting a business to much for them. The fact that there was no increase in the number of VP beneficiaries who applied for and were successful could be attributed to two factors. The first is that more VP could have submitted their applications but were not successful because they did not meet the requirements of the programme. The second could be that by their nature VP beneficiaries are entrepreneurs and as such were not interested in pursuing higher and further education.

National Youth Service

The National Youth Service (NYS) is a national project that is aimed at engaging young people in a disciplined process of a valued and necessary service to the community in which they live, while increasing their own skills, education and opportunities to generate income.

According to **figure 13** above during the years under review, the VP beneficiaries received 18%, 14%, a third (36%), and just under a third (32%), respectively of NYS interventions. However, from the data presented it is important to note that there was a decrease of about 4% in the number of VP beneficiaries that received NYS specific interventions between 2016 and 2017. These voucher programme beneficiaries could have participated in the NYS volunteer programme, and did not necessarily accessed category 1 which, is much longer and require almost one-year commitment, the time that the VP beneficiaries need to devote to their enterprises.

Business management

The objective of the programme, which is part of the entrepreneurship development programme, is to strengthen youth management skills. This non-financial intervention empowers young people who want to start up businesses or who are already in business. It also provides an opportunity for business leaders in the country to plough back by supporting youth development and empowerment.

According to **figure 13** during the period under review the NYDA offered business management to the VP beneficiaries by just over a fifth (22%, 23%, 27% and 22%), respectively. There appears to have not been a significant increase in the number of VP beneficiaries that have accessed this product. Unlike NYS and Solomon Mahlangu scholarship, the expectation here was that at least 50% VP beneficiaries, by virtue of being entrepreneurs, would have accessed this intervention. This below par performance could also be attributed to the complexities of the internal administrative NYDA processes, which could be hindering internal integration.

Training

The entrepreneurship development programme (EDP), training is intended to assist in developing young people who have business ideas and require assistance and support to develop such initiatives. It offers young entrepreneurs the necessary tools in entrepreneurship skills, knowledge, values and attitudes towards their businesses.

In years 2014, 2015, Just under a third (31% and 35%), of VP beneficiaries received business training, while under a fifth (18%), and one fifth (21%), of beneficiaries received business training in 2016 and 2017 respectively. It is significant that there was a decrease of 10% in the number of VP beneficiaries that received entrepreneurship training specific interventions between 2014 and 2017. This below par performance could also be attributed to the complexities of the internal administrative NYDA processes, which could be hindering internal integration.

Mentorship

Mentorship programmes connect people who have specific skills and knowledge (mentors) with individuals (protégés) who need or want the same skills and advantages to move up in work, skill level, or school performance. They provide encouragement and guidance to young entrepreneurs. Participants in mentoring programmes, both young and old, share their values and personal goals in a mutually respectful, supportive way which leads to a more enriched life for both. A successful mentor programme helps break down barriers and creates opportunities for success. This is exactly what the NYDA mentorship seeks to achieve.

In 2014 and 2015, just over a tenth (15%) and over one fifth (23%), of beneficiaries received mentorship services, and under a third (30%) and (32%), accessed mentorship in 2016 and 2017 respectively. It is commendable that there has been a steadily increase of close to one fifth (17%), in the number of voucher beneficiaries who accessed mentorship. What is interesting though, is the

unbalanced and often discrepancy of how the mentorship service rendered to the VP beneficiaries was rated by NYDA branches. Also, how there were at times no uniform understanding of the use, access and availability of the mentorship service by branches to VP beneficiaries. As indicated elsewhere in this report, there is need to close that gap, allow orientation of branch members and communicate such protocols to branches by NYDA national.

Job preparedness

The job preparedness programme, which is located within the PDDD, is a tailor-made intervention for young people to be skilled in job hunting skills, including writing CVs and preparing for job interviews

Overall, during the period under review just over one fifth (22%, 22%, 27% and 29%), of the NYDA VP beneficiaries were empowered with job preparedness respectively. This is a very interesting finding as it shows that a significant number of VP beneficiaries are also looking for jobs. This could be attributed to several factors for example, it may well be that young entrepreneurs were not making profit in their businesses or just simply that their enterprises went under.

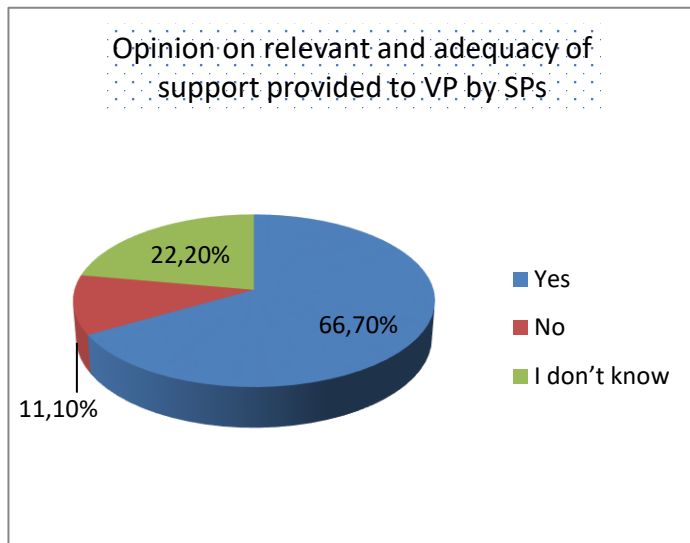
Job placement

The purpose of this programme is to capacitate and develop young people through skills development programme and to prepare youth for the world of work. It encourages young people to establish Youth Centres in their local communities. During such session's participants are encouraged to discuss unemployment challenges facing young people and to improve youth emp
In years 2015 1n2015, about a fifth (20%), of beneficiaries got job placements respectively. Similarly, just under a third (32%) and 28% of VP beneficiaries got job placement in years 2016 and 2017.

9.3.1 Opinion of SPs on the adequacy of the support provided to VP beneficiaries

The evaluation team also surveyed the service providers of the VP to elicit their opinions on whether, in their view, the NYDA financial and non-financial interventions that the VP beneficiaries were supposed to have accessed were adequate and whether they could have contributed to the sustainability of their enterprises. **Figure 14** below reflects the opinions of the service providers about the relevance and adequacy of support the NYDA had provided to the programme beneficiaries between 2014 and 2017.

Figure 14: Opinion on the relevance and adequacy of support provided to VP by SPs

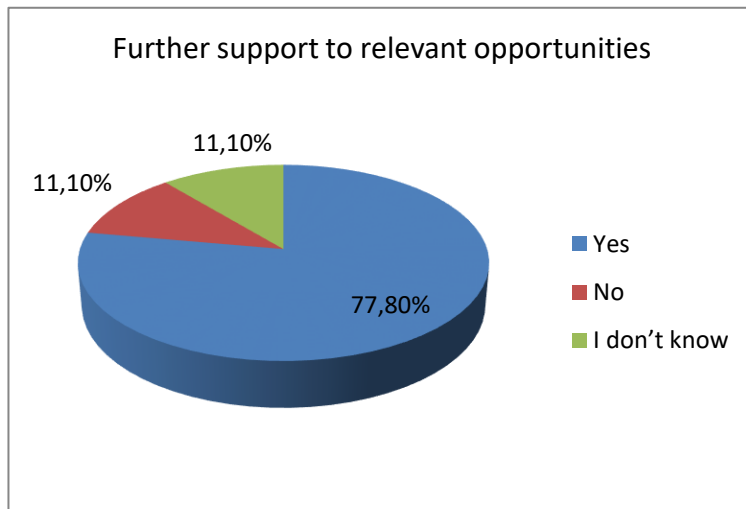


According to **Figure 14** above two thirds (66.7%), of the respondents indicated that the support that the NYDA had provided to the programme beneficiaries was adequate and relevant.

On the one hand though, one out of ten (11.1%), did not agree. They were of the view that the support rendered to VP beneficiaries was not adequate, with just over a fifth (22.2%), of respondents saying that they did not know or certain whether the support to beneficiaries by service providers was relevant.

Regarding mentorship, the service providers suggested that the mentorship programme should be much longer and paid for to ensure quality of support. According to this view, apparently four (4), sessions per year would be inadequate to provide solid support to VP beneficiaries. But then again, as reported elsewhere in this report, the NYDA, through the SLA signed with the service providers, they are expected to render mentorship to beneficiaries for two (2), years. However, the provision of mentoring is hindered by lack of understanding by branches of their mandate to enforce this agreement (ensuring that SPs indeed render mentorship service to VP beneficiaries). The problem contributing to this non-enforcement of the provision of mentorship as contained in the SLA was said to be lack of communication between NYDA head office and branches. In short, while the national NYDA staff members are aware that according to the SLA signed, SPs are expected to render a two-year mentorship support to the VP beneficiaries, branches do not take to this requirement seriously.

