

National Pathway Management Network Innovation Fund

A Programme of the Presidential Youth Employment Intervention

Frequently Asked Questions and Answers

22 November 2021

PYEI National Pathway Management Network Innovation Fund Overview

The Department of Employment and Labour and the National Treasury's Jobs Fund are pleased to announce the opening of the **Presidential Youth Employment Intervention (PYEI)**'s National Pathway Management Network Innovation Fund funding round.

During his 2019 State of the Nation Address, President Ramaphosa referred to the unemployment rate among young South Africans as a national crisis that demanded urgent, innovative and coordinated solutions. He called for the implementation of a comprehensive plan, driven and coordinated from the Presidency, to create no fewer than two million new jobs for young people within the next decade.

The PYEI has identified several priority interventions to accelerate youth pathways into the economy over the next five years, including the establishment of a **National Pathway Management Network (NPMN)**, delivery of agile workforce development (including skills development interventions and the strengthening of workplace experience), support for youth self-employment and enterprise in the township and rural economy and the Presidential Youth Service programme.

Various partners across government will be responsible for implementing the different components of the PYEI. The National Department of Employment and Labour (DEL) will be responsible for the National Pathway Management Network and the Government Technical Advisory Centre (GTAC) / Jobs Fund has been appointed as the Fund Manager for PYEI.

The NPMN is a "network of networks" aimed at facilitating the successful transition of young people into and through the labour market. The NPMN will provide active support to the entry, and retention, of young people into the labour market while providing greater alignment between the various networks and systems that exist to ensure access to a shared set of opportunities and services. Part of this initiative is the creation of an Innovation Fund; a grant initiative seeking to identify and support innovative solutions to the barriers faced by young people to meaningfully participating in the labour market and the wider economy.

Operating on Challenge Fund principles, the NPMN Innovation Fund will support initiatives focussed on resolving barriers related to the 3 key focus areas of the NPMN:

1. Demand Activation: Identify appropriate opportunities for young people through establishing real market demand and developing enabling partnerships within the wider ecosystem.
2. Demand & Supply Linkages: Link young people to appropriate opportunities with Opportunity Holders through a streamlined process that effectively matches young person to Opportunity Holder across the networks.
3. Enabling Youth: Improve young people's access to view and secure both learning and earning opportunities available in the market/ network.

The Innovation Fund will assist in capacitating successful applicants to pilot and/or operationalise and scale innovative models across the country in support of the NPMN.

As the Fund Manager for the PYEI, the Jobs Fund invites proposals from private, public, and non-profit entities that can participate in the National Pathway Management Network via the Innovation Fund. Applications must demonstrate how the proposed project will contribute to achieving scale in terms of expanding geographical footprint, partnering with more organisations, and (or) working with more young people.

Criteria

At a minimum, applicants and applications must meet all of the following eligibility criteria:

- In the case of an NPO (NGO, CBO or FBO), such organisation must have been registered with the relevant department, as applicable (e.g. Department of Social Development). All requisite certificates and proof of registration will be required.
- For-Profit Private Sector Applicants must be registered with the Department of Employment of Labour in terms of the published regulations¹ related to the Employment Services Act No 4 of 2014.
- Public Entities applying for funding are subject to all applicable eligibility criteria. In addition, the proposed initiative must be distinguished from other similar initiatives previously or currently being funded with public funds.
- Must be in full compliance with administrative requirements (including Tax Compliance Status).
- Must have audited Annual Financial Statements (AFS) covering at least 3 years.
- Must have a track record of more than three years of technical experience in the area of interest.
- Demonstrate the capacity to actively support the entry and retention of young people into the labour market by demonstrating one or all of the following: (1) the ability to meaningfully activate demand, (2) access young people (aged 18 to 35) and (3) the ability to appropriately match and pathway young people to equitably access opportunities.

The NPMN Innovation Fund will make funding available as follows:

- The minimum grant request available per Applicant is R3 million.
- The maximum grant request available per Applicant is R15 million.
- Minimum Cash Matched funding requirements are as follows:
 - Government Institutions 1: 0.5
 - Non-Governmental Institutions and other NPOs 1: 0.5
 - Private Sector Applicants 1: 1

For more information on the Presidential Youth Employment Intervention and the application process for the NPMN Innovation Fund, interested entities can email jobsfund@treasury.gov.za or visit the Jobs Fund website to access the full Innovation Fund Term Sheet and the link to application form: www.jobsfund.org.za.

