

Master's Thesis Dissertation

**A Process Evaluation of the National Youth Development Agency's Grant Programme  
with respect to the beneficiaries of the Western Cape for the period 2013-2014**

By

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## Declaration

I, the undersigned, hereby declare that this mini-thesis entitled: *A Process Evaluation of the National Youth Development Agency's Grant Programme with respect to the beneficiaries of the Western Cape for the period 2013-2014*, is my own work, that it has not been submitted for any degree or examination to any other University, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.



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Signed:

Date: 31 October 2014

## **Dedication**

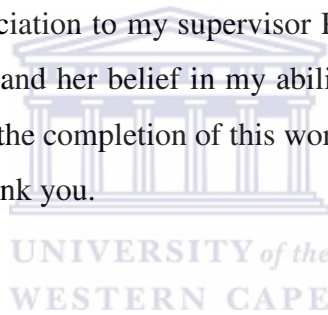
This thesis is dedicated to my parents without whose support I would not have been able to complete this work. No journey could begin without their blessings and prayers, and at the end of the journey, their smiling faces, astounding faith in my abilities and unconditional love has made every challenge seems so small and every effort, effortless. This work was undertaken to shed light on how a collaborative framework could be developed to mitigate youth unemployment, a topic that is very close to my heart. I therefore would also like to dedicate this thesis to all the unemployed youth who face constant challenges in securing a job.



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## **Key words**

Youth

Unemployment

Process

Evaluation

Entrepreneurship

Stakeholder

Relevance

Efficiency

Effectiveness

Sustainability





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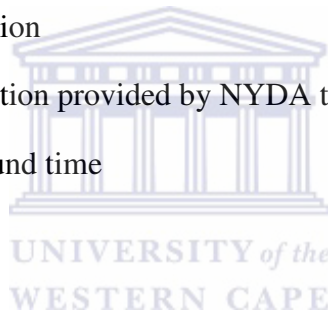
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## Abbreviations

BGARC	Branch Grant Approval and Review Committee
CA	Capability Approach
CDF	Community Development Facilitator
DAC	Development Aid Committee
EDP	Enterprise Development Programme
GWM&E	Government Wide Monitoring and Evaluation System
HOGAC	Head Office Grant Approval Committee
NDP	National Development Plan
NYC	National Youth Commission
NYDA	National Youth Development Agency
NYDPF	National Youth Development Policy Framework
NYP	National Youth Policy
OECD	Organisation for Economic Cooperation and Development
RDP	Reconstruction and Development Programme
YAC	Youth Advisory Council

## **Abstract**

Youth today are constantly faced with enormous challenges and are continually faced with job uncertainty and scarce opportunities with almost no means to personal growth. Faced with bleak future livelihood prospects, youth make up a large number of the world's working poor.

Inadequate youth education and lack of labour market preparation still pose challenges for South African youth. They face sizeable constraints to entrepreneurship such as a lack of entrepreneurship culture; lack of entrepreneurship knowledge through formal and informal education; relevant business development services, unsatisfactory business support and insufficient access to financing. Despite this, the extent of research on youth entrepreneurship in Africa is deficient, even non-existent in some contexts.

In response to the alarming rate of youth unemployment, the South African government had embarked on realising some of the aspects of the National Youth Policy through youth empowerment via a number of interventions. The implementing agency of all youth development policies and interventions is the National Youth Development Agency (NYDA). The agency has rolled out a number of interventions to address various issues pertinent to the state of the youth in South Africa. However, the specific interventions this study addresses are those related to entrepreneurship, specifically the NYDA Grant programme. Under the Grant programme, a number of issues are addressed such as provision of physical capital, access to resources in the form of advice, guidance and mentorship made available by the National Youth Development Agency to the unemployed youth in the Western Cape.

While many youth development programmes have been rolled out both around the world and in South Africa, very little monitoring and evaluation has been conducted in identifying which programmes are effective and sustainable in the long run. At the time of this research, limited information had been accessible with respect to the benefits of entrepreneurship development programmes in South Africa. This research is significant in the sense that it bridges the gaps in the literature on youth entrepreneurship interventions and practical interventions in the field. Furthermore, it provides a lens with which to determine whether they are indeed a sustainable way forward for unemployed youth.

Therefore this study conducted a process evaluation using qualitative research methods in order to ascertain if the NYDA is efficiently and effectively executing its mandate with respect to the Grant programme. The research objectives of this study were 1) to conduct a process evaluation of the National Youth Development Agency's Grant programme, 2) to develop a theoretical and legislative framework underpinning youth in South Africa, 3) to describe and analyse the NYDA's Grant programme, 4) to highlight the opportunities and challenges that affect the current implementation of the Grant programme and 5) to present recommendations.

The findings suggest that the Grant programme has been relevant, timely and useful to young aspiring entrepreneurs providing them with the necessary support through the provision of stock, physical capital and other business support services such as mandatory entrepreneurial training.

Despite this, young entrepreneurs still face challenges in sustaining their businesses financially and struggle with establishing a physical space in which they can trade.

A number of recommendations were made from the perspectives of the beneficiaries and the NYDA Cape Town Branch implementing staff, namely: increasing staff to improve the administration of the Grant Programme, increasing the grant turnaround time, providing recourse to further funding and physical space and uploading the grant application process onto the internet to save time and money for both beneficiaries and implementing staff.

## **Chapter 1. Introduction**

Youth have borne the brunt of the 2008 economic recession leading to the current youth crisis. Global youth unemployment was estimated at 73 million for 2013 (ILO, 2013: 1). Youth in developing regions have been hit the hardest due to weak labour market institutions as well as weak social protection with many being under paid. Others are either over qualified or under qualified for the jobs they do take up (ILO, 2013: 1). Currently, the youth unemployment rate in South Africa is at 36.1% (StatsSA, 2014: 6).

Despite youth occupying such a large share of the South African working population at 55.4% (StatsSA, 2014) they are marginalised from economic and political participation with quality education, health care and basic infrastructure lacking in many areas. These core issues have become key features throughout South Africa's annual budget speeches over the years (Budget Speech, 2012). As a result, youth development programmes have been rolled out to address these issues yet the effectiveness and relevance of these programmes have not yet been determined and very limited research has been conducted in this field. The real impact on the lives of the beneficiaries and youth unemployment remains unknown. As more studies are being conducted on the role of youth in society, it is vital to assess the extent to which these youth interventions are effective and sustainable. The aim of this paper is to conduct a process evaluation of the NYDA's Youth Grant programme which seeks to ultimately foster economic empowerment of youth by contributing to the understanding of the relevance and effectiveness of such programmes.

### **1.1 Background to the Problem: The State of Africa's youth**

More than two thirds of Africa's population was under the age of 25 in 2010 with Sub-Saharan Africa being the youngest region in the world, providing the much-needed reservoirs of social change, progress and dynamism. More than 20% of the continent's population or almost 200 million people are "youth" between 15-24 years old (Soucat, Nzau, Elaheebocus and Cunha-Duarte, 2013: 2). The youth population in Africa is projected to double by 2045 (Soucat, Nzau, Elaheebocus et al., 2013: 2). However, a very high percentage of these young people are poor. In Africa, on average 72% of the youth population lives with less than \$2 per day. Despite the recent 5 per cent economic growth rate of Sub-Saharan Africa, there has been an inadequate increase in steady employment opportunities for youth (Soucat, Nzau, Elaheebocus et al., 2013:

2). According to the African Development Bank, the next 20 years are crucial to Africa's growth.

In light of this, evaluation of youth entrepreneurship projects has become imperative in ascertaining what the most sustainable means out of poverty is, as the African continent has the largest number of unemployed youth (Population Reference Bureau: The World's Youth 2006 Data Sheet). Youth are constantly faced with enormous challenges and are continually faced with job uncertainty, scarce opportunities with almost no means to personal growth (United Nations Youth Report Summary, 2012). Faced with bleak future livelihood prospects, youth make up a "disproportionate number of the world's working poor", (United Nations Population Report Summary, 2012: 1).

Inadequate youth education and lack of labour market preparation still pose challenges for South African youth (Lam, Leibbrandt and Mlatsheni, 2008). They face sizeable constraints to entrepreneurship, such as a lack of entrepreneurship culture (Nasser, du Preez and Herrmann 2003); lack of entrepreneurship knowledge through formal and informal education (Blokker and Dallago, 2008); relevant business development services and business support (Simpson and Christensen, 2006) and insufficient access to financing (Simpson and Christensen, 2006). Despite this, the extent of research on youth entrepreneurship in Africa is insufficient and even non-existent in some contexts (Chigunta 2002; Schoof 2006).

In response to the alarming rate of youth unemployment, the South African government embarked on realising some of the aspects of the National Youth Policy through empowering the youth via a number of interventions. The implementing agency of youth development policies and interventions is the National Youth Development Agency (NYDA). The agency has rolled out a number of interventions to address various issues pertinent to the state of the youth in South Africa. However, the specific interventions this paper addresses are those related to entrepreneurship, specifically the NYDA Grant programme. Under the Grant Programme, a number of issues were addressed such as access to grants through the provision of physical capital, access to resources in the form of advice and access to entrepreneurship training made available by the National Youth Development Agency to the unemployed youth in the Western Cape.