Figure 15: Further support to relevant opportunities for VP beneficiaries referred to by SPs

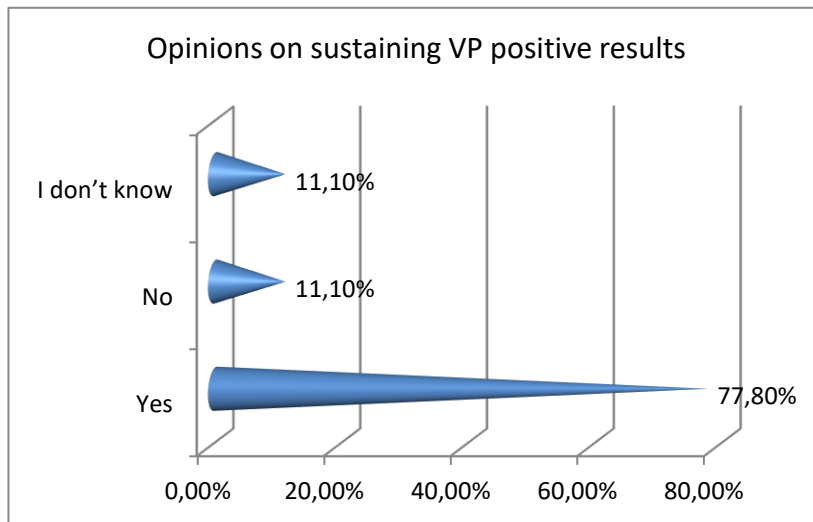


Linked to the above question of support to VP beneficiaries, was the extent the SPs had referred VP beneficiaries to relevant opportunities. According to SPs, a high proportion (77.8%), indicated that they had indeed referred VP entrepreneurs to the relevant business opportunities as shown in **figure 15** above. However, a tenth (11.1%), of respondents reported that they did not refer any beneficiaries for further support, and another tenth (11.1%), said that they did not know (remember), whether they had referred beneficiaries for further support. This third and last response could as well mean that SPs did not know whether they were expected to refer young entrepreneurs if needed. But it is encouraging to note that a high proportion had referred young entrepreneurs to further opportunities. According to them, they had referred VP beneficiaries to organizations like SEDA, IDC, Ithala Sefa and NEF for further support for the mostly to access further funding, professional assistance and access to markets.

9.3.2 Contribution of the support to sustainability

Another area for assessment was whether the positive results emanating from the support received by the VP beneficiaries, ranging from, NYDA to IDC, could be sustained. The opinions of the service providers to this assessment is shown in **figure 16** below.

Figure 16: Opinions on sustaining VP positive results



According to the above scenario, the majority (77.8%), of respondents believed that there was indeed a possibility of sustained positive results from the VP, with one out ten (11.1% & 11.10%), indicating that they don't agree and don't know respectively.

Some of the reasons given by the 77.8% of the respondents who said the support provided could have led to the sustainability of the VP beneficiaries' enterprises were that there had been some programme beneficiaries' sustainable businesses as a result of the VP, other beneficiaries have expanded their businesses'

However, the lack of implementing the aftercare support provision for programme beneficiaries once they had accessed vouchers was singled out as the biggest threat to the sustainability of enterprises of voucher programme beneficiaries.

Similarly, during the FGDs that were conducted with voucher beneficiaries in Emalahleni and Johannesburg the issue of the relevance and adequacy of the support received by the voucher programme beneficiaries from the NYDA was discussed.

Responses and inputs from the two FGDs are summarised below as follows:

- The participants agreed that every young person starting a business needed financial support. Financial support was key for survival of any business. The participants therefore

recommended NYDA to use the system of paying purchased orders. This will avoid the delayed process in service providers rendering services to the beneficiaries.

- One beneficiary who accessed the VP from 2013 acknowledged that the programme has helped his business grow to date.
- Participants generally agreed that the support from the VP was greatly needed. The branding, business plans updated yearly, the 1000 printed business cards and promotional materials were very helpful in marketing their businesses and bringing in clients and will still be used in the long term.
- A beneficiary who accessed the marketing voucher in 2018 did not find the assistance that was provided adequate. She noted that they only got a strategy which was not useful without funds to execute it in terms of material.
- A beneficiary who used a voucher that allowed him to get flyers noted that he still had the flyers and potential business was still contacting him because of them. He said that he made money from that. Apparently, the voucher which allowed the beneficiary to purchase marketing material was discontinued.
- In Johannesburg, beneficiaries also noted that the accounting voucher was also not adequate. One beneficiary remarked that 'if you have a background in accounting as it was mostly an orientation on Microsoft Excel'. They did agree, however, that for those without accounting background the voucher could be useful.
- It was strongly recommended that VP beneficiaries should 'graduate' into accessing the grant programme as part of the economic development continuum of the NYDA.

9.3.3 Findings

On average, less than 30% of the VP beneficiaries accessed other financial and non-financial interventions of the NYDA during the period under review. In addition, on average, only 25% of the voucher programme beneficiaries accessed the funding from the NYDA grant programme. By any measure, this is not significant especially given the fact that the grant programme is in the same division as the voucher programme. Given this, the number of voucher programme beneficiaries accessing the grant programme should well have been over 50%.

This also applies to the market linkages, entrepreneurship development training and business management. That only 25% of the VP participants were able to access these interventions could be attributed to the complexities of the internal administrative NYDA processes, procedures and policies, which could be hindering internal integration, and internal strategy alignment.

While many of the service providers, at 66.7%, agreed that the support that the NYDA provided to VP beneficiaries was relevant and adequate, they could not provide coherent and comprehensive views and evidence to support this assertion.

Based on the outcomes of the FGDs, many VP beneficiaries needed the NYDA to improve the support related to accessing the entrepreneurship development training programme and the grant programme.

9.3.4 Recommendations

- The NYDA should set a target for the number of voucher programme beneficiaries who should access the grant, entrepreneurship and market linkages programmes. This target should be that 50% of all VP beneficiaries are able to access the grant programme once their business plans have been developed and approved. However, these business plans should be within the funding range of the grant programme.
- The NYDA, especially the PDDD, should develop an internal integration strategy of its business units so that they are able to serve their clients effectively. This, however, should be preceded by alignment in the division strategy.

9.4 Contrasting baseline and end-line performance

This sub-section of the report seeks to answer the following key evaluation questions:

- Did the VP produce the intended results in the short, medium and long term? If so, for whom?
- If so, for whom, to what extent and in what circumstances?

The purpose of collecting baseline data is to establish the pre-programme conditions against which future changes amongst a target population could be measured while the purpose of the end line data is to assess the extent the development intervention impacted on the lives of those who were primary target beneficiaries of the programme.

One of the objectives of this impact evaluation is to contrast baseline and end-line performance to ascertain the difference made on the youth enterprises. However, the evaluation team discovered that no baseline data was collected at the outset of a programme to establish the pre-programme conditions against which future changes amongst a target population could be measured. What would be contrasted under this section would be the *before* and the *after* of the variables related to employment created by the voucher programme beneficiaries, revenue generated by their enterprises, profit maximised by their enterprises, customers served, and investment attracted by their enterprises.

It is important to note that the data was generated directly from those voucher programme beneficiaries who took place in the survey.

9.4.1 Percentage of employed people before and after the introduction of the programme

Table 21 below shows the before and after situation regarding the number of employees that were employed in the enterprises of VP beneficiaries during the 2014/15, 2015/16 and 2016/17 financial years. Of the vouchers that youth-owned entrepreneurs received, below are several jobs these entrepreneurs employed.

Table 21: Percentages of number of employees

	2014-2015			2015-2016			2016-2017		
	B	A	%C	B	A	%C	B	A	%C
Zero employees									
Between 1 and 5	76%	76%	0	83%	83%	0	83	11	%% -72
Between 6 and 10	12%	8%	-4	17%	17%	0	15%	78%	63
Between 11 and 15	5%	8%		0	0	0	0	0	0
Between 16 and 20	5%	5%	0	0	0	0	0	0	0
Between 21 and 30	2%	3%	1	0	0		0	0	0
Between 31 and 40	0	0	0	0	0	0	0	0	0
Between 41 and 50	0	0	0	0	0	0	21%	11%	-10
Above 50	0	0	0	0	0	0	0	0	0
Total			0			0			-9

As shown in **Table 21** the total percentage of people employed by the enterprises of VP beneficiaries before and after the programme was introduced in the 2014/15 and the 2015/16 financial years was zero. However, there was a loss of 9% of employees in the 2016/2017 financial year, mostly in the (for the 1 to 5 category). In the same financial year there was a 10 percent net decrease in the number of employees (for the category of between 41 and 50 employees. From a performance point of view the enterprises of the VP beneficiaries, there were left worse off after the introduction of the programme.

This could also be explained by the fact that the majority of entrepreneurs received vouchers worth between R7000 and R10 000 and (mostly for business plans) also, and therefore did not grow.

9.4.2 Revenue generated before and after the introduction of the programme

Table 22 below depicts the percentage revenue – both positive and negative – generated by the enterprises

of VP beneficiaries before and after the VP intervention.