FAQs

Application process

1. Who can apply for funding?

Only organisations who meet the eligibility criteria can apply for funding.

Competitive applications will be accepted from Private, Public and Non-State sector organisations.

2. Can individuals apply for funding?

No, only organisations meeting the eligibility criteria can apply for funding.

Competitive applications will be accepted from Private, Public and Non-State sector organisations

3. How will applicants apply for funding?

Applications must be submitted electronically, the link to the application form is www.jobsfund.org.za/pyei.aspx

4. What is the application process?

Applications will be accepted during an open funding round. This funding round opens on the 29th of October 2021.

Proposals have to meet pre-determined criteria to be eligible for consideration. There is a one-stage online application process; applicants must respond to all the questions on the online application form and upload all the supporting documentation requested.

No applications will be considered after the funding round closes. An independent Investment Committee makes the final decision on which projects should be allocated grant funding. Successful applicants will be required to sign a grant agreement within two weeks of being advised that they have been successful.

5. How long will it take to process an application?

The assessment of applications starts when the call for proposals closes (25 November 2021). All applications are screened for eligibility and then competitively assessed against the impact criteria outlined in the term sheet. The process from submission to a final grant decision by the Investment Committee takes approximately three to five months.

6. What are the eligibility criteria?

Smaller, newer organisations are encouraged to collaborate with partners who will meet the minimum eligibility criteria.

At a minimum, applicants and applications must meet all of the following eligibility criteria:

Lead applicants:

- a. Non-profit organisations must comply with prescripts as defined by the Non-profit Organisations Act 71 of 1997 (the NPO Act); or as defined in Schedule 1 of the Companies Act.
- b. Non-profit organisations must have been registered with the relevant department, as applicable (e.g. Department of Social Development). All requisite certificates and proof of registration will be required.
- c. For-Profit organisations must be registered with the Department of Employment of Labour in terms of the published regulations related to the Employment Services Act No 4 of 2014 (all requisite certificates and proof of registration will be required).
- d. Be willing to participate in the NPMN and agreeing to adhere to the core principles of the NPMN.
- e. Must be in full compliance with administrative requirements (including Tax Compliance Status).
- f. Must have audited Annual Financial Statements (AFS) covering at least three years.

Lead applicants/ Implementing partners:

- a. Must have a track record of more than three years of technical experience in the area of interest. Evidence of this will be requested, including Annual Reports/Funder Reports showing programme activities with youth for each of the past three years; proof of the demographic profile of the young people with which the organisation has worked, including geographic location, socio-economic and educational status, age, number of young people served (for each quarter over past three years); and evidence of the type of intervention they have implemented (i.e. learnership, contracted by Department of Social Development (DSD), enterprise development, leadership development etc.).
- b. Demonstrate the capacity to actively support the entry and retention of young people into the labour market by demonstrating one or all of the following: (1) the ability to meaningfully activate demand, (2) access young people (aged 18 to 35) and (3) the ability to appropriately match and pathway young people to equitably access opportunities.
- c. Public Entities applying for funding are subject to all applicable eligibility criteria. In addition, the proposed initiative must be distinguished from other similar initiatives previously or currently being funded with public funds.

7. What kind of projects will you fund?

The NPMN Innovation Fund, will be implemented using Challenge Fund principles. The Fund would like to receive proposals that innovatively responds to the barriers faced by young people to participate in the labour market and the broader economy meaningfully.

Initiatives focussed on resolving barriers related to one or all of the 3 key focus areas of the NPMN, i.e., demand activation, supply and enablement of youth and supporting linkages between the demand and supply of opportunities for employment, learning and self-employment will be considered.

The Fund will be especially interested in proposals that offer solutions to scale youth employment.

8. What is the minimum/maximum grant that may be applied for?

The minimum grant size that may be applied for is R3 million.

The maximum grant size that may be applied for is R15 million.