## **1.2 Research Questions**

Specific research questions addressed in this study are:

1. What policies, structures, procedures and selection criteria for beneficiaries are in place to ensure effective and efficient implementation of the Grant programme?
2. What specific opportunities and challenges are faced by the NYDA staff during the implementation of the programme as well as the beneficiaries?
3. What is the relevance of the programme for intended beneficiaries with respect to their self-efficacy, the social cognitive level and capabilities?
4. What were the intended process outputs and intended process outcomes of the Grant programme?

## **1.3 Research Objectives**

The research objectives of this study are:

1. to conduct a process evaluation of the National Youth Development Agency's Grant programme,
2. to develop a theoretical and legislative framework underpinning youth in South Africa,
3. to describe and analyse the NYDA's Grant programme,
4. to highlight the opportunities and challenges that affect the current implementation of the Grant programme and
5. to present recommendations.

## **1.4 Significance**

While many youth development programmes have been rolled out around the world and in South Africa, very little monitoring and evaluation has been conducted in identifying which programmes are effective and sustainable in the long run. Aid of any kind does not support sustainable livelihood but self-employment does if the right skills, finance and attitudes are in place. At the time of this research, limited information had been accessible with respect to the benefits of entrepreneurship development programmes in South Africa. This research is significant in the sense that it bridges the gaps in the literature on youth entrepreneurship interventions and provides a lens with which to determine whether they are indeed a sustainable

way forward for unemployed youth. Furthermore, the findings of this study may inform on areas of improvement in current implementation practices of the grant programme.

## **1.5 Concept Clarification**

A number of concepts were used in this study. It therefore becomes imperative that these are explained in the context that they are used to develop a holistic understanding of this study. Furthermore, concepts can have a number of definitions attached; therefore it is important to define the boundaries of these concepts.

### ***1.5.1 Youth***

There are various definitions of youth as well as the age bracket allocated to them. Youth, for the purposes of this paper refers to definition used by the NYDA. Youth are all those people within the age bracket of 14-35 years of age (NYDA, 2013: 10).

### ***1.5.2 Youth Economic Empowerment***

This paper focuses on youth economic empowerment. The definition of youth empowerment will follow the definition that is presented by the African Union while the economic aspect of empowerment will follow Sen's capability approach. The African Union defines youth empowerment as youth being aware of the choices in life and the consequences of those choices and undertaking the responsibility of those choices while "having the ability for supporting enabling conditions under which young people can act on their own behalf, and on their own terms, rather than at the direction of others. These enabling conditions fall into major categories, such as an economic and social base; political will, access to knowledge, information and skills, adequate resource allocation and supportive legal and administrative frameworks; a stable environment of equality, peace democracy and positive value system," (African Union, 2011: v). Economic empowerment following Sen's Capability Approach refers to human development as possessing the option and right to exercise choice to promote valuable beings and doings (actions). A detailed explanation can be found in the section under Capability Approach.

### ***1.5.3 Youth Entrepreneurship***

Entrepreneurship is critical for numerous reasons but mainly because it fosters innovation, job creation and realisation of opportunities (Cuervo, Ribeiro and Roig, n.d: 5). Youth entrepreneurship, like empowerment has a number of definitions. For the purposes of this study, youth entrepreneurship refers to the "practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for

success in that environment and culture”, (Chigunta, 2006: v). Entrepreneurs are not born, they are made. The literature on entrepreneurship identifies qualities and cognitive functioning that differentiates them from a non-entrepreneur. Qualities identified with successful entrepreneurship in the literature on entrepreneurship were perseverance, reflection, experimental learning and determination (Nandram and Samsom, 2007: 18) while others included passion, initiative taking, efficient use of resources, risk taking and learning from failure (Dingee, Haslett and Smollen, 197:1).

In order for youth to be successful entrepreneurs, they need to overcome the barriers they face to entrepreneurship. Some obstacles have been identified by World Bank such as: lack of financing to fund business ventures and start-ups as they lack credibility since they have no personal funds nor credit history; lack of entrepreneurship education; social, cultural and economic conditions of a particular country; poor education; inadequately trained teachers and poor school infrastructure (World Bank, 2008). While the National Youth Development policy Act of 2008 has highlighted these deficiencies, it has tried to resolve at least some of them through a number of youth driven initiatives such as the Grant Programme.

#### ***1.5.4 Monitoring and Evaluation***

Monitoring for the purposes of this paper refers to an ongoing process to “collect data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds”, (OECD, 2002: 27-28). Evaluation refers to the “systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness and sustainability”, (OECD, 2002: 21-22). Process or implementation evaluation refers to “the services and activities that were implemented in a program and the policies and procedures that have been put in place” (James Bell Associates, 2007: 2). Implementation evaluation refers to the evaluation of an ongoing project or programme to ensure that objectives of the intervention are being achieved in an effective and efficient manner (Ile, Eresia-Eke and Allen-Ile, 2012: 42). This study is a process evaluation and therefore focuses only on all aspects related to processes required to execute the Grant Programme.

#### ***1.5.5 Inputs***

Inputs refer to resources, either human, financial, material or physical that are utilised in project or programme activities (Ile, Eresia-Eke and Allen-Ile, 2012: 83). They can also be perceived

as goods and actions necessary to carry out the major project activities (Levinson, Rogers, Hicks, Schaetzel, Troy and Young, 2009: x).

#### ***1.5.6 Outputs***

An output refers to the first level of accomplishments as a result of the utilisation of all resources and the completion of all activities (Ile, Eresia-Eke and Allen-Ile, 2012: 83). It can also simply refer to the programme or project's primary activities (Levison et al., 2009: x) or delivered services and facilities the project provides.

#### ***1.5.7 Outcomes***

Outcomes generally relate to the behavioural changes in the lives of the intended beneficiaries (Ile, Eresia-Eke and Allen-Ile, 2012:83, Levinson et al., 2009: x). An outcome can also be referred to as a short-term or medium-term effect of a project or programme outputs (Marriott and Goyder, 2009: 17).

#### ***1.5.8 Stakeholders***

Stakeholders refer to either an individual or group of people or organisations that are associated with or affected either positively or negatively by an intervention (Levinson et al., 2009: xi).

#### ***1.5.9 Indicators***

An indicator is a benchmark against which the performance of a development intervention can be measured (OECD, 2002: 25). Indicators can either be “qualitative or quantitative variables that provide a simple and reliable means to measure performance” (Ile, Eresia-Eke and Ile, 201: 119). Indicators are critical management tools that permit performance management decisions to be made regarding a particular intervention (USAID, 1996: 1).

Indicators themselves have criteria called SMART. Indicators have to be **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**imely. They have to be specific to avoid confusion, measurable so that it can be observed whether they have been realised or not, achievable so that realistic targets are set, relevant in the sense that they are meaningful in the context in which they are used, and timely (Ile, Eresia-Eke and Ile, 2012: 28).

### **1.6 Research Assumptions**

There were a number of assumptions under which the research was conducted. Firstly, there was the assumption that all key informants would be honest in their responses when answering the questions during the interview. Secondly, there is the assumption that the random selection of grant beneficiaries through purposive sampling would be representative of the total sample

population. Lastly, there is the assumption that all information provided by the NYDA administration staff of the grant programme is true and accurate.

### **1.7 Organisation of this research study**

Chapter One of this study introduces the research topic and outlines the research problem. Secondly, it presents the background to the problem highlighting the current state of Africa's youth. It then outlines the research questions, research objectives and significance of this study in bridging the gap between the literature on youth entrepreneurship interventions and monitoring and evaluation thereof. Thirdly, this chapter includes a section on conceptual clarification to provide an understanding of the core concepts and terminology used throughout this study. It then situates this study within the public administration domain. Lastly, this chapter provides an overview of the contents of the subsequent chapters of this research work.

Chapter Two of this study presents the literature review and legislative work underpinning this research. It first presents the three theories used to understand the case study, then provides advantages and disadvantages of each theory, as well as the relevance of the theories in relation to the Grant Programme. It then provides a brief synopsis of legislative framework in which youth policies and interventions are located in South Africa.

Chapter Three describes the research design used in this paper. It provides an overview of the methodology, type of sampling, data collection techniques, the criteria for evaluation and the limitations of the study. It also provides the ethical considerations in conducting this research.

Chapter Four describes the administration of the Grant Programme at length and the steps in which the grants are allocated to the participant.

Chapter Five presents and analyses the data that was collected through the various data collection methods. It provides a critical analysis of the data gathered from the implementing agent, the National Youth Development Agency with respect to the Grant Programme and the beneficiaries of the programme. It further draws the respective theories used throughout this study to identify the strengths, weaknesses, limitations and areas of success of the Grant Programme.

Chapter Six consolidates the findings of this study, concluding with possible recommendations to improve the design and implementation methodology used to execute the Grant Programme.