Table 22: Revenue generated by youth owned enterprises

	2014-2015			2015-2016			2016-2017		
	B	A	%C	B	A	%C	B	A	%C
Zero turnover									
Between R10,000 and R20,000	19%	19%	0	22%	21%	-1	41%	36%	-5
Between R21,000 and R30,000	10%	0	-10	4%	0	-4	26%	5%	-20
Between R31,000 and R40,000	6%	13%	8	4%	8%	4	15%	14%	-1
Between 41,000 and R50,000	3%	6%	3	13%	13%	0	8%	10%	2
Between R51,000 and R60,000	0		0	4%	4%	0	3%	2%	-1
Between R61,000 and R70,000	0	3%	3	0	0	0	3%	2%	-1
Between R71,000 and R80,000	3%	3%	0	0	4%	4	0	0	0
Between R81,000 and R90,000	0	0	0	0	0	0	3%	2%	-1
Between R91,000 and R100,000	10%	9%	1	17%	17%	0	15%	14%	-1
Above R100,000	48%	47%	-1	35%	33%	-2	10%	14%	-4
Total			4			1			-32

According to the above table, during the 2014/15 financial year the enterprises of the programme beneficiaries generated only 4% increase in their revenue compared to before the programme was

implemented. In the 2015/16 financial year the net gain of the revenue generated after effecting the voucher programme was a mere 1%. In the 2016/17 financial year the percentage of the revenue generated by enterprises of the programme was down by 32% after the programme was introduced.

Overall, during the three financial years under review, the revenue generated by enterprises of the programme beneficiaries decreased by a whopping 27%. This means that the introduction of the voucher programme left the enterprises worse off than before its introduction. This is probably attributable to the fact that most of the vouchers that were accessed over the period under review were for the development of business plans.

As discussed later in this report the challenge with the business plan voucher is that there is no guarantee that the developed plans would attract the necessary finance or funding. Indeed, one of the partners of the programme claimed that the quality of the business plans that are submitted for finance or funding by the voucher programme beneficiaries are of 'poor quality'.

9.4.3 Profits generated before and after the introduction of the programme

Table 23 below shows the performance of the enterprises of the programme beneficiaries in terms of profits generated as a percentage difference of before and after the voucher programme intervention between 2014 and 2017.

Table 23: Percentages for profit generated before and after of youth-owned enterprises

	2014-2015			2015-2016			2016-2017		
	B	A	% C	B	A	% C	B	A	%
No profit	8%	8%	0	11%	10%	-1	0	2%	0%
Between 1% and 5%	33%	31%	-2	39%	31%	-8	40%	39%	-1%
Between 6% and 10%	25%	19%	-4	21%	17%	-4	23%	22%	-1%
Between 11% and 15%	3%	6%	3	7%	10%	3	7%	3%	-4%
Between 16% and 20%	8%	14%	6	4%	7%	3	8%	9%	1%
Between 21% and 25%	3%	3%	0	0	0	0	4%	4%	0%
Between 26% and 30%	3%	3%	0	0	7%	7	4%	0	-4%
Above 30%	17%	17%	0	18%	17%	-3	15%	17%	2%

Total			7			-3			-9
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According to the above table during the 2014/15 financial year the profits increased by 7% after the introduction of the programme. However, in the 2015/16 financial year the profits of the enterprises of the VP beneficiaries decrease by 3% and by 9% in the 2016/17 financial year. Overall, during the period under review the profits of the enterprises of the VP beneficiaries decreased by 9%. The net loss in profits of the of the enterprises of the VP beneficiaries seem to correlate with the loss in revenue reported above.

This is, again, probably attributable to the fact that most of the vouchers that were accessed over the period under review were for the development of business plans.

9.4.4 Customers serviced before and after the intervention

Table 24 below shows the percentage of customers that the enterprises of the programme beneficiaries had or served before and after the VP intervention between 2014 and 2017.

Table 24: Percentages of customers serviced by the VP beneficiaries' businesses

	2014-2015			2015-2016			2016-2017		
	B	A	% C	B	A	% C	B	A	% C
Between 1 and 5	39%	29%	-10	37%	37%	0%	31%	31%	0
Between 6 and 10	24%	29%	5	24%	23%	-1%	31%	31%	0
Between 11 and 15	8%	11%	3	10%	13%	3%	10%	8%	-2
Between 16 and 20	3%	5%	2	3%	3%	0%	6%	4%	-2
Between 21 and 30	3%	0%	-3	3%	3%	0%	8%	10%	2
Between 31 and 40	0%	0%	0	3%	3%	0%	5%	2%	-3
Between 41 and 50	3%	5%	2	0%	0%	0	6%	6%	0
Above 50	21%	21%	0%	17%	17%	0%	6%	6%	0
Total			-1			2			-5

According to the above table in the 2014/15 financial year the enterprises of the VP beneficiaries lost one percent customers, and in 2015/2016 gained 2% customers after the introduction of the programme. However, in the 2016/2017 financial year they lost 5% of customers after the introduction of the programme. Overall the results show that there was not much impact which was influenced by the introduction of the programme on the number of customers serviced. This loss is in line with corresponding losses for profits and revenues.

9.4.5 Investment attracted before and after the intervention

Table 25 below shows the percentage of the amount of the investment that the enterprises of the VP attracted between 2014 and 2017.

Table 25: Percentage for investment attracted by the business

	2014-2015			2015-2016			2016-2017		
	B	A	% C	B	A	% C	B	A	% C
Less than R50,000	75%	73%	-2	57%	48%	-9%	44%	83%	41%
Between R50,000 and R100,000	4%	8%	4%	19%	29%	10%	33%	10%	-23%
Between R100,001 and R150,000	0	0	0	10%	10%	0%	0	0	0%
Between R150,001 and R200,000	13%	12%	-1	5%	4%	-1%	0	0	0%
Between R200,001 and R250,000	0	0	0	0	0	0	0	0	0
Between R250,001 and R300,000	0	0	0	5%	4%	-1%	0	0	%
Between R300,001 and R400,000	0	0	0	0	0	0	0	0	0
Between R400,001 and R500,000	0	0	0	0	0	0	0	0	0
Between R500,001 and R600,000	0	0	0	0	0	0	22%	7%	-15
Between R600,001 and R700,000	0	0	0	0	0	0	0	0	0
Between R700,001 and R800,000	0	0	0	5%	4%	-1%	0	0	0
Between R800,001 and R900,000	0	0	0	0	0	0	0	0	0
Between R900,001 and R1 million	4%	4%	0%	0	0	0%	0	0	0
Above R1 million	4%	4%	0%	0		0%	0	0	0
Total			1			-1			3

According to the above, there was only one percent increase in the amount of investment attracted by enterprises of VP beneficiaries in 2014/2015 financial year after the programme was introduced. There was, however, a loss of one percent in the amount of investment attracted by the enterprises of VP beneficiaries after the introduction of the programme. In the 2016/17 financial year there was

a modest increase of 3% of the amount, mostly less than R50,000, of investment attracted by enterprises of voucher programme beneficiaries after the programme was introduced. Overall only 3% of investment was attracted by the enterprises of VP beneficiaries after the programme was introduced.

9.4.6 Findings

Based on the above analysis, using the before and after measurements, it can be concluded that overall the VP did not produce the intended results as demonstrated by the decline in the performance of key indicators of a health and thriving enterprise: number of employees, revenue and profits.

Overall, these indicators declined after the introduction of the VP to the beneficiaries. The only indicator that increased during the period under review was the investment attracted after the programme was introduced, which was mostly less than R50,000.

9.4.7 Recommendations

- In the 2019/20 financial year the NYDA should conduct a baseline study for the voucher programme beneficiaries. Given the known binding financial constraints of the NYDA this should not be an expensive and complicated exercise. Indeed, this could be part of the roles and responsibilities of the service providers. Baseline data on the beneficiaries should be collected at the point when the voucher is issued to the beneficiaries and before it is serviced. As discussed in this section the baseline would assist in determining how the situation has changed and thus, how it impacted or improved the socio-economic conditions of the targeted VP entrepreneurs.
- The NYDA should consider developing a mechanism that would incentivise the service providers to ensure that they also build the capacity of the voucher beneficiaries to start and manage successful and impactful businesses.
- The NYDA should investigate the factors that contributed to the decline in the key indicators of the youth owned enterprises.

9.5 Identification of gaps and causes for poor performance

This sub -section of the report seeks to answer the following key evaluation questions:

- What are the gaps that are inhibiting voucher beneficiaries from being successful?
- What are the root causes?
- What were the barriers and enablers that made difference between successful and disappointing VP implementation and results?