9. What systems must the applicant have in place to be competitive?

Applicants must:

- a. Where applicable, be able to enrol, onboard beneficiary youths and opportunity holders.
- b. Enable and monitor linkages established between the youth and opportunity holders' activities using both manual/ paper-based and electronic platforms.
- c. Either already have a well-established monitoring and evaluation protocol and capacity or demonstrate the ability to establish one.
 - i. Applicants must include in their proposed budgets an allocation of resources for monitoring and evaluation. They will be expected to report against the standard indicators for the programme, which are presented in Annexure 2 of the term sheet.
 - ii. In addition, applicants must be able to track the movements of each participant through the support interventions offered and produce evidence for the attainment of milestones (refer to Annexure 3 of the term sheet for further detail).
 - iii. Where necessary, applicants are expected to propose additional Specific, Measurable, Achievable, Attributable, Relevant and Time-bound (SMART) indicators for all anticipated project outcomes and impact.
- d. Must demonstrate additionality and value for money of the proposed initiatives.

10. Does the track record apply to the applicant, or can it be the partner?

We will look at implementing partners who have a track record of more than three years of technical experience in the area of interest. Evidence of this will be requested

including Annual Reports/Funder reports showing programme activities with youth for each of the past three years, proof of the demographic profile of the young people with which the organisation has worked, including geographic location, socio-economic and educational status, age, number of young people served (for each quarter over past three years), and evidence of the type of intervention they have implemented (i.e. learnership, contracted by Department of Social Development (DSD), enterprise development, leadership development etc.).

11. Is it a problem if an applicant is registered with CIPC and not the Department of Social Services?

Non-Profit applicants must be registered with the Department of Social Development. The Non Profit Organisations Act 71 of 1997 establishes regulatory and administrative frameworks in which NPOs must conduct their affairs.

12. How do you apply the requirement for 3 years technical experience when it comes to pilot projects?

The eligibility criteria remains applicable.

13. What are the labour registration requirements?

The Employment Services Act of 2014 requires for-profit providers of employment services to be registered with the Department of Employment and Labour.

14. Does the application require a specific BBBEE level?

BBBEE ratings are not part of the eligibility criteria but inclusive organisations will be seen favourably during the assessments.

15. If an entity is already involved in the National Pathway Network, does that disqualify them or is it acceptable?

An entity that is already involved in the National Pathway Network will not be disqualified from applying to the National Pathway Management Network Innovation Fund.

16. Are the funds linked to the number of young people given working opportunities or linked to costs of the intervention? Which outcome is the key driver of how much the JF will grant?

As this is an Innovation Fund, we are not prescriptive on the number of jobs to be created during this process. We are testing for solutions that will assist youth in entering the labour market - that can then be scaled in the medium term. Scaling is about achieving results at an exponential rate while only adding resources at an incremental rate. It means reaching a more significant number of unemployed young people. The Innovation Fund is looking for solutions.

Matched Funding

17. What do you mean by matched funding?

Matched funding refers to the applicant's funding contribution (either own contribution or from other sources) to the project, over and above the grant funding contribution. For example, if the Innovation Fund contributes R10 million to the applicant's project, the applicant too must contribute R10 million. The project therefore has total funding of R20 million.

Please note that the matched funding requirements are different for Private, Public and Non-State sector organisations.

18. What are the matched funding requirements?

The minimum cash matched funding requirements are as follows:

- Public Sector: 1: 0.5 (grant funding to matched funding ratio)
e.g., If the Innovation Fund puts in R3 million, the government applicant must put in R1.5 million.
- Non-State Sector – 1: 0.5
e.g., If the Innovation Fund puts in R3 million, the NPO applicant must put in R1.5 million.
- Private Sector – 1: 1.0
e.g., If the Innovation Fund puts in R3 million, the Private Sector applicant must put in R3 million.

Applicants are to note the following:

- a. The above are minimum requirements and applications will be assessed competitively wrt to matched funding contributions,
- b. In-kind contributions, while not counting towards minimum requirements, will enhance the competitiveness of the application.