## **1.8 Youth within the framework of Public Administration**

The principle activity of public administration is to implement laws set by government while the bureaucracy interprets and administers those laws (Peters and Pierre, 2012: 2). Public administration is the single largest contact between the state and its citizens. The manner in which these contacts occur defines the image of government in the mind of its citizens, through which they determine whether or not the state is just and living up to its roles and responsibilities (Peters and Pierre, 2012: 2). Therefore public administration defines what the duties are of the citizens and provides a platform through which the citizens can be held accountable.

Youth have been cited throughout numerous policy papers and Acts as important agents of society. A number of laws and administrative policies have given importance to youth development in South Africa, from the RDP, to the National Youth Commission, to the National Development Plan. However, youth policies were not properly institutionalised with holistic policies and procedures until 2002. The main aim of these policies was to bring young marginalised people back onto the agenda and into the public administrative domain. The main elements of all youth policies sought to undertake various functions culminating in the National Youth Policy of 2009 which aimed to “intentionally enhance the capacities of young people through addressing their needs, promoting positive outcomes, and providing integrated coordinated package of services, opportunities, choices, relationship and support necessary for holistic development of all young people particularly those outside the social, political and economic mainstream” (National Youth Policy, 2009: 8).

In response to the alarming state of youth unemployment in South Africa, the National Youth Development Agency (NYDA) came into being through Act 58 of 2008 as a single structure with the goal of facilitating youth development and mainstreaming youth concerns into all spheres of government. However, very little is known of the impact of this agency on the pertinent issues that face youth today. This study bridges the gaps in the implementation process of this youth public organisation with the aim of providing insight into the implementation process of the NYDA’s Grant Programme and seeks to establish whether the NYDA has fulfilled its mandate under Act 58 of 2008.

## **1.9 Conclusion**

This chapter provided the context of this research, explaining the background to the problem, the research questions, research objectives and significance of this study. It further clarified

concepts pertinent to the research while stating the research assumptions. Lastly, it provided a public administration framework governing youth interventions in South Africa. The next chapter outlines the literature review and legislative framework that has underpinned this research.



## **Chapter 2. Literature Review and Legislative Framework**

This section presents the theoretical and legislative framework that guides this study. Three theories were used to construct the theoretical framework namely, the Capability Approach, Social Cognitive Theory and Stakeholder Theory. The legislative framework consists of youth related policies and legislation that advocate for and guide youth interventions in South Africa. They are discussed in detail below.

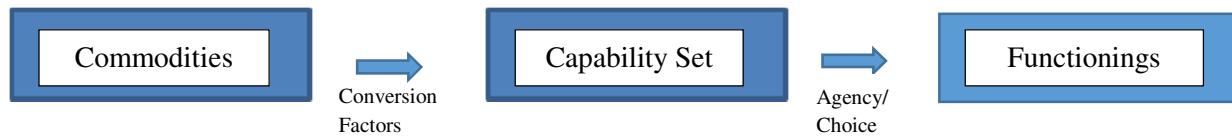
### **2.1 The Capability Approach**

Over the last two decades the capability approach has provided an alternative economic framework regarding income, inequality and development. It has been used to analyse deprived people and provide a platform for policies to be developed that enable these people to have access to the necessary resources as well as the ability to exercise choice. It is a normative framework that promotes social arrangements to be evaluated to the extent of the freedom people have to accomplish the functioning they value. The capability approach delves deeper into the circumstances that hinder a person's ability to achieve the things they value most. Capabilities are the opportunities that individuals have to achieve different 'functionings' (Tikly, 2013: 18). Functioning refers to the various things a person may value which are intrinsic to the person and entails what people are able to do and able to be, to choose the life which they desire.

A capability set refers to all the capabilities an individual has and therefore represents the freedom for a person to achieve well-being and agency. More specifically, it refers to what people can really do and be (Goerne, 2010: 7). This capability set is the basis of Sen's interpersonal comparisons. Sen's capability approach allows for the impact of preference on making choices and social influences on behaviour (Robeyns, 2008: 85). Therefore, functionings can be seen as a subset of capabilities or alternatively, the materialised choice options of an individual (Goerne, 2010: 7). The extent to which resources or commodities can be generated depends on conversion factors. Conversion factors are social structures in the broadest sense composing of social, environment and personal factors (Robeyns, 2008: 84). Social factors include social customs, social institutions and behaviour. Environmental factors refer to the environment in which a person lives while personal factors refer to the mental and physical state of the individual, such as disabilities or vulnerabilities (Robeyns, 2008: 85).



According to Sen, the capability approach is composed of five core components, Commodities, conversion factors, capabilities, choices, and functionings (Goerne, 2010: 7). These are illustrated below:



To illustrate with an example, the following chain is presented:

Commodity (resources) → capability (to be and do) → functioning → utility (Clark, 2006: 3)

Bike → to be able to cycle → cycling → happiness (Sen, 1999: 7)

There have been two major, but somewhat diverse, proponents of the capability approach, Martha Nussbaum and Amartya Sen. Both Nussbaum and Sen attempted to provide an alternative approach with which to conceptualise human development. The capability approach developed by Amartya Sen was in response to approaches that focused primarily on utility, resources and income (Robeyns, 2003: 63). Sen contends that traditional welfare economics conflate well-being with economic variables such as income, commodity demand and utility. This approach is flawed as one may have the resources or commodity but be unable to translate these into valuable functionings. Different people in different societies differ in their capacity to translate resources into prized accomplishments (Clark, 2006: 3). To illustrate, it takes more resources (wheelchair, lifts, special toilets) for a disabled person to achieve the same outcome/functioning as a normal person (movement). Instead, how well people are able to function given the resources or commodities at their disposal should be considered, given that these are not seen as an end in themselves, but rather the means through which capabilities can be generated.

Sen's capability approach is not without criticism. First, Sen does not provide a substantive theory (Comim, 2001: 4) such as complete theory on development or justice. Second, Sen does not limit capabilities to a list, leading to confusion in the identification and operationalisation of capabilities (Clark, 2006: 6). Due to the capability approach being an open ended normative framework, it needs to be supported by other theories (Robeyns, 2008: 86).

Martha Nussbaum, however, does provide a list of capabilities she posits as central to well-being. She differs from Sen in this regard, relying heavily on Aristotelian thinking when

attempting to answer questions such as what constitutes a good life? What is a living standard? What type of equality? In doing this Nussbaum identified ten dimensions relating to well-being. These dimensions include living a full life, enjoying good health, exercising freedom of movement, exercising freedom of thought, senses and imagination, exercising evaluations outside ourselves, exercising practical reasoning and critical reflection, affiliation through relationships, living at peace with the environment, enjoying recreational activities and finally control over material and political conditions (being able to hold property or to exercise rights), (Nussbaum, 1997: 288).

Given this substantive list of capabilities, the most prominent dimensions used in the application of the capability approach are by i) using existing data which is considered authoritative or is the only data available, ii) the selection of either implicit or explicit assumptions informed through research speculations, iii) public consensus achieved through platforms such as the Millennium Development Goals or the Universal Declaration of Human Rights, iv) ongoing participatory exercises to elicit responses from stakeholders and v) through empirical evidence which maps consumer preferences and behaviours such as a consumer preference data set or consumer behaviour data set (Alkire, 2008: 7). For the purposes of this study, information was gathered from two key stakeholders, the implementation staff as well as the beneficiaries of the Grant Programme. The eliciting of information from other stakeholders was beyond the scope of this study.

Poverty can be conceptualised in many ways other than income. Other dimensions of poverty can be understood as a lack of opportunities, such as education, schooling, health employment and political participation (UNDP, 2013: 1). The National Development Plan identified capabilities as very important aspect of developmental progress in the country. It seeks to enhance capabilities of people so that they may take initiative to improve their own lives. The Capability Approach was chosen to analyse the economic aspect of youth empowerment because of its focus on development, not only through income but through the development of other factors which can improve the overall well-being of the individual; these include entrepreneurship training, access to other finance sources and a grant with which an individual can start their own business. In South Africa, the NYDA has been allocated a significant amount of funding to execute various interventions at empowering youth. The interventions form the basis of resources/commodities in Sen's capability approach. The most important question is whether the youth have the capabilities of transforming these commodities into functionings, that is from potentiality to actuality and if not, then why and what are the barriers

which make them unable to convert resources into functionings? The process evaluation not only looks at how the programme is implemented and the structures in place, but also seeks to inform on the relevance to the intended beneficiaries.

In the case of the NYDA, the intervention, which is the Grant Programme, is the resource. The ability to utilise these resources to be able to (capability) be successful entrepreneurs (functioning) in order to establish a livelihood and employment for other youth (utility). The NYDA's Grant Programme can be summarised by the equation below:

Commodity (resources) → capability (to be and do) → functioning → utility

Grant Programme → Advice, Enterprise Development training, grant → Entrepreneurship → employment/livelihood

Capability consists of various parts. It consists of what the NYDA offers to ensure capability as well as the capabilities the Grant recipient brings to the table, such as a viable and sustainable business idea, some market research, development of a business plan, stock/inventory and savings. The NYDA identifies whether these elements are present and if not, the Grant officer and coordinator will send viable and sustainable business idea recipients for enterprise development training after which they can apply for the Grant. Those recipients that fail to qualify for a Grant but undergo Enterprise Development Training will have at least enhanced their capabilities to the extent that they will have received training on important aspects of entrepreneurship.