During both qualitative and quantitative data collection, respondents raised critical issues regarding the gaps in the entire programme management cycle of the voucher programme. They also provided suggestions as to how those gaps could be addressed and provided possible solutions. Based on this engagement and the observations and learnings of the evaluation team, the gaps are categorised as follows:

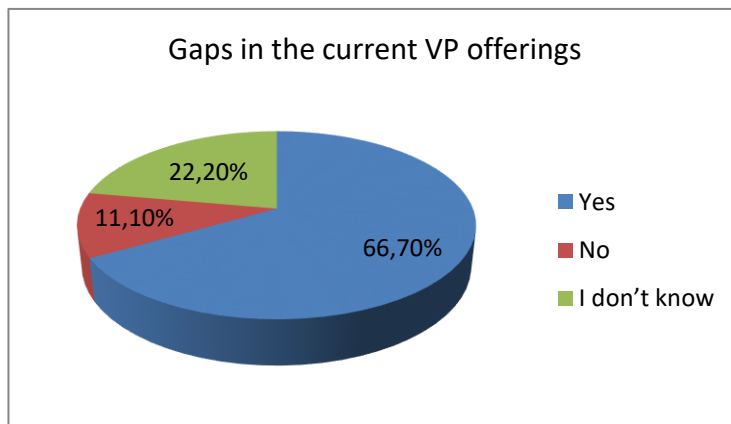
- Programme design and planning.
- Programme management and coordination.
- Programme institutional management, especially with partners.

9.5.1 Current gaps in the voucher programme

In identifying the gaps in the project management cycle of the voucher programme, the evaluation team first sought to solicit the views of the service providers whether there had been, indeed, gaps in the programme during the period under review.

According to **figure 17** below, about two thirds (66.7%) of service providers agreed that indeed there are gaps in the current voucher programme offerings, with a tenth (11.1%), indicating that there are no gaps in the current offerings of the programme, and just of a fifth (22.2%), who said that they did not know.

Figure 17: Gaps in the current VP offerings



Based on the questions to the service providers and NYDA branch and programme beneficiaries during the FGDs regarding what these gaps were and what could be done to close or solve them, the evaluation team has categorised the gaps according to programme design, planning, management and coordination and institutional arrangements. After the discussion of each of the gaps, possible solutions to address the gaps are discussed.

9.5.2 Programme design and planning

The objectives of the voucher programme, which have remained unchanged over the last five years, express the desired outcomes of the programme which have been translated in the business services that are offered to the young people seeking to start or improve their enterprises. While all the service providers (100%) agreed that they were familiar with the objectives of the programme and 35% of them thought the objectives were fully achieved both the service providers and the partners of the programme thought these were general and needed to be reviewed and redefined.

Related to the objectives, it was also pointed out - something that the evaluation later learned - that the programme had neither a logical framework nor a TOC. On one hand, the development, adoption and operationalization of the logical framework would have linked the objectives to the results and indicators thus presenting the tight relationship between them and leading to the achievement of the expected outcomes. The presence of the programme logical framework could also have assisted in the monitoring and evaluation of the programme. On the other hand, the development, adoption and operationalization of the ToC would have provided the programme's comprehensive description and illustration of how and why a desired change was expected to happen as the result of the voucher programme. In addition, the ToC would have aided the

programme to identify what types of business vouchers that were given to young people would have led to the achievement of the objectives of the programme. It would also have assisted in better planning and better evaluation to measure progress towards the achievement of longer-term goals that goes beyond the identification of programme outputs.

Possible solution

The starting point for possible solutions to this gap, as proposed by one partner, would be for the NYDA to consider reviewing and redefining the objectives of the programme so that they are not too broad. Stemming from the redefinition of the objectives of the programme would be the development of the programme’s logical framework and TOC.
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9. 5.3 Programme management and coordination

Payment model of service providers and nature of service rendered

The payment of the service providers for the service rendered is done through the voucher management system (VMS). It is through the VMS that clients have to login and signoff the final product delivered by the SP. Signing off by the client is based on their satisfaction with the product and only then would the NYDA pay the service provider the full amount. Again, the client was not guaranteed access to funding even if he/she was happy with the product – the business plan. In other words, even if the product is received, assessed, approved by the NYDA, handed over to the client and the service provider is paid for the service rendered, there is however, no guarantee that a young person would secure funding of any form for the envisaged business venture or enterprise.

Possible Solution

It is the view of the evaluation team that there is need to link or introduce another variable into the equation – the element of incentive to be closely linked to the payment schedule or process. In seeking inputs from the FGD participants to close this gap, some proposed that the payment model for service providers should be changed to consider what seems to be a big gap in the programme. For example, some participants proposed that possibly, instead of paying the service provider the total fee, rather, let X % of the total fee be paid upon submission of a certain percentage of the actual work. Then the remaining % is paid when the client successfully procures funding for the proposed enterprise.

During the discussion with Sefa, the evaluation team was informed that there was an internal process they have embarked upon to address a similar programme gap as experienced by the

NYDA voucher programme. The evaluation team was informed that there is a process currently in place regarding the development of a new payment model for their service providers involved in similar programmes that is apparently at an advanced stage for piloting within Sefa regional offices. Similarly, the evaluation team also learnt that the NYDA had also started to deliberate on an alternative payment model. Taking into consideration the fact that there is already an existing MOU between Sefa and the NYDA, the evaluation team recommends that the NYDA consider working with Sefa on the about to be piloted product for shorter, quicker, cost-effective intervention and piloted model.

Lack of capacity among service providers

Building the human and social capital of the service providers of the programme is a critical strategic investment required to ensure the likelihood of the programme success. Effective capacity building is supposed to benefit both the NYDA and the service providers by generating inclusive processes that strengthen trust, build commitment and good relationships. Lack of capacity of the service providers, which might not have been detected during the evaluation and the appointment phases of the service providers, was viewed as a hindrance to their ability to provide good quality service to the young people. This observation was further corroborated by another submission that certain geographical areas where the service or product was sought by potential programme beneficiaries are more economically depressed or rural than others and as such, sometimes there are no available relevant technical skills to assist young entrepreneurs with what they were requesting.

According to the FGDs participants, often those service providers who had infrastructure but not yet “competent” to discharge services and assistance to young people, often ended up being contracted. This view was, however, difficult to understand as the selection process of service providers is tightly followed using requisite standard supply chain procedures. It was further claimed that in some instance’s vouchers expired because a service provider did not have basic mandatory legal documents - for example, a tax clearance certificate has expired. Keeping one business compliance documents in order is, indeed, the responsibility of the service provider and not that of the NYDA.

Perhaps the lack of technical capacity of some of the service providers could be demonstrated by the comment of one of the programme partners that, in his view, there had been problems with the quality of the business plans submitted to his organization for funding in that some of these were either wrong or inappropriate.

Proposed solution

As the first towards the building of the technical capacity building of the service providers, it is recommended that the NYDA undertake a comprehensive assessment of the competencies required by the service providers to render good quality service and results for the voucher programme. In the long term, this will eliminate the risk of the NYDA wasting time and money on capacity building interventions that end up building the wrong skills and targeting the wrong people within those service providers. Furthermore, research has shown that capacity building investments often work best when they are conceived as longer-term programmatic interventions that are well targeted and planned.

Lack in technical skills of NYDA branch staff

Related to the lack of capacity of service providers to provide effective and efficient services to voucher programme beneficiaries, it was argued during the FGDs that some NYDA branches do not have staff with technical skills and knowledge that are congruent to their geographical areas of operations. For example, a point was raised about specialised knowledge in animal husbandry as prevalent in certain areas of the North West province. The question here was: whether would you find such skills at the Rustenburg branch and/or even among those service providers operational in those geographical locations?

Proposed solution

The voucher programme is a critical intervention of the NYDA, but for it to succeed, it is imperative that the NYDA staff involved in its management and coordination should be trained and skilled. They should be trained and skilled on systems and procedures that are supposed to be followed to implement the programme. Skills development, which should focus sectorial skills, for the programme should be decentralised with an emphasis on skilling those directly involved on the programme at branch level. All should have the same understanding of what are the dos and don'ts. There should not be perceptions that skills are only abundant at head office and yet, the programme is supposed to be implemented at branch level. As with the capacity building of the service providers, it would be important to identify their skills gaps as the first step in this direction.

Misalignment between services offered and business realities

Programme misalignment occurs when the goals of one working group do not match those of another or when an organization pursues an endeavour that is inconsistent with its core competencies.

The misalignment between the services offered by the voucher programme and the business realities on the ground, was raised during the FGD in Emalahleni. It was argued, for example, that what the programme aimed to achieve was not always in direct proportion with what the business realities were. Participants cited a lack of skills transfer by service providers to clients in their attempt to realise the objectives of the programme as worrying.

Furthermore, they indicated that some of the types of business services that young people need were not offered through the programme. The examples of business services that were cited as not being available to the young people during the FGDs were technical requirements for South African Bureau of Standards, the Construction Industry Development Board and risk assessment.

On the same issue of misalignment, some NYDA branch staff reported that often young people did not seem to always undertake prior detail scanning of the demands of their product in the market. Furthermore, it was argued that, while young people wanted services for the development of business plans, however, this was not always based on concrete ground work done. In other words, there were often insufficient arguments for what they require or advance as potential voucher project in that location or area.