19. Should matching funding be in place at the time of the application (25 November 2021) and what proof is required?

Yes. Proof of matched funding requirements are as follows:

- a. Own contributions must be supported by relevant undertakings from authorised persons or bodies within the organisation e.g. board resolutions
- b. Contributions from other sources must be supported by irrevocable undertakings from the parties concerned.
- c. Match funding sourced from loan funding must be supported by irrevocable undertakings from funding partners or institutions.

Matched Funding undertakings may be subject to the approval of the grant funding being applied for.

20. Must the matched funding and grant be utilised by December 2022?

Matched funding and grant funding awarded must be utilised over the period of the project's implementation.

21. May we submit an application to scale an existing pilot for which we are not able to access other sources of finances (and therefore covers the additionality requirement)?

If so, can the funding for the pilot (some already spent) be considered matched funding? Yes, you are able to make such an application. However, the matched funding previously spent on the pilot cannot be used as matched funding for the scaled initiative.

Monitoring & Evaluation

22. What are the performance indicators implementors will be expected to report on and what are the evidencing requirements?

Applicants must pay careful attention to how the different performance indicators presented in Annexure 2 of the term sheet² are defined and accurately record intended targets and other initiative specific outcomes in the application form.

If successful, you will be required to report against these indicators. Partners will be required to report on these primarily through the National Pathway Management Network. In addition, quarterly implementation reports and evidence to back reported outcomes will also be reported to the Fund Manager to trigger subsequent disbursements.

23. What evidence for reported numbers must be provided?

Evidencing requirements have been outlined in the term sheet.

Terminology

24. By scaling, are you talking about nationwide (geographic) or sector?

A project can scale nationally, within a sector or expand into another sector. Scaling is about achieving results at an exponential rate while only adding resources at an incremental rate. It means reaching a larger number of unemployed young people.

25. Please provide practical examples of what you mean by "demand activation".

Demand Activation refers to work done to stimulate demand from opportunity holders thereby increasing opportunities available to young persons.

² This is a document that will be released when the CFP is launched on 29 October 2021. It will be found on the application portal.

Assistance provided to applicants/projects

26. In the application process, do you set up opportunities for collaborations with other applicants or current projects?

We do make referrals where we believe there could be synergies between initiatives.

27. Do you link unsuccessful projects with other funding instruments?

Where we can, we will advise the applicant of other potential funding sources.

28. Will organisations be trained on how the mobisite (SAYouth.Mobi) will be used for candidate selection? If these processes are not explained in the current climate of youth unemployment, it might lead to protests at project sites with allegations of unfairness.

Yes. Where applicable, applicants will be provided guidelines on candidate selection. However, it will be responsibility of each implementor to ensure principles of fairness, transparency and equity are practiced at all times and at all stages of implementation.

29. Establishing a consortium at this level can be very technical with many legal and practical complications especially at short notice. Do you offer a terms of engagement contract template for organisations that want to apply as a consortium?

Applicants are encouraged to collaborate to form consortiums meeting minimum requirements. Contract drafting will be their responsibility. Standard Clauses for the agreement to be signed by implementors have been provided on the application portal.

30. Can we access a list of youth off the SAYouth mobi site?

SAYouth.mobi has a Partner Portal where you can create opportunities for youth (jobs, learnerships, bursaries, volunteering opportunities, etc.). You will then be able to view rankings for the young people that geo match your opportunities, schedule interviews with them, and update the system with successful applicants.

<https://partners.sayouth.org.za>

Governance

31. How will government monitor the money paid to projects and ensure that there is no misuse or mismanagement?

Every successful applicant will contract with the Fund Manager who is the Jobs Fund. The grant agreement will specify the deliverables, the budget and the time frame for implementation. Project targets and milestones will be clearly defined at the inception of the project. The Fund Manager will have the requisite project monitoring and evaluation capacity to track project performance. Importantly disbursements to projects

are linked to project targets being achieved. The Fund Manager reserves the right to reclaim funds if misused

32. Are there restrictions on how the funding is used?

a. For each applicant, the budget should be categorised into the following:

- The amount of administrative costs required to implement the proposed initiative.
- Salaries and Wages for project staff.
- Stipends to be paid where applicable
- Fees to be paid to consultants and other service providers.
- The cost of monitoring and evaluation activities
- The cost of equipment and assets directly related to implementing the proposed initiative.

b. Applicants are to note that funding will not be provided for the following:

- i. Research initiatives. However, applications where the research is taken a step further and results in implementing pilots or proof of concept interventions may be considered.
- ii. Infrastructure costs such as fixed property, vehicles etc. are specifically excluded. However, costs of movable infrastructure specifically related to the capacity of the Applicant to implement the proposed initiative will be considered.