## **2.2 Social Cognitive Theory: An Agentic Approach explained**

Understanding the cognitive approach individuals choose to pursue could help in explaining entrepreneurial behaviour, success in business and defining and distinguishing entrepreneurs from other types of individuals (Sanchez, Carballo and Guitierrez, 2011: 433). The cognitive approach uses cognitive aspects identifying entrepreneurs related to opportunity identification for the creation of a business. A major proponent of social cognitive theory was Albert Bandura whose work has been applied to a range of issues.

Social cognitive theory posits that learning occurs in a social environment whereby through the observation of other people, people acquire knowledge of rules, skills, attitudes, strategies and beliefs. Through models of behaviour, individuals learn about the appropriateness of behaviours and their consequences. Albert Bandura's Social Cognitive Theory rests heavily on the notion of self-efficacy, whereby people believe more in their own capabilities of

accomplishment rather than skills. Self-efficacy is important because it is a central factor that determines our life choices, motivations and enables us to deal with failures and success.

Self-efficacy is an important element of the cognitive approach with respect to entrepreneurship as it acts as an indicator of individual outcomes in a given activity and elucidates on why people with the same skill set may act differently (Sanchez, Carballo and Guitierrez, 2011: 433). People with higher self-efficacy demonstrate a higher level of competence in overcoming perceived obstacles whilst anticipating positive results (Sanchez, Carballo and Guitierrez, 2011: 433). Self-efficacy can also be used to identify the reasons why people shy away from being entrepreneurs whilst shedding light on areas of strengths and weaknesses to develop an individual's entrepreneurial potential (Sanchez, Carballo and Guitierrez, 2011: 433).

Albert Bandura's Social Cognitive Theory: An Agentic Perspective explains that there are four main features of agency; intentionality; forethought; self-reactiveness and self-reflectiveness. According to Bandura "agency refers to acts done intentionally," (Bandura, 2001: 6). Intentionality refers to the deliberation and thought of action to be performed to achieve a purpose. Forethought refers to the ability of agents to set goals and guide their actions to produce the necessary desired outcomes (Bandura, 2001: 6). Self-reactiveness implies that the agent is proactive and motivates himself and his actions to bring about the desired change (Bandura, 2001: 8). The agent does not simply wait for things to happen but in essence motivates himself to act. The reference point for an agent is conducted through self-regulatory processes where thoughts are linked to actions and are guided by personal standards, self-monitoring and corrective self- reactions (Bandura, 2001: 10). Agents will act in ways which give rise to self-satisfaction, a sense of pride and will refrain from those things which cause self-devaluation and self-dissatisfaction (Bandura, 2001: 10). Self-reflectiveness is the process of assessing one's own self and "people evaluate their motivation, values, and the meaning of their life pursuits," (Bandura, 2001: 10). These four core features of agency help the way forward in driving youth development programmes to speak to the needs and wants of the youth to help resolve grievances. Youth entrepreneurship is one way in fulfilling the needs and desires of the youth as they possess both the desire to be self-employed and the correct mental attitudes to succeed (Simpson and Christensen, 2006). Self-efficacy can determine if individuals possess the characteristics of becoming successful entrepreneurs. It therefore is important to understand the level of self-efficacy and the extent of agency that youth have in order to reap the maximum gains of youth grants available for entrepreneurship.

Social Cognitive Theory is rooted in psychological explanations on what motivates a person to behave the way he does. This theory was selected because it may be useful in that it helps to unpack how an entrepreneurial mind-set can be developed as the foundation upon which youth entrepreneurship interventions can be launched. However, no theory is without shortcomings. Deficiencies of Social Cognitive Theory primarily stems from three areas. Firstly, due its multifaceted nature it is somewhat difficult to implement with only some aspects of the theory being utilized realistically (Flamand, n.d). The second criticism stems from its environmental nature. Social Cognitive Theory postulates that an individual's behaviour is determined by his environment, and if the environment changes so will the behaviour (Flamand, n.d). However, behaviour is much entrenched and rooted and is unlikely to change as easily as the situation (Flamand, n.d.). The third is a criticism entrenched in the biology of a human. Social Cognitive Theory weighs cognitive abilities over and above genetic and hormonal factors which to a large degree affect the way we reason, how quickly we learn and how we make decisions (Flamand, n.d).

Entrepreneurship interventions have been the most favoured medium through which youth can be economically empowered. However, not everyone is born to be a successful entrepreneur and successful entrepreneurship depends on a myriad of factors. One of these factors is the cognitive level, or more specifically, the self-efficacy at which beneficiaries function and the agency, specifically the attitude with which they embark upon the journey of entrepreneurship. Self-efficacy refers to one's ability to believe in one's capabilities and ultimately determines how a person deals with challenges and how one responds to those challenges. This is especially important in the beginning stage of entrepreneurship as the start-up phase itself is demanding on the aspiring entrepreneur, involving numerous challenges, from sourcing finance, to loan repayments if credit has been obtained, lack of entrepreneurship experience, difficulties in market access and maintaining clientele. It is important for the NYDA implementation staff to gauge the mental frame of mind and the current level of competency in which these beneficiaries are provided entrepreneurship as the means of generating livelihood. Training is as much a resource as financing is. Are the beneficiaries capable of transforming the financial resources into successful endeavours without entrepreneurship training, mentorship and an avenue through which to voice challenges and concerns? It may be that entrepreneurship is not the immediate solution but rather entrepreneurship training, enhancing of self-efficacy, highlighting the importance of agency, networking, fundraising and cognitive development.

### **2.3 Stakeholder Theory**

Stakeholder theory is about “how a business works at its best,” (Freeman, Jeffrey, Wicks, Parmar and De Colle, 2010: 9) so that the maximum amount of value can be created. Value in business can be understood as a set of relationships amongst groups that have a share in the activities that constitute a business (Freeman et al., 2010: 24). The stakeholder approach to appreciating the firm and the environment in which it functions has been an influential heuristic device, intended to broaden management's vision of its roles and responsibilities beyond the profit maximization motive to include interests and claims of non-stockholding groups. Stakeholder theory, in contrast, attempts to articulate a fundamental question in a systematic way: who is a stakeholder and who is not? (Mitchell, Agle and Wood, 1997: 855). Primary stakeholders are those “without whose continuing support the corporation cannot survive as a going concern (Clarkson, 1995: 106).

Despite its origin and conceptualisation in the corporate sector, it has been adapted and applied to a range of fields. As such, stakeholders have become an important aspect of development interventions. They have become such a crucial part of interventions because the achievement of results of the intervention have to be defined from the perspectives of the stakeholders as well as their cooperation (Ile, Eresia-Eke, Allen Ile, 2012: 109). Within the project or programme framework, stakeholder mapping occurs to identify who the stakeholders are and the subsequent engagement of those stakeholders in relation to the development intervention. Stakeholder mapping is a useful tool as it enables the generation of information from multiple perspectives as well as predetermined expectations of the stakeholders (Ile, Eresia-Eke, Allen Ile, 2012: 111).

According to Freeman and Reeds (1983) cited in Freeman (1988: 42), there are two definitions of a stakeholder, the broad definition and the narrow definition. The narrow definition refers to those groups that are vital to the survival of the organisation or the broad definition whereby a stakeholder refers to “any individual or group that can affect or is affected by the corporation,” (Freeman, 1988: 42). In development interventions this would mean those persons or groups of people that are affected by a development intervention (Ile, Eresia-Eke, Allen Ile, 2012: 109). The legitimacy of the stake is established through the existence of an exchange relationship, and can include local communities, stockholders, suppliers, managers, employees, creditors or the general public (Hill and Jones, 1992: 133). These groups exchange resources such as time, capital, effort or money in return for a benefit (Hill and Jones, 1992: 133). The size of the stake is dependent on the extent of the investment in the assets (Hill and

Jones, 1992: 133). Each stakeholder implicitly or explicitly forms part of the contract to the firm or organization with the managers exercising direct control over the decision making process (Hill and Jones, 1992: 134). Hence, the managers bear the responsibility of allocating resources effectively and efficiently, consistent with the claims of the other stakeholders (Hill and Jones, 1992: 134).

In the framework of project or programme management, stakeholder participation yields benefits in efficiency, effectiveness, sustainability, accountability, equity and contribution (Ile, Eresia-Eke, Allen Ile, 2012: 112). Stakeholder engagement also ensures buy-in from the various stakeholders, ensuring a participatory approach to developing and executing an intervention.

The problem with the broad definition of Freeman is that it implies stakes can be unidirectional or bidirectional and there is no implication or necessity of reciprocal impact, as definitions involving relationships, transactions, or contracts require (Mitchell, Agle and Wood, 1997:855). Furthermore what is omitted from “having a stake are only those who cannot affect the firm (have no power) and are not affected by it (have no claim or relationship),” (Mitchell, Agle and Wood ,1997:855). The broad definition there leaves the claim of a stake open to almost anyone.