Proposed solutions
<p>There is no doubt that the voucher programme can benefit enormously from addressing misalignment identified above for the programme to achieve its objectives. In this regard it is recommended that the NYDA undertake the following activities to ensure alignment in the voucher programme:</p> <ul style="list-style-type: none">• The voucher programme objectives should be aligned with the organization's strategic goals and objectives and should be periodically evaluated to ensure appropriate alignment.• The NYDA should ensure that all stakeholders understand the relationship and integration of all the programme components. This will help maintain proper alignment by ensuring that everyone is working toward common objectives.• The NYDA should establish and maintain a culture that emphasizes openness, honesty, and integrity.

- The NYDA should Implement mechanisms to improve communication and relationships among the various stakeholders.
- The NYDA should create an atmosphere of cooperation, shared values, and mutual accountability at all organizational levels to ensure that all decisions and actions align with what is best for both the programme.

Ineffective communication between head office and branches

The communication gap between head office and branches was manifested by the fact that some of the branches claimed that they were not familiar with the content of the service level agreements between head office and the service providers, especially as they relate to the obligation for the service providers to provide mentoring to voucher beneficiaries. As a result, because of lack of understanding, branches do not enforce the provision of mentorship to voucher programme beneficiaries by service providers even though the SLA clearly states that: “service providers shall render mentorship for two (2), years to VP beneficiaries and are paid for”. There is, therefore, a lack of understanding of the business flow by some branches of the NYDA. Another example demonstrated the lack of effective communication between head office and branches is the appointment of service providers. During the FGDs Officials and branch level offered a different understanding on how SPs are commissioned. What seems to be a contradiction in expressing the selection procedures of SPs between head office and points to the lack of communication within the organisational flow and subsequently, this results in the misunderstanding of internally accepted organisational protocols.

Proposed solutions

Healthy and effective internal communication is central to the success of any organization. Like many aspects of successful business management, stellar organizational communication can take months or years to cultivate. Here we recommend two quick wins strategies:

Video simulcast: When sharing information about the voucher programme including challenges and successes, one possible solution is to hold a video conference. With a simulcast, each team member can hear and see you speak about upcoming initiatives or your company’s future trajectory in real time, no matter where he or she might be working.

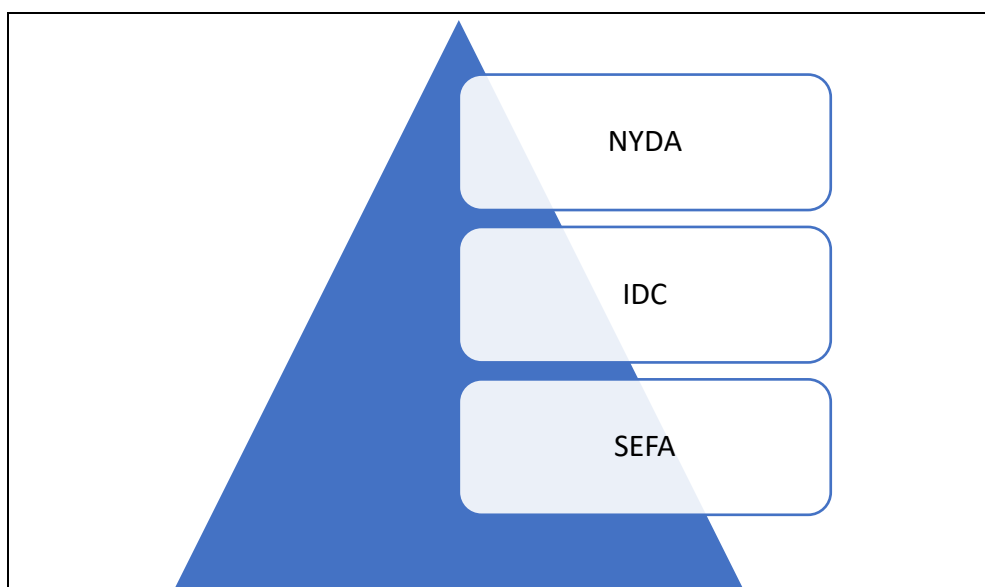
Group events: Like video simulcasts, group events can unite geographically distant organizations. Understanding who is responsible for what can greatly facilitate communications between head office and branches. Group events lead to shared experiences, whether formal or informal, and these can help individuals relate to each other more easily.

10.5.4 Institutional arrangement between the NYDA and Funders/Partners

One of the critical issues investigated in the evaluation of the VP is the extent to which relations between funders, partners and the NYDA worked in enhancing the efficiency of the voucher programme. In other words, how business was conducted between the two and how this impacted on the voucher programme? It should be noted though that partners are supposedly operating at a strategic level in the programme. The functionality of such could be assessed by ascertaining the adequacy and efficiency of all resources accessed and utilised in implementing the voucher programme.

During the process of the valuation whereby information was collected, it was confirmed that the IDC and SEFA had been active partners in the beginning of the VP. This situation was later corroborated by both IDC and Sefa. The NYDA signed a Memorandum of Understanding (MOU), with the IDC and SEFA. Each of the signatories to the MOU had their mandates clearly defined in the MOU. As one of the signatories described it; simply put, there was a “Tripartite Agreement Relation”, between the parties as illustrated in **figure 18** below in terms of roles and responsibilities, the NYDA is offering funding whereas IDC and Sefa is offering loans to beneficiaries.

Figure 18: Illustration of the VP tripartite arrangement relation between NYDA, IDC and Sefa



According to Sefa, there was a committee established to manage the above Alliance but unfortunately, that “Committee died a slow death” before it could function. According to some

NYDA branch staff, their understanding was that in so far as loans to young entrepreneurs were concerned, IDC and SEFA were going to give young entrepreneurs loans less or lower than the prime rate at the time. Unfortunately, though, during the field visits it emerged that this was not what was contained in the MOU.

It appeared that, there had been misunderstanding of roles and responsibilities from the outset between partners. As a result, there was a suggestion that it appeared that even incorrect business flow practices were miscommunicated to branch offices of the NYDA which was for example, different from the ones observed and followed by the Sefa regional offices.

According to certain participants of the FGDs, there were challenges of what they termed “The Process Flow”. This sentiment was expressed differently by one of the funders, who indicated that there was not enough business alignment and that miscommunication continued to prevail. As a result, funded business plans were not significant and did not have a good return for the programme beneficiaries.

Proposed solutions
<p>Effective, efficient and sustainable institutional arrangements between the NYDA and the current and future partners of the voucher programme are key to the achievements of the programme. Institutional arrangements between the NYDA and its partners should be based on the principle of working towards a greater long-term goal alongside fulfilling their own respective institutional functions. The NYDA and its current and future partners on the voucher programme need to orient their specific individual functions in ways that can best serve the broader shared objectives. The following two approaches and principles are being recommended to the NYDA to improve and strengthen its institutional arrangements with its partners:</p> <ul style="list-style-type: none">• The NYDA and its partners should be transparent and open, especially when it comes to policy decision-making and finances.• Systems of communication and inclusiveness ensuring that stakeholder engagement is maintained and can be enhanced must complement these transparency mechanisms

In concluding this section, a list of general list of other gaps that are hindering the voucher programme to achieve its objectives that was generated during the FGDs, is provided below:

- The VP is not easily accessible in rural areas or in towns where it is mostly required. This is due to the limited footprint of the organization owing to binding financial constraints to be in every corner of the country, which is not financially feasible.
- Development of business plans alone cannot finance young entrepreneurs; NYDA must collaborate with financial institutions in order to ease the access to finance.
- There is a perception in some quarters that, service providers not respected or considered valuable but expected to deliver 100%.
- The programme is not marketed enough; it requires more media intervention and social media marketing.

The following were the general suggestions from the survey respondents for the improvement and strengthening of the voucher programme is provided below:

- Improve turn-around time for payment of SPs to thirty (30), days from submission.
- Improve attitude and dedication behind the NYDA staff towards vouchers programme, processing of payments and treatment of SPs.
- Improve attitude and dedication behind SPs clients to engage properly.
- NYDA should not take long to process the payments. When the voucher is loaded before it expires, it should not expire in the system.
- Educating more youth about the programme.
- Voucher application processing time and SP payment processing time needs improvement.
- More budgets should be requested from the government. Some clients who are approved for vouchers do not provide information to the SP until the voucher expires.
- A way should be determined which will persuade the clients to service their vouchers so that they can benefit.
- FGD beneficiaries requested that higher levels of leadership in the NYDA linked to the coordinators on the ground should take time to receive direct feedback from beneficiaries
- FGD beneficiaries agree that they would benefit from a small business hub in which they can access telephone, e-mail, store equipment and spaces to work or meet. They also realize that this space can assist in giving entrepreneurs a chance to network, collaborate and support each other through the challenges of business. This would also help the NYDA gain a better

understanding of the businesses and the entrepreneurs and a chance for the NYDA to upskill them where needed.