33. What are the penalties for non-performance?

If the project performs below its own targets, then no further funds for operational expenses will be paid out until the non-performance gaps are addressed.

34. If you have your own reporting systems, do you still need to report through the PYE Fund Manager's system?

Yes.

35. Governance of the account.

There is a comprehensive operations manual that is made available to projects when they are approved. In brief: a project has to have a separate ring-fenced bank account for the project. Upon signing the contract and meeting all conditions, the Fund Manager for the Presidential Youth Employment Intervention will advance the funding for the quarter. All agreed project transactions are to be done from this account. For operational expenses, reporting is done quarterly in arrears, and you are required to present bank statements, evidence of past expenditures and revenue.

36. Process and timing of disbursements (i.e., is there a transparent agreed process that the JF follows to disburse?)

The programme will process disbursements quarterly in advance, and there will be pre-determined payment dates. These are contained in the programme's operating guidelines which are incorporated in the Grant Agreement.

37. How is our IP protected in the application and beyond?

Intellectual property (IP) will reside with the Project Partner. All successful applicants must, however permit the Presidential Youth Employment Fund (PYEF) to use the concept for learning and dissemination purposes. The learning material will be developed in conjunction with the owner of the IP and will not be used for commercial dissemination.

Project assessment

38. Will there be an emphasis on regions or provinces in South Africa where unemployment is particularly high, or will applications from all areas be considered equally?

The programme will not limit initiatives to specific sectors or geographic regions. However, projects/ initiatives will have to satisfy both eligibility and impact criteria. Eligibility criteria will be used to determine whether or not applicants conform to the core pre-requisites of the Call for Proposals. Impact criteria will measure the relative merits of each application in relation to capacity to implement, alignment with the core principles of the NPMN, the scale and innovation presented, the potential for systemic change, and sustainability.

39. How will the Fund track the geographical location or spread (nationally) of the interventions?

Recruitment and enrolment of youth through the National Pathway Management Network by the NPO/ NPC is mandatory, this will enable the Fund Manager to track the national spread of participation

40. Is the focus on youth employment only or will entrepreneurship support be considered? If so, do private entities still need to be registered for employment services with DOL?

The focus of the Innovation Fund specifically includes opportunities for self-employment. The Employment Services Act of 2014 requires for-profit providers of employment services to be registered with the Department of Employment and Labour. The Act defines employment Services as:

- a. The advising of work seekers on career choices;
- b. The assessment of work seekers for entry or re-entry into the labour market or education and training;
- c. The referral of work seekers to employees (for work opportunities) or training providers (for education and training);

- d. Assisting of employers with recruitment and placement services or advising on the availability of work seekers who matches their needs.

Where an initiative will only support self-employment for young persons, is therefore not prescribed by the Act. In this case the applicant will tick the “N/A” option in the application form.

Beneficiaries

41. Will youth with disabilities be prioritised? If yes, how?

Yes, this is one of the mandates within Presidential Youth Employment Intervention. Applicants will be expected to target youth with disabilities.

42. Will youth be assisted in terms of how to use the mobisite (SAYouth.Mobi)? Will hands-on support be provided?

Where applicable, applicants are expected to have capacity to assist youth to access the mobisite (SAYouth.Mobi) and provide support.

43. What must youth do to be able to participate in this programme?

Youth must register on SAYouth.mobi. It is also a requirement that all organisations that have been allocated grant funding must be registered on the NPMN platform (SAYouth.Mobi). In this way youth will be connected with the opportunities offered by the NPOs/NPCs. The process is similar to how the DBE program is implemented where young people express interest, apply through the platform, and listings are provided to implementing agents to make selections that will need to be justified. Young people who are unsuccessful will be informed empathetically to keep trust in the program.

44. Will non-South African youth be able to participate?

No