Clarkson (1994: 5) attempted to close this gap by introducing the notion of voluntary and involuntary stakeholders. A voluntary stakeholder is one who bears some form of risk as a result of some sort of investment, either human, capital or financial (Mitchell, Agle and Wood, 1997: 856). Involuntary stakeholders are those “placed at risk as a result of a firm's activities,” (Mitchell, Agle and Wood, 1997: 857). Important to note here is that without the element of risk, there can be no stake. The linking of risk to stake narrows the legitimacy claim regardless of the stakeholder’s power to influence the firm or organization. Stakeholder engagement benefits the organisation in the sense that “incorporating stakeholder views in decision-making processes enhances organisational performance and commitment,” (Simmons, 2003: 1).

The overarching goal of stakeholder management practices is to ensure a fair balancing of various claims of the numerous stakeholders as well as to establish all the necessary information for firm or organisation centred purposes (Mitchell, Agle and Wood, 1997: 859). However, the literature on stakeholder analysis illustrates numerous disagreements regarding the various classes of stakeholders; between those who have the legitimacy upon the claim and those who have the power to affect the claim. This scholarly disagreement is visible in almost

every major theory surrounding agency, behavioural, institutional and transaction cost theories (Mitchell, Agle and Wood, 1997: 863).

For the purposes of this study, the definition of stakeholder that will be used is the one developed by Ile, Eresia-Eke, Allen Ile. Stakeholders are those persons or groups of people that are affected by a project or programme (Ile, Eresia-Eke, Allen Ile, 2012: 109). This definition is applicable to this study as it focuses the Grant Programme on all those that are responsible for implementing it as well as those that benefit under it.

Stakeholder theory is deeply rooted in private sector or market related practices with much contestation on the definition of who a stakeholder is and to what extent a stakeholder is directly or indirectly affecting the functions and outcomes of the firm or organisation. In terms of the definitional inadequacies, it makes it somewhat unclear on the practical level in identifying the nature and extent of the stakeholder.

Stakeholder theory was selected because of the importance in identifying who the beneficiaries is and what the needs of the beneficiaries are, thereby developing the appropriate intervention to facilitate the realisation of these needs. In this case, the intended beneficiaries and beneficiaries are the youth. The most important question that arises is whether their needs, limitations and capabilities were duly considered when this NYDA intervention was designed for them? Was there continuous engagement and follow up with youth on what issues were pertinent to them? Did they have a say in the design of the intervention?

## **2.4 Policy context of youth in South Africa**

South Africa is characterised by poor participation of youth in its economy with a salient feature being youth unemployment despite numerous youth policies developed to promote youth development. Post-apartheid South Africa witnessed the evolution of a strategy aimed at bringing the youth back onto the agenda through the establishment of youth institutions with a focus on youth development. Youth development is defined as “an intentional comprehensive approach that provides space, opportunities and support for young people to maximise their individual and collective creative energies for personal development as well as development of the broader society of which they are an integral part,” (National Youth Policy 2009-2014, 2009: 11).

The creation of the National Youth Commission in 1996 was a milestone in conceptualising and defining the roles of youth and in the progressive development of South African youth. Over time, the National Youth Policy evolved from rhetorical acknowledgement of the importance of youth to the design and implementation of youth programmes under the auspices of a single implementing agency,



the National Youth Development Agency. This section aims to present the key youth legislation which has enabled South Africa to bring youth back onto the development agenda, as well as legislation regarding the monitoring and evaluation of such interventions.

#### **2.4.1 RDP White Paper**

The Reconstruction and Development Plan (RDP) was the first post-apartheid policy document which sought to establish an integrated, coherent socio-economic policy framework to advance democracy in the new South Africa. Post-apartheid South Africa acknowledged the injustices of the past in the racial segregation of every sphere of society culminating in a lack of skills and livelihoods of the disadvantaged people. With reference to youth, Chapter 7 of the RDP, section 7.7.4 states that an intervention to correct for past injustices would be to enable the following for youth:

*“The youth of our land played a major role in the achievement of freedom. They are our country’s most important resource. Effort will be required to ensure that they are equipped to play a major role in the reconstruction and development of South Africa. The Government will consider establishing special programmes aimed at addressing the needs of young people, in particular, to address the backlog in education and training, job creation and recreation. Young people are our country’s most important resource.”*

(RDP White Paper, 1994: 41)

This identified youth as proponents of change and prosperity in South Africa and the advancement of programmes to facilitate the development of the youth. Shortly after this, the National Youth Commission established in June 1996 was created to advance programmes to facilitate the development of the youth.

#### **2.4.2 National Youth Commission Act of 1996**

The National Youth Commission was the statutory body tasked with the National Youth Policy, coordinating the implementation as well as lobbying and promoting youth development in South Africa. The National Youth Commission Act of 1996 sought to coordinate and to develop a unified national youth policy and to develop a comprehensive youth development plan (National Youth Commission Act, 1996). Furthermore the Act sought to ensure uniformity in the approach to matters of youth while ensuring liaison between the various institutions and bodies similar to the Commission to promote common policies and practices (National Youth Commission Act, 1996).

The roles and responsibilities identified by the National Youth Commission Act of 1996 were:

- to coordinate and develop an integrated National Youth Policy;

- to develop an integrated national plan that utilises available resources and expertise for the development of young women and men and aligned with the Reconstruction and Development Programme;
- to develop principles and guidelines and make recommendations to Government regarding procedures for the implementation of the National Youth Policy;
- to coordinate, direct and monitor the implementation of such procedures
- to implement measures to redress the imbalances of the past relating to various forms of disadvantage suffered by young men and women generally or by specific groups or categories of young people;
- to maintain close liaison with institutions, bodies or authorities similar to the National Youth Commission in order to foster common policies and practices and to promote cooperation;
- to coordinate the activities of the various provincial government institutions involved in youth.

The Act therefore provided steps required for government to follow when implementing youth led initiatives.



### **2.4.3 National Youth Development Policy Framework (NYDPF) 2002-2007**

In 2000, it was ascertained that there was a need to develop a holistic national youth policy. The establishment of the policy occurred but was never adopted (National Youth Policy 2009-2014, 2009: 5). It however paved the way for the National Youth Development Policy Framework (NYDPF) in 2002. The NYDPF provided the background for the government's youth action, arguing for an integrated and holistic youth development strategy. It further articulated the values of “equity, diversity, redress, responsiveness to the needs and contexts of young people, and an orientation that is sustainable, participatory, inclusive, gender sensitive, accessible and transparent,” (National Youth Development Policy Framework 2002-2007, 2002: 9-10). The lessons learnt from the NYDPF indicated that a more focused policy direction was required to respond to the varying needs of young people.

The NYDPF 2002-2007 sought to ensure education, economic participation, social cohesion and civic participation, national youth service, youth work and health and well-being for the youth. Once the NYDPF term ended, the National Youth Policy came into being which provided a platform for youth interventions in systematic manner.

#### **2.4.4 National Youth Development Act 54 (2008)**

The NYDA Act of 2008 made the provision for the National Youth Development Agency responsible for the development and implementation of all youth led programmes in the country. The Agency also sought to bridge the gaps between the limitations identified by the National Youth Commission as well as that of the Umsombvu Youth Fund (National Youth Policy 2009-2014, 2009: 9). The responsibilities of the NYDA with respect to the services that they are required to provide to youth are outlined below:

- provide access to information regarding products and services of the National Youth Fund, career guidance services,
- create and administer databases of employment opportunities,
- provide financial assistance to youths
- provide financial assistance to small, micro and medium enterprises, and cooperatives owned by youth,
- provide mentoring services
- provide bridging programmes for youths school or training to the work environment,
- provide training and principles of entrepreneurship to youth,
- provide training and guidance relating to the establishing and managing of businesses for youths,
- provide training for unemployed youths to enhance their life and professional skills which would enable them to be integrated into the economy,

(National Youth Development Agency Act of 2008: 9)

#### **2.4.5 National Youth Policy (NYP) 2009-2014**

The overarching goal of the NYP 2009-2014 was to “intentionally enhance the capacities of young people through addressing their needs, promoting positive outcomes, and providing integrated coordinated package of services, opportunities, choices, relationship and support necessary for holistic development of all young people particularly those outside the social, political and economic mainstream.” (National Youth Policy, 2009: 8). The specific objectives of the policy were to:

- integrate youth development into the mainstream of government policies;
- ensure that mainstream policies function effectively and restrain the marginalisation of young people,

- strengthen the capacity of key youth development institutions and ensure integration and coordination in the delivery of youth services,
- strengthen the capacities of young people to enable them to take charge of their own wellbeing through building their assets and ultimately realising their potential to the fullest,
- support prioritised youth groups and ensure that they have every opportunity to play their part in the development of our country,
- create a wider range of learning pathways to provide young people with multiple routes and exit opportunities for making the transition from youth to adulthood smoother,
- design and implement interventions that seek to provide a wide variety of opportunities for needy young people,

(National Youth Policy 2009-2014, 2009: 8)

The current guiding National Youth Policy is the NYP 2009-2014. Under the rubric of this policy, a number of youth targeted programmes and projects have been initiated and are implemented by the National Youth Development Agency (NYDA). The NYDA was established by an Act of parliament, Act no 54 of 2008 to address youth development issues at the national, provincial and local government level. It takes the lead in ensuring that all major stakeholders prioritise youth development to contribute to permanent solutions to address youth challenges.