- The backlogs in receiving the services were discouraging to beneficiaries. In terms of branding, it was said that the service provider was servicing Mpumalanga and Limpopo at the same time. The process of rendering the services therefore took longer with the results of poor quality.
- The VP Coordinators are said to have not been hands on in the programme. The beneficiaries recommended that the Coordinators assist them in following up with the service providers to deliver the services and check with beneficiaries if they received/are happy with the services.
- Unreliable service providers came up as a challenge as well. The beneficiaries mentioned that they had to make follow-ups with the service providers every day and they do not pitch at arranged meetings.

11. Options for scaling up the VP

This sub -section of the report seeks to answer the following two key evaluation questions:

- What are the options for scaling up the VP, if any?
- What is the plan than can be developed to have better return at the least amount of resources?

Scaling up, which is a priority that has been highlighted by development practitioners, is defined in different ways in the literature, but in development it's usually linked to the need to reach many more members or target groups for a development service or outcome. The United Nation Development Programme (UNDP) defines scaling as ensuring the quality of a development impact, reaching out to those 'left behind' and ensuring the sustainability and adaptability of results and is not about just replicating successes to cover larger groups or populations. A scaled-up intervention can deliver multiplier effects at a larger scale and serve as an entry point for the development. Scaling up entails the following dimensions: social (social inclusiveness), physical (replication), political (policy and budget commitments) and conceptual (changing the mind set and power relations—a deep transformation of power and administrative structures).

In considering options for scaling up or not, the evaluation team considered the lessons that have been learnt regarding scaling up economic development efforts like the voucher programme within the broader development community and the challenges associated with such an exercise.

According to the UNDP, the main lessons emerging from scaling up efforts point to the necessity of strong organizational leadership backing, available financial resources, promoting transparency and accountability organizations that can institutionalize the successful results achieved through pilots. It needs to be acknowledged that scaling up is a long-haul process (often taking over five to 10 years), and that for longer term sustainability an effective decentralization or de-concentration agenda needs to be pursued.

The pressing challenge, cited by the UNDP is how the impact of successfully applied policies, programmes and projects can be increased in order to reach a larger number of beneficiaries, and sustained over time through political and financial commitments. Not all development efforts can or should be scaled up. Some are specifically designed and implemented to showcase or demonstrate the feasibility of a development intervention/service delivery approach, even in the most challenging of circumstances. These are not meant to be replicated in its original form, since a demonstration may have required substantial human and financial resources. Taking into considerations the lessons learnt and challenges with in the global development community associated scaling up projects, the evaluation team solicited the views and opinions of the NYDA service providers for the programme and the programme beneficiaries.

In interviews with representatives of the IDC and Sefa, the voucher programme key partners and funders of some voucher programme beneficiaries, the evaluation team solicited their opinions whether it would be feasible for the voucher programme to be scaled up at this stage and if so, what options did they propose the NYDA should consider.

Both the IDC and Sefa called, as the first condition for scaling up, for a clearer argument or explanation of the meaning of “up scaling”, as according to them, this sounded like calling for more funding. According to this view, there is needed to first do “business realignment” of the VP. This is because while some vouchers were issued and funded, these did not yield greater returns for beneficiaries. As a result, *“funds and/or tax payer’s money were wasted”*.

They also pointed out that success with scaling up calls for a careful balancing act between desired outcomes and practical realities and constraints.

On the same issue of scaling up of the programme, the NYDA service providers were asked how this could be achieved and what should be done? Among alternatives strategies proposed included the appointing business advisors/ mentors for a longer term. This, according to them, would help the sustainability and growth of the business. Furthermore, service provider suggested that another alternative is to reduce or invest in few entrepreneurs and realise the impact. This would not enable the NYDA to rather spend money on fewer entrepreneurs and realise greater impact.

Furthermore, the service providers expressed the view that, scaling up the programme could be easier if they can market their relationship with NYDA and assist potential beneficiaries with the application process. They argued that this was because some service providers are in the rural areas and, therefore, find it difficult to access NYDA. The service providers suggested that if they were given a more vital role regarding voucher beneficiaries, they would be able to manage and bring together all the pieces needed in the value chain, up to the point of providing access-to-market opportunities for them. The use of annual reviews of the programme, according to some providers, could be used to determine whether the programme is ripe for scaling up or not.

Because scaling up is usually preceded by the effecting certain improvements in the functioning of a development intervention, as shown by research, service providers were specifically asked if there was room or not for the voucher programme to be improved. All respondents (100%), agreed that the programme had room for improvement.

The following were their suggested proposals for improving the current functioning of the voucher programme:

- Service providers must be involved in the process prior to voucher allocation, to give guidance on the appropriateness of the proposed voucher. However, involving service providers in this regard might amount to interference in the NYDA internal processes.
- The NYDA branch offices should be placed next to communities not only in towns where youth must travel more than 100km to 200km like in the Free State.
- Introduce control measures to curb collusion between service providers and payment to undeserving service providers for poor quality of services rendered.

The opinions and views of the voucher programme beneficiaries on scaling and improving the voucher programme was solicited during the FGDs.

The following were some of their proposals regarding scaling up or improving the voucher programme:

- A beneficiary suggested that the NYDA should invest in training beneficiaries carry out the voucher services for themselves so that they don't need to be dependent on the NYDA as the company expands.
- Another beneficiary noted that he could benefit to linkages with large businesses who have a comparative advantage and willingness to invest time and resources in their small businesses.
- The participants recommended that more services could be added to the VP like compliance certificates so that they, as small businesses can be able to compete in big projects (Mines and Eskom for example)
- The participants felt that the service providers need to be assessed on whether they have the knowledge, skills and equipment to render the service before being given the tender. The participants expressed that they did not receive quality services from the VP service providers. One participant received business cards with spelling errors although he corrected the work before printout; he also witnessed a branding for a mobile kitchen being turned away by one beneficiary because it was not what they signed up for.

11.1 Options for scaling

There are several options available to the NYDA for scaling up the voucher programme, provided such scaling is financially feasible. There are shown in **table 26** with their associated methods:

Table 26: Scaling up options and methods

Option	Method
Expansion	<ul style="list-style-type: none"> • Growth • Restructuring • Franchising • Spin off
Replication	<ul style="list-style-type: none"> • Policy adoption • Grafting • Diffusion • Commercialization
Collaboration	<ul style="list-style-type: none"> • Formal Partnership • Alliances

	<ul style="list-style-type: none"> • Network and Coalitions
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Source: Management System International

Based on the lessons learned from other development interventions and the challenges associated with scaling up economic development interventions like the voucher programme, feedback from the NYDA partners and service providers, and the major voucher programme gaps that have been identified in the next section, the evaluation team is of the opinion that the time is not yet ripe for the programme to be scaled up at this stage. The evaluation team recognises that, as demonstrated in the CBA section, the current benefits of the programme outweigh its costs. However, given the other benefits of the programme that were negative, this alone cannot be a strong justification for the scaling up of the programme.

11.2 Findings

This single biggest constraint for the NYDA to scale up the voucher programme, that fall under expansion and replication and which are the ideal option for scaling up the voucher programme, is funding.

Scaling up of the voucher programme would require additional funding and support. However, the funding of the NYDA by the government has been constant for the last five years, and only adjusted according to inflation. This means that, in real terms, government resource commitments for the NYDS are diminishing. Indeed, everything else that would be required for scaling up, including additional human resources, hinges on the availability of financial resources.

The only option viable and available to the NYDA at this stage is collaboration. Collaboration is an important vehicle for mobilizing and sharing knowledge, expertise, technologies and financial resources to support scaling up of impactful development interventions. This option would require that the NYDA seek and nurture new partnerships with like-minded organizations while seeking to strengthen the partnerships the IDC, SEDA and Sefa. These partners could be the private sector. However, this sector would need demonstrable evidence that the NYDA voucher programme has had great impact on developing new entrepreneurs and thereby contributing to the economic growth of the country.

11.3 Recommendations

As for adopting the expansion and replication options, it is recommended that the NYDA develop a systematic scaling up strategy that would include plans and actions, amongst others, related to:

- Conducting a realistic assessment of existing capacities and resources, so that the scaling up of the voucher programme, should be based on outcomes of a sound scientific exercise.
- Assessing the institutional arrangements and structures and business processes that would be required to
- be developed and put in place for the successful scale up of the programme.

It is important to note that developing a scaling strategy will be only the beginning. Strategic thinking will need to continue throughout the process of implementation, requiring ongoing attention to the multiple factors that affect scaling

Up, as well as adjustments to the strategy whenever necessary.

12. Highlight of successes

This sub -section of the report seeks to answer the following key evaluation question:

- What are some of the successes that have been experienced by the voucher beneficiaries?

While this impact evaluation shows that the performance of the VP during the period under review was inadequate and that it yielded insignificant or limited results, a fact partly confirmed by the feedback from the SPs and the NYDA staff is that, in their own opinion, only 30% of the objectives of the VP have been achieved, there are a few pockets of the programme successes that need to be highlighted and flagged for motivational and the continued existence of the programme albeit with the necessary fundamental changes recommended elsewhere in this report.