#### **2.4.6 National Youth Development Plan (NDP)**

In May 2010 President Jacob Zuma appointed the National Planning Commission to draft a vision and national development plan. The Commission's Diagnostic Report depicted South Africa's progress and shortcomings since 1994. The findings of the report illustrated nine primary challenges:

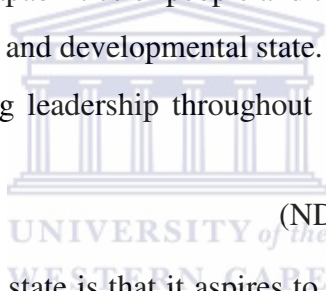
- Too few people work
- The poor quality of school education for black people
- Infrastructure is poorly located, inadequate and under-maintained
- Spatial divides hobble inclusive development
- The economy is unsustainably resource intensive
- The public health system cannot meet demand or sustain quality
- Public services are uneven and often of poor quality
- Corruption levels are high

- South Africa remains a divided society

(NDP Executive Summary, 2011: 15)

This ultimately led to the advancement of the draft national plan, released in November 2011. Four thematic areas were added onto the diagnostic plan: rural economy, social protection, regional and world affairs, and community safety. The national development plan sets out six key inter linked focus areas:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Endorsing active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems.



(NDP, Executive Summary, 2011: 16)

The idea behind a developmental state is that it aspires to build the capabilities of people so that they may take initiative to improve their own lives, while interfering to correct historical inequalities. It requires the individual to take action as neither government nor the market can develop the necessary capabilities on their own (NDP Executive Summary, 2011: 17). The NDP concentrates on the idea of capabilities resting heavily on the following (NDP, Executive summary, 2001: 17):

- Political freedoms and human rights
- Social opportunities arising from education, health care, public transport and other public services
- Economic facilities, work, consumption, exchange, investment and production.

Short term measures of the NDP seek to (NDP Executive Summary, 2011):

- Introduce active labour market policies especially for young people as well as the sectors that employ low skilled workers

- Increase public employment programmes to 1 million beneficiaries by 2015 and 2 million by 2020
- Expand welfare services and public employment schemes
- Improve quality education at all levels especially underperforming schools
- Improve urban planning to promote mixed housing, increasing access to spaces and facilities
- Invest in public transport to ensure affordability of transport to low income households

The NDP has acknowledged that South Africa has an urbanising, youthful population. This therefore presents a unique opportunity to boost economic growth, increase employment and reduce poverty. The Commission acknowledged that young people bear the burden of unemployment, and therefore adopted a “youth lens” in preparing its proposals, which include:

- Improve the school system, including increasing the number of students achieving above 50 percent in literacy and mathematics, increasing learner retention rates to 90 percent and bolstering teacher training,
- Strengthen youth service programmes and introduce new, community-based programmes to offer young people life-skills training, entrepreneurship training and opportunities to participate in community development programmes,
- A tax incentive to employers to reduce the initial cost of hiring young labour-market entrants,
- Expand learnerships and make training vouchers directly available to job seekers.
- A formalised graduate recruitment scheme for the public service to attract highly skilled people.

(National Development Plan Executive summary, 2011: 20)

#### **2.4.7 Government Wide Monitoring and Evaluation System (GWM&E)**

Given the acknowledgement, motivation, development and implementation of youth related projects and programmes, mere implementation of these youth led initiatives as well as other government related projects and programmes does not indicate whether these interventions have been successful, or whether they have made an impact, or whether implementation rules and procedures were followed and whether correct data analysis and reporting occurred. Therefore, the South African government identified the need for enhanced policy monitoring and evaluation given the increasing dissatisfaction with government’s performance in

providing expected quality services. In light of this, under the leadership of President Thabo Mbeki, the Government Wide Monitoring and Evaluation System (GWM&E) was sanctioned to generate early warning systems, verification systems, data analysis and informed decision making and reporting (Ile, Eresia-Eke and Alen Ile, 2012: 12).

The following principles underpin the GWM&E system framework (Ile, Eresia-Eke and Alen Ile, 2012: 12):

- Transparency to ensure that all findings of the monitoring and evaluation process should be made public unless in exceptional circumstances,
- Accountability to ensure the openness in which public resources are used thereby making public officials open to public scrutiny
- Participation to ensure that the voices of historically underprivileged people are heard
- Inclusion to ensure that all groups, especially those from the previously disadvantaged are represented through the monitoring and evaluation processes

#### ***2.4.7.1 Legal Mandate underpinning the GWM&E Systems***

##### **The Presidency**

Section 85 of the Constitution requires that the President in conjunction with other Cabinet Members, should exercise executive authority through the development and implementation of national policy and the coordination of the functions of state departments and administrations (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 17). The Constitution necessitates that all three spheres of government work together and participate in development programmes to address poverty, under-development, marginalisation of people and communities (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 17).

##### **National Treasury**

Sections 215 and 216 of the Constitution, and additional legislation such as the Public Finance Management Act (PFMA) of 1999 and the Municipal Finance Management Act (MFMA) of 2003 clearly outline the mandate of National Treasury. With respect to the GWM&E Framework, National Treasury has to ensure that information on inputs, activities, outputs and outcomes underpins planning, budgeting, implementation management and accountability reporting to promote economy,

efficiency, effectiveness and equity as well as transparency and expenditure control (Policy Framework for the Government-wide Monitoring and Evaluation, 2007:17).

### **Statistics SA**

The mandate of Statistics SA is informed by the Statistics Act (No 6. of 1999), the 2002 January Cabinet Lekgotla and the State of the Nation Address 2004 and 2005. Sections 14.6 (a), (b) and (c) of the Statistics Act established provision for the Statistician to advise an organ of state on the application of quality criteria and standards while section 14.8 (a) and (b) authorises the Statistician-General to comment on the quality of national statistics produced by another organ of state and to publish such statistics (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 18).

### **Department of Public Services Administration**

The Public Service Act provides the mandate for the Department of Public Services Administration (DPSA). The responsibility of this department lies in public service transformation to increase effective public service as well as to improve governance (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 18). It Chairs the Governance and Administration Cluster and the GWM&E Working Group (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 18).

### **Department of Provincial and Local Government**

DPLG receives its directive from the Constitution, Chapters 3 and 7 as well as other legislation such as the Municipal Structures Act of 1998 and the Municipal Systems Act of 2000. Its principal function is to develop national policies and legislation with regards to provinces and local government, to monitor their implementation and to support them in fulfilling their constitutional and legal mandate (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 18).

### **South African Management Development Institute (SAMDI)**

SAMDI derives its mandate through the Public Service Act, 1994, Chapter II Section 4 (2). The institute:

- (a) shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head: South African Management and Development Institute may with the



- approval of the Minister decide or as may be prescribed as a qualification for the appointment, promotion or transfer of persons in or to the public service;
- (b) may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations. SAMDI will play an important capacity building role in rolling out the GWM&E Policy Framework (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 18).

### **Office of the Public Service Commission (OPSC)**

The OPSC acquires its mandate from sections 195 and 196 of the Constitution, 1996. It has been tasked with investigating, monitoring, and evaluating the organisation and administration of the public service. This mandate also entails the evaluation of achievements, or lack thereof, of Government programmes. The PSC also has an obligation to promote measures that would ensure effective and efficient performance within the Public Service and to promote values and principles of public administration as set out in the Constitution, throughout the Public Service (e.g. professional ethics, efficient, economic and effective use of resources, impartial, fair and equitable service provision, transparency and accountability (Policy Framework for the Government-wide Monitoring and Evaluation, 2007: 19).

### **Auditor-General**

The annual reports of government departments need to include audited financial statements and statements of programme performance. Section 20(1) (c) of the Public Audit Act (25 of 2004) requires that the Auditor General express a view or inference on “reported information of the auditee against pre-determined objectives”. Similar provisions exist in terms of the Municipal Systems Act of 2000 and the Municipal Finance Management Act of 2003 at the local level.

### **Provincial Offices of the Premier**

Section 125 (1) vests the executive authority of a province in the Premier, who, together with the provincial executive council, exercises this authority through the development and implementation of provincial policy, the implementation of national policies in concurrent function areas, and the coordination of the functions of the provincial departments. The Premier as the political head of the Provincial Government is also responsible for the implementation of Chapter 3 of the Constitution on cooperative

government. The Premiers' Offices play a critical leadership role in the development and implementation of Provincial Growth and Development Plans.

## **2.5 Conclusion**

This chapter presented the overview of the theoretical and legislative framework that guided this study. The theoretical framework consisted of the Capability Approach, Social Cognitive Theory and Stakeholder analysis. The legislative framework included legislation and policies related to youth interventions in South Africa as well as the Government Wide Monitoring and Evaluation framework in South Africa that guides monitoring and evaluation within the South African context. It then elaborated each theory and each piece of legislation to demonstrate its relevance to this study. The following Chapters discuss the research within this framework. However, the next chapter provides a discussion of the methodology utilised in this research.



## Chapter 3. Research Methodology

The purpose of this research was to conduct a process implementation of the NYDA Grant Programme. It sought to evaluate the processes that are in place to deliver this programme efficiently and effectively. This chapter discusses the methodology used, the data collection instruments, the population sample, the approach to determine reliability and validity as well as the ethical considerations when fieldwork was conducted.

### 3.1 Methodology

This study makes use of qualitative research. Qualitative research, generally defined refers to "any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification" (Strauss and Corbin, 1990: 17). Qualitative research makes use of real world findings where the "phenomenon of interest unfold naturally" (Patton, 2001: 39). It is a useful method in answering 'what' and 'how' questions in order to provide valuable understanding of social phenomena (Marshall, 1996: 522). Qualitative research is also defined by the explanatory nature of the research question (Marshall, 1996: 522). Furthermore, it is concerned with the appreciative inquiry into the lives and social world of humans (Fossey, et. al. 2002: 717). Essential features of qualitative research entail "the correct choice of appropriate methods and theories, recognition and analysis of different perspectives, the researcher's reflection on their research as part as the process of knowledge production and the variety of appropriateness and methods," (Flick, 2009: 14).

The main disadvantage of using qualitative research is that the findings cannot be applied to "wider populations with the same degree of certainty that quantitative analyses can. This is because the findings of the research are not tested to discover whether they are statistically significant or due to chance," (Atieno, 2009: 17). Therefore generalisability is problematic in qualitative research. A second limitation of qualitative research is the time consuming nature of interviews (Choy, 2014: 102). Lastly rigour, which is discussed under reliability and validity, is more difficult to maintain, evaluate and establish while the sheer volume of the data makes analysis and interpretation cumbersome and time consuming (Anderson, 2010: 3).

Despite these shortcomings of qualitative research, the researcher made use of qualitative methods to generate and analyse data related to the implementation process of the NYDA Grant Programme. The researcher felt this method suitable to the research as the issues under study were examined in detail and in depth. Furthermore, qualitative research methods were

employed for this study because of the explanatory nature of the research question and the research objectives which sought to evaluate real world findings. This implementation evaluation is an evaluation to understand the processes and procedures used in rolling out the Grant Programme. This implies launching an inquiry through asking “how” and “what” questions from the beneficiaries and implementing staff of the Grant Programme on their experiences, implementation related policies, procedures and challenges as well as the perceived importance of the Grant Programme in relation to youth entrepreneurship.

Primary data was collected from the implementing agents of the Grant Programme and the beneficiaries of the programme while secondary data was obtained from online reports, academic journals, books and online government and international institutions’ articles, policy agendas and South African administrative legislation.

This study made use of theoretical triangulation due to the qualitative nature of the study as well as semi-structured interviews. Triangulation is used because it enhances validity and reliability of the study. Triangulation refers to the process of using more than one technique to investigate a research problem in order to enhance the robustness and validity of findings. This study makes use of theoretical triangulation which refers to the use of a number of theories within the same study to generate support for accepting or rejecting findings from multiple perspectives (Hussein, 2009: 3). The theories used in this study are the Capability Approach, Social Cognitive Theory and Stakeholder Theory.

### **3.1.1 Data Collection Instruments**

A data collection tool that was used in this research study were semi-structured interviews developed for the implementing staff of the Grant Programme as well as the beneficiaries. The researcher conducted face to face semi-structured interviews with both the staff of the Grant Programme as well as the beneficiaries, but where a face to face interview could not take place, a telephonic interview was conducted with the beneficiaries. The researcher was the sole interviewer.

Face to face interviews were selected as the mode of data collection because they enable the interviewer to explain complex questions to the interviewee whilst enabling the interview to pick up on nonverbal clues (Phellas, Bloch and Seale, 2011: 183). Interviews that could not be conducted physically were also conducted telephonically. There were a number of benefits associated with telephonic interviewing. Telephonic interviews are cheaper, there are less interviewer effects and the physical safety of the interview is enhanced (Phellas, Bloch and

Seale, 2011: 184). Through telephonic interviewing, the interviewer could cover a larger geographical location and reach interviewees that were scattered across the Western Cape. Secondly, telephonic interviews were cheaper as the cost of travelling was far more than the cost of making calls. Furthermore, data collection occurred over a period of two months over which both beneficiaries and implementation staff were interviewed.

Desktop research was another method through which written/archived records were obtained regarding policy that governs and advocates for youth interventions in South Africa as well as journal articles and books that have guided the literature used in this study. The Grant policy document and implementation manual obtained from the NYDA were the primary documents used to determine the evaluation processes and procedures of implementing the Grant Programme. A sample of the interview questions for the beneficiaries and implementing staff of the NYDA Grant Programme has been attached to the appendix. Existing literature on the theories used formed the basis of the literature review. A review of the literature on the topic under study is important as it provides grounding for argumentation and illustrates that the study is in compliance with the existing research or that the findings of the study go beyond or may even contradict existing literature (Flick, 2009: 53).

Semi-structured interviews were used because they involve the pre planning of questions allowing for replication but in a less controlled manner than other techniques such as a questionnaire or structured interview. They also allow for comparisons across individuals or groups of individuals (Ryman, n.d: 3). Interviews also have the benefit of complex questions being explained to the interviewee while enabling the interviewer to pick up on nonverbal clues (Phellas, Bloch and Seale, 2011: 183). In a semi-structured interview the interviewer also has the opportunity to probe deeper into an interviewee's response to follow a line of inquiry (Hancock, 1998: 9).

This tool was therefore deemed appropriate based on its usefulness and relevance to this study. For example, every beneficiary was asked why he or she decided to venture into entrepreneurship, providing valuable information on how youth perceive entrepreneurship in the face of growing unemployment. In another instance, respondents were asked questions based on racial and geographical demographics. This question was important as the Grant Programme seeks to help those youth that come from disadvantaged backgrounds, so these demographics enable the researcher to determine whether the NYDA is targeting its intended beneficiaries. Many questions were open ended allowing for the respondent to share their

experiences of the Grant Programme with the researcher. Open ended questions have advantages over close ended questions as they “deepen the understanding of a response by obtaining additional details on the reason of the answer choice,” (Ballou, 2008: 547). Furthermore, open ended questions enable the respondents to answer more freely whilst inciting cognitive effort in thinking through their responses (Ballou, 2008: 547). To illustrate this point, asking the interviewee why they believe themselves to be successful entrepreneurs offered more insight to the attitudes, behaviours and qualities they associate with successful entrepreneurship. This can be referenced against the literature on successful entrepreneurship rather than, “do you think that you are a successful entrepreneur?” which provides a limited response and not much information on attitudes and behaviours associated with successful entrepreneurship in the literature.

### **3.1.2 Triangulation**

Triangulation refers to the process of using more than one technique to investigate a research problem in order to enhance the robustness and validity of findings. It allows researchers to illustrate their findings with confidence whilst moderating possible bias in the result when a research question is analysed from multiple angles (Yeasmin and Rahman, 2012: 159).

There are a numerous types of triangulation methods that can be used to produce robust findings. The different types of triangulation methods are data triangulation, theoretical triangulation, methodological triangulation, analysis triangulation and investigator triangulation (Hussein, 2009: 3).

Theoretical triangulation makes use of a number of theories within the same study to generate support for accepting or rejecting findings from multiple perspectives (Hussein, 2009: 3). This research has made use of theoretical triangulation using the Capability Approach, Social Cognitive Theory and Stakeholder Analysis. While these theories are distinct from one another, together they provide a lens through which the implementation of the Grant Programme can be evaluated.

Data triangulation comprises the gathering of data through multiple sources of information to improve the validity of the study. This information can be obtained through stakeholders of an intervention, beneficiaries of an intervention, intervention staff and so on (Guion, Diehl, and McDonald, 2011: 1).

Methodological triangulation involves a number of methods in studying the same phenomenon under analysis where it can occur at various levels, namely, at data collection or research design level (Hussein, 2009: 3).

Investigator triangulation refers to several investigators involved in the analysis process of data that is collected via an evaluation team within a particular field of study (Guion, Diehl, and McDonald, 2011: 1). The evaluators make use of the same data collection methods, and findings are compared between each evaluator, providing a diverse and deeper insight into the issue at hand (Guion, Diehl, and McDonald, 2011: 2). Analysis triangulation looks at analysing data using more than two methods to seek validation (Hussein, 2009: 3).

### 3.1.3 Reliability and Validity

Reliability and validity are benchmarks against which the quality and accuracy of research findings can be measured to provide rigour and value to the findings. They are terms used specifically in quantitative data and are commonly referred to as dependability and credibility in qualitative research. The qualitative criteria for assessing the reliability of the findings of a qualitative study follow the guidelines proposed by Lincoln and Guba (1985) in assessing the four aspects of trustworthiness to maintain rigour of the findings: internal validity (truth-value), external validity (applicability), reliability (consistency) and objectivity (neutrality). For Lincoln and Guba, establishing trustworthiness is paramount as it reflects the accuracy with which the investigator interpreted the participant's experiences.

The table below summaries the criteria for trustworthiness.