12.1 Selected successful beneficiaries

The FGDs with beneficiaries of the programme yielded significant insights into the successes of the programme during the period under review. The evaluation team would like to quote two of these stories verbatim as follows.

Story of FGD participant at the Johannesburg branch.

'In early 2017 I obtained a marketing voucher from the NYDA Johannesburg branch that I needed to develop and print business flyers in order to market my business. Upon obtaining the I was referred to a service provider who service I can only rate as had been excellent. Today I am proud to stand here and tell you that as the result of that decision to apply for a marketing voucher which was approved, I made a lot of money. Potential customers are still contacting me because of those business flyers'

Story of an FGD participant at the Emalahleni branch

*'In 2016 I got vouchers from the NYDA for developing a business plan for pottery business, branding voucher to market my business and design voucher to better develop high quality pottery products, In addition, my business received R50,000 injection from the NYDA grant programme. I'm know well known because of the branding and promotional materials. I use the pull up banners whenever I am at stalls to present work and I often gets opportunities in Middleburg as well because of the marketing services. I am now selling **pottery** products at museum, fun fairs and at Easter Rand Shows. Business is booming thanks to the NYDA'.*

Some specific highlights from the FGD participants included the following:

- While the study found that on average less than 30% of the programme beneficiaries had successfully accessed funds from the grant programme, those who had done so unanimously agreed that getting grants was a highlight for their business journey.
- A beneficiary is in the SEDA incubator programme after getting his business plan through a voucher

Other individual youth entrepreneur's success cases that were unearthed in the course of the evaluation are as follows

Mzwandile Goodman Khumalo was granted R10 000.00 business plan voucher for marketing and promotional material at NYDA Durban Branch. He was then able to ensure a loan from Small Enterprise Finance Agency (SEFA) to open his Theku Plaza pharmacy, which is situated in New Castle.

Ms Segametse Precious Mapedi, a University of Pretoria (UP) geology graduate, made success of the advice and business plan received from the Voucher Programme in Polokwane branch. She later opened Makoya Fish and Chips under Franchise and was awarded R50 000 grant funding which she used to buy stock.

The Skysun Company based in the rural areas sought to produce solar panels power that does not lose power when the sun does not shine. It was motivated by the fact that, villagers still needed reliable power regardless of the weather. Through innovative of Voucher Programme Skysun received access to the vast expertise and facilities of the Department of Energy (DoE), the company has

developed technology that cut cost of concentrating solar power (CSP) by 13%, a big step forward in making the technology more accessible.

14. Lessons Learned

The benefit of assessing the lessons learned after implementing or during the implementation of the programme is that programme team could use the lessons learnt to prevent similar issues from occurring in future programmes which in turn improve the performance of the programme and the team. Ironically for this programme, which on its own is a lesson learnt was the inability to keep programme records and reports of good and bad practice so that they could provide enough data to the evaluation team to identify, determine and analyse the lessons learned from past programme implementation practices.

However, based on the survey of the respondents of this impact evaluation and its findings, the evaluation team was able to identify the following key lessons to be learnt from the implementation of programme between 2014 and 2017:

For a programme intending to empower youth entrepreneurs by providing them with the means to access business opportunities, and to support the creation of sustainable and competitive youth owned enterprises that are active in growth oriented sectors of the South African economy like this one, it is imperative to conduct baseline survey (at the onset of the programme) and, depending on the time and resources available, at mid-programme review as well as post-programme assessments - up to six months after the programme completion in a financial year.

From a targeting point of view, the programme is still struggling to reach and economically empower many young women and young people in rural areas.

In order to increase the uptake of young people from rural areas to access the programme, it will be of utmost importance that the NYDA embark on a rural outreach exercise to raise awareness about the programme in those provinces where the uptake from rural areas is very low. A lesson learnt from Uganda shows that the use of local community leaders to mobilise community support and collaboration for implementing the voucher schemes in that country was an effective way of engaging with rural communities. This was because local rural community leaders were trusted by their communities and were more inclined to listen and trust messages from them. The NYDA might also

consider using this approach when targeting rural youth entrepreneurs. A similar approach could also be tailor made specifically for targeting women.

Another lesson learnt is that it is important to maintain continuous dialogue and engagement with the providers, the beneficiaries and branch coordinators of the programme. Continuous engagement and communication with the providers, beneficiaries and branch coordinators could best achieved through learning forums where good practices can be shared, and solutions developed to common challenges. This engagement will allow the development of trust between the providers, the beneficiaries and the programme implementers. It will also made them feel that they own the programme leading to innovative mechanisms to share best practises that could lead to improvements in the implementation of the programme,

From providers perspective, for this programme, which is dependent on the third party for delivery, it is not only the type of incentive that matters but also the amount of the incentive. In this regard it will be necessary, especially in the light of the recommendation to broaden the roles and responsibilities of the providers, to keep negotiating with them to ensure that the programme provides the right amount of incentives.

The high rate of cancelled and expired vouchers is an indication that voucher redemption is crucial. Redemption modalities need to be tailored to a programme's specific environment. It is also essential to ensure that business vouchers that are available are diverse and adapted to beneficiaries' needs.

The providers can play a critical role in ensuring that the objectives of the programme are achieved. In this regard their roles and responsibilities should be broadened to focus not only on outputs but also on results and impact on the programme to beneficiaries.

Linked to the above, is that the current payment model for providers is based on the voucher serviced (output) and not on the results and impact achieved once the voucher has been serviced. This payment model does not encourage or incentivised the service providers to 'go all the way' in ensuring that the service rendered produces the intended results. It will be therefore be more effective if the providers are paid on the basis on results rather than the number of vouchers serviced.

Weak integration between and within the programme Units of the PDDD is negatively affecting the ability of the Units to achieve their objectives. This is clearly demonstrated by the majority of voucher programme beneficiary's inability to access the grant and market linkages programmes in great numbers.

15. Conclusion

The purpose of this impact evaluation was twofold. First, to assess impact of the VP on improving youth economic participation in the country from the 2014/15 to the 2016/17 financial years, and second, to establish the return on investment that has been derived by the NYDA on the programme.

The outcome of the assessment of voucher programme on improving youth economic participation in the country from the 2014/15 to the 2016/17 financial years, which is based on data that was collected from the KIs and the programme beneficiaries, show that the programme has not, overall, made significant impact on its intended beneficiaries - the youth - in terms of enhancing their participation in the mainstream economy. It appears that the goal of enhancing youth participation in the mainstream economy of the country is much more the function of the organization or the division rather than one programme.

The role of the programme is supposed to contribute towards the organizational goal of enhancing youth participation in the economy rather than being responsible for this mammoth goal on its own.

Based on this perspective of the programme being one of the organizational contributors in enhancing youth participation in the mainstream economy, it can be concluded that, based on the pockets of successes identified during the evaluation, that with the development and implementation of key strategic changes, the programme could be a significant contributor to this organizational or divisional goal.

Regarding establishing the return on the investment, that has been derived by the NYDA on the programme; the CBA has found that the benefits of the programme outweighed the costs by a ratio of 3 to 1. This is an indicator that there had been a return on investment that the NYDA had derived on the programme.

That the revenue was, overall, a positive R2,700 and only the investment attracted was a negative R10,700, it can also be concluded that the VP did represent the best possible use of resources to achieve results of the greatest possible value to the participants. However, the revenue attracted could have been much higher had the 61% of the vouchers of the 37% of the vouchers that were issued to develop business plans been neither cancelled nor expired. The inability of the voucher programme beneficiaries' enterprises to attract investment should be seen in the wider context of the South

African economic situation where there had been no significant foreign and domestic direct investment in the country during the period under review.

More importantly, the value of this impact evaluation to the NYDA is that it will contribute to the strategic review and assessment of the voucher programme based on these outcomes.

16. Recommendations

The purpose of this section, which constitutes the last part of this impact evaluation report, is to provide the NYDA with practical and actionable recommendations based on the findings of this evaluation. The recommendations are linked to each evaluation objective and the findings of the study.

On the costs and benefits of the programme

Evaluation objective	Conduct cost benefit analysis of the programme
Key evaluation questions	<ul style="list-style-type: none"> To what an extent did the VP represent the best possible use of resources to achieve results of the greatest possible value to the participants and the community? What are the costs of implementing the VP and how does it compare with the total benefits that were attained?
Findings	<ul style="list-style-type: none"> Using an Ex Post CBA, this impact evaluation has found that the <i>sunk</i> benefits of the programme, accrued between 2014 and 2017, outweighed the cost of the programme as indicated by the programme net present value of R106,939,524,42 for the period under review. The contributing variables to this <i>sunk</i> net benefit were jobs created, jobs sustained, and revenue generated. That the revenue was, overall, a positive R2,700 and only the investment attracted was a negative R10,700, it can be concluded that the VP did represent the best possible use of resources to achieve results of the greatest possible value to the participants. However, the revenue attracted could have

	<p>been much higher had the 61% of the 37% (average) of the vouchers that were issued to develop business plans not cancelled or expired.</p>
Recommendations	<ul style="list-style-type: none"> • The NYDA should set a target for the number of voucher programme beneficiaries who should access the grant, entrepreneurship and market linkages programmes. This target should be that 50% of all VP beneficiaries are able to access the grant programme once their business plans have been developed and approved. However, these business plans should be within the funding range of the grant programme. • The NYDA should set annual targets and performance indicators as part of its Annual Performance Plan for the number of young people who are the beneficiaries of the programme who access the grant, market linkages and the entrepreneurial development programme.