**Table 1. Criteria for Trustworthiness**

Criteria	Procedures
Credibility (internal validity)	Prolonged engagement, Continuous observation, Triangulation (p.301)
Applicability/Transferability (external validity)	Thick description (p. 316)
Dependability (reliability)	Triangulation of methods, Dependability audit - examining the process of the inquiry (how data was collected; how data was kept; accuracy of data) (p. 317)
Confirmability (objectivity)	Confirmability audit - examines the product to prove that the findings, interpretations & recommendations are supported by data (p. 318-320)

Source: Lincoln and Guba. (1985). Naturalistic Inquiry.

In assessing the truth value, researchers are concerned with testing the credibility of their findings and testing the data against the numerous sources from which the data is drawn (Guba, 1981: 80). Credibility also seeks to “ensure that their study measures or tests what is actually intended,” (Shenton, 2004: 64). Random sampling, triangulation, the correct selection of concepts and theories, a thick description of the issue under study are all ways in which credibility can be enhanced (Shenton, 2004: 68-69). Truth value also known as credibility can be recognised through a number of ways such as the examination of previous research available from which findings can be contextualised, tactics which ensure honesty from the interviewees, triangulation and random sampling (Shenton, 2004: 73). For this study, random sampling was not an option for the researcher as the study was only interested in the beneficiaries of the Grant Programme as well as the staff implementing the Grant Programme. Therefore purposive sampling was determined as the sampling technique in this study. The rationale for purposive sampling is explained below under the sampling section.

However, to lend credibility or to enhance the truth value of the findings of this research, triangulation of theories was used. With respect to generating honesty in the interviewees’ responses, the researcher spent time in establishing trust between herself and the beneficiaries and thoroughly explained the purpose of the interview to the Grant implementing staff and the NYDA manager. Furthermore, to ensure honest and comprehensive responses from the implementing staff, information obtained was not recorded, as they stated that they would be forced to censor what they said. The advantage of this was that the researcher could probe deeply into the questions and responses. The disadvantage was that research may not have captured all the information that was presented. Despite this, the researcher went to great lengths to capture the responses and to paraphrase the answers the respondents provided to ensure that all the main aspects of the interview were covered.

With respect to applicability, researchers are encouraged to produce detailed information of the setting in which the research is conducted, because phenomena “are intimately tied to the times and the contexts in which they are found,” (Guba, 1981: 80). Applicability refers to the extent to which the findings can be applied in other contexts or with other respondents. To establish applicability, a thick description is necessary whereby the researcher thoroughly describes the context in which the data is collected and presents them with adequate detail and precision to allow judgments about transferability to be made by the reader. The boundaries of the research become important and the following needs to be presented in the study to enable applicability: a) number of organisations taking part in the study and where they are based; b) any restrictions



in the type of people who contributed data; c) the number of beneficiaries involved in the fieldwork; d) the data collection methods that were employed; e) the number and length of the data collection sessions; f) the time period over which the data was collected,” (Shenton, 2004: 70). For this study, the researcher has described the organisation that is responsible for the Grant Programme (the National Youth Development Agency, Cape Town Office). She has elaborated on the sample size (27), she has described the data collections methods as well as the reasons for selecting those methods (semi-structured face to face and telephonic interviews). Furthermore, the researcher elaborated on the constituents of the sample (24 beneficiaries and 3 implementation staff), the number of interviews (27) that were conducted and the time period over which the interviews were conducted (two months). To further enhance the applicability of this study, the researcher presented a thorough context of the Grant Programme as well as the purpose and objectives of the programme through information obtained from the Grant implementation manual and policy document.

Consistency, also referred to as dependability, requires researchers to present an audit track, which can be bared open for scrutiny, thereby assessing “trackable variance,” (Guba, 1981: 81). This was done through the development and presentation of the detailed log frame constructed by the researcher herself and the semi-structured interviews developed by the researcher. Furthermore, the rationale behind the selection of indicators used is provided in Chapter Four.

Neutrality, also referred to as confirmability, is used to enhance the quality of the study and implies that the investigator of the data requires “evidence not of the certifiability of the investigator or his or her methods but of the confirmability of the data produced,” (Guba, 1981: 82). Neutrality can be confirmed by mitigating researcher bias, admission of the researcher’s assumptions and beliefs, admission of the limitations of the study as well as comprehensive methodological description of the study and the research process to enhance the integrity of the research results (Shenton, 2004: 73). Confirmability here refers to the extent to which the results could be confirmed or corroborated by others and in this case, theoretical triangulation was used to ensure that a broad based understanding of the phenomena could occur. Furthermore, both the perspectives of the implementing staff of the Grant Programme as well as the beneficiaries’ were obtained to present a comprehensive understanding of the implementation of the Grant Programme. The researcher assumptions underpinning this study are presented in Chapter One while the limitations of this study are presented below. The researcher was biased in favour of the Grant Programme as a means to encourage

entrepreneurship for survivalist businesses for youth. She was further biased towards the beneficiaries as she felt that they did not understand what entrepreneurship really meant, implying that the beneficiaries viewed the programme as a cash cow rather than a serious intervention through which they could generate sustainable livelihoods.

### **3.1.4 Sampling**

The type of sampling used in this study was purposive sampling. Random sampling could not take place as there are only a specific number of beneficiaries that have benefited under the Grant Programme of the NYDA, therefore purposive sampling was used. Purposive sampling refers to a sampling technique in which the informants are deliberately selected by virtue of them possessing knowledge or experience of the phenomena under study (Tongco, 2007: 147). The researcher decides what type of information is to be collected and sets out to find the relevant informants. This type of sampling was selected because the Grant Programme has specific beneficiaries and it is these beneficiaries' experiences and the outcomes of their participation in this programme that is of interest to the researcher. The researcher targeted fifty per cent (24 out of 48) of the beneficiaries of the Grant Programme who received benefits in the period of 2013-2014 and three critical Grant Programme implementing staff. There was a reason for not targeting all the beneficiaries. All the beneficiaries were contacted to set up an interview. However, only 24 out of the 48 responded to the researcher's calls to set up an interview. Three call backs were done with each participant, however some numbers went to voicemail, for others the cell phone number was no longer in use while a large proportion did not answer their phones at all. Calls were made every week over a period of two months to secure an interview time with the participant. Despite this, not all the beneficiaries were able to be reached. On one particular day, up to 16 calls were made and only four respondents answered their mobile phones. The same numbers of the previously unanswered calls were contacted a further two times. After three call backs, the researcher was forced to accept that those individuals could not be contacted.

### **3.2 Data Analysis**

In depth semi-structured interviews were conducted with three of the Grant Programme implementation staff to gauge how successful candidates were selected for a grant and to determine how discretion was used to select the successful candidate. Furthermore, the staff's views obtained through semi-structured interviews on whether the programme was meeting its objectives ascertained whether the programme was useful and relevant to its beneficiaries. Due to the programme being launched in December 2013, there is no baseline data, therefore no

comparative judgments can be made in terms of past and current programme implementation. Hence, this study provides useful information as well as baseline data that may contribute to the organisation's performance in terms of its implementation processes for the future. The data obtained will be analysed on a number of criteria, namely:

- 1) What were the intended process outputs of the Grant Programme?
- 2) What were the quality checks put in place to assess successful process implementation?
- 3) What processes regarding implementation had been effective and efficient and
- 4) Did the outputs of the programme justify the inputs?

The data was further analysed through four key principles advocated by the Development Aid Committee (DAC). These include relevance, which aims to ensure that the intervention activity is suited to the targeted group (OECD, 2002: 32). The second is effectiveness, which refers to the extent to which the aid intervention achieves its objectives (OECD, 2002: 20). The third refers to efficiency. Efficiency refers to the measurement of outputs with the least cost of inputs or resources in achieving those outputs (OECD, 2002: 21). Lastly, sustainability refers to whether the benefits of the intervention are expected to continue into the future once donor funding comes to an end. (OECD, 2002: 36).

### **3.3 Limitation of the Study**

This study attempts to conduct a process evaluation of the NYDA Youth Grant Programme. The researcher was limited to type of data available due to the sensitive nature of the study. Due to the beneficiaries of the programme being scattered throughout the Western Cape, the researcher could not go more than twice to conduct the interviews as she travelled with one of the implementers. The implementers knew the areas in which the beneficiaries lived and travelled once a month to a handful of the beneficiaries' residences or business premises to follow up on progress of the participant. Not every participant was seen every month by the implementer and the implementers do not inform the researcher every time they go for field visits even after constant correspondence and follow up by the researcher. Due to these visits being unannounced to the beneficiaries, it was highly optimistic to believe that each participant would be available for an interview when conducting unannounced field visits. Furthermore, when conducting telephonic interviews with those beneficiaries that could not be reached for face to face interviews, cell phone numbers were incorrect for some, while others did not answer their phones after numerous attempts were made to contact them.

### **3.4 Ethical Considerations for Research**

The researcher undertook the responsibility of providing the highest level of competence in the work as well as the responsibility of conducting research with integrity, maintaining honesty and fairness at all times. The researcher exercised the responsibility of beneficence to minimise any harm and discomfort to the respondents participating in this research. The researcher strove to maintain the rights and dignity of the respondents