On the relevance and adequacy of, and support by other NYDA interventions

Evaluation objective	<p>Determine the relevance and adequacy of financial support that was provided to the entrepreneurs and establish if it is assisting voucher recipients' businesses to be sustainable</p>
Key evaluation questions	<ul style="list-style-type: none"> • What is the relevance and adequacy of financial support to youth entrepreneurs? • To what an extent has the support contributed towards improving sustainability of youth owned enterprises?
Findings	<ul style="list-style-type: none"> • The NYDA financial and non-financial interventions that are relevant to the programme beneficiaries and are in line with the objectives of the programme are the grant, market linkages, entrepreneurship development and mentorship programmes. • With an average of only 30% of the voucher programme beneficiaries who have been reported as having accessed

	<p>these critical interventions, the support provided to the programme beneficiaries was found to be inadequate and, therefore, failed to contribute to the sustainability and growth of the enterprises owned by the programme beneficiaries.</p> <ul style="list-style-type: none"> • The possibly complex and misaligned internal business flow processes within the organization and ineffective internal integration could be the cause of the support provided to the voucher programme beneficiaries being inadequate. • Lack of effective communication between head office and the branches could also be the cause that hinder the programme beneficiaries to access the other critical and relevant NYDA financial and non-financial interventions.
<p>Recommendations</p>	<ul style="list-style-type: none"> • The NYDA should set annual targets and performance indicators (at least 50%) as part of its Annual Performance Plan for the number of young people who voucher are the beneficiaries of the programme who access the grant, market linkages and the entrepreneurial development programme. • The NYDA, especially the PDDD, should develop an internal integration strategy of its business units so that they are able to serve their clients effectively. This, however, should be preceded by alignment in the division strategy. • The NYDA should invest in removing possible blockages, within the programme implementation management cycle to ensure common and easy access to those services that are critical to the survival and success of the programme and its young entrepreneurs.

On scaling up the programme

Evaluation objective	Identify how the VP can be scaled up
Key evaluation questions	<ul style="list-style-type: none"> • What are the options for scaling up the VP? • What is the plan that can be developed to have better return at the least amount of resources?
Findings	<ul style="list-style-type: none"> • There are three options available for the NYDA to scale up the voucher programme. These are expansion, replication and collaboration. • With the NYDA budget allocation from the government having declined over the last five years in real terms, the organization is financially constrained at this juncture to scale up the voucher programme using the expansion and replication options as these require huge capital outlay and funding to be realised. • The only feasible option for scaling up the voucher programme available to the NYDA, at this juncture, is the collaboration option involving the development and nurturing of partnerships, coalitions and networks.
Recommendations	<ul style="list-style-type: none"> • The NYDA should develop a comprehensive strategy to strengthen and grow the current partnership and develop and nurture partnerships with private sector companies supporting the economic inclusion and participation of young South Africans in the mainstream economy. • Alternatively, the NYDA should put any plans to scale up the voucher programme in its current form until the critical gaps identified as hindering the achievements of the programme goals are addressed.

On the difference made by the programme

Evaluation objective	Contrast the baseline and end-line performance to ascertain the difference made on enterprises
Key evaluation questions	<ul style="list-style-type: none"> • Did the VP produce the intended results in the short, medium and long term? • If so, for whom. To what extent and in what circumstances?
Findings	<ul style="list-style-type: none"> • The programme did not produce the intended results as demonstrated by the decline in the performance of key indicators of a healthy and thriving enterprise: the number of employees employed, revenue and profits generated. • Overall, these indicators declined after the introduction of the programme to the beneficiaries. The only indicator that increased during the period under review was the investment attracted after the programme was introduced, which was mostly less than R50,000.
Recommendations	<ul style="list-style-type: none"> • In the 2019/20 financial year the NYDA should conduct a baseline study for all the young men and women who are issued with and redeem the vouchers. Given the known binding financial constraints of the NYDA this should not be an expensive and complicated exercise. • The NYDA should develop a mechanism that would incentivise the service providers to ensure that they also build the capacity of the voucher beneficiaries to start and manage successful businesses. • The NYDA should investigate the factors that contributed to the decline in the key indicators of the youth owned enterprises.

On solutions and recommendations for improving the performance of the programme

Evaluation objective	Outline the possible solutions and recommendations for improving performance of the businesses including NYDA specific or non NYDA interventions that still needs to be accessed by the business.
Key evaluation questions	<ul style="list-style-type: none"> • What are the possible solutions within the NYDA that can be pursued to improve performance of voucher beneficiaries? • What are the possible solutions that are outside NYDA that can be pursued to improve performance of voucher beneficiaries?
Finding	<p>Programme design and planning</p> <ul style="list-style-type: none"> • The objectives of the programme are too broad and general and are not supported by tested and tried programme planning and management tools like the logical framework and TOC.
Recommendation	<ul style="list-style-type: none"> • Review and redefine objectives of the programme in the context of the logical framework and the TOC of the programme.
Finding	<p>Programme management and coordination</p> <ul style="list-style-type: none"> • Misalignment between the payment model of service providers and nature of services rendered.
Recommendation	<ul style="list-style-type: none"> • The payment of service providers should be linked to results, for example increase in the revenue and profits generated by each business, and not only outputs.
Finding	<p>Programme management and coordination</p> <ul style="list-style-type: none"> • Lack of capacity among service providers was found to be a hindrance to their ability to provide good quality service to the young people. This lack of capacity, as expressed by the voucher beneficiaries, was probably not detected during the evaluation and contracting phases of the providers.
Recommendation	<ul style="list-style-type: none"> • As the first towards the building of the technical capacity building of the service providers, it is recommended that the

	<p>NYDA undertake a comprehensive assessment of the competencies required by the service providers to render good quality service and results for the voucher programme. This process should be repeated on an annual basis before the contract of the service provider is renewed to ensure that there the necessary capacity is still available within the provider organization.</p>
Finding	<p>Programme management and coordination</p> <ul style="list-style-type: none"> • Lack of technical skills of NYDA branch staff which that are congruent to their geographical areas of operations.
Recommendation	<ul style="list-style-type: none"> • The NYDA staff involved in its management and coordination should be trained and skilled in the relevant skills needed in their geographical areas of operations.
Finding	<p>Programme management and coordination</p> <ul style="list-style-type: none"> • There is a great misalignment between services offered to programme beneficiaries and business realities on the ground.
Recommendations	<ul style="list-style-type: none"> • The NYDA should ensure that all stakeholders understand the relationship and integration of all the programme components. This will help maintain proper alignment by ensuring that everyone is working toward common goals. • The NYDA should create an atmosphere of cooperation, shared values, and mutual accountability at all organizational levels to ensure that all decisions and actions align with what is best for the programme, • The voucher programme objectives should be aligned with the organization’s strategic goals and objectives and should be periodically evaluated to ensure appropriate alignment. • The NYDA should implement mechanisms to improve communication, engagement and relationships with, and among the various stakeholders.

Finding	<p>Programme management and coordination</p> <ul style="list-style-type: none"> • Lack of effective communication between head office and branches.
Recommendation	<ul style="list-style-type: none"> • Internal programme knowledge sharing and business flows between national NYDA and branches should be realigned to promote effective and efficient communication to avoid multiple information void using modern communication technology like video conferencing.
Finding	<ul style="list-style-type: none"> • The institutional arrangement between the NYDA and Funders/Partners are ineffective and do not lead to desired outcomes.
Recommendations	<ul style="list-style-type: none"> • Institutional arrangements between the NYDA and its partners should be based on the principle of working towards a greater long-term goal alongside fulfilling their own respective institutional functions. • The NYDA and its current and future partners on the voucher programme need to orient their specific individual functions in ways that can best serve the broader shared objectives. • The following two approaches and principles are being recommended to the NYDA to improve and strengthen its institutional arrangements with its partners: <ul style="list-style-type: none"> • Systems of communication and inclusiveness ensuring that stakeholder engagement is maintained and can be enhanced must complement these transparency mechanisms. • The NYDA and its partners should be transparent and open, especially when it comes to policy decision-making and finances.

Annexures

Annexure 1: Interview Guide for NYDA Staff

Annexure 2: Interview Guide for Service Provides

Annexure 3: Interview Guide for Beneficiaries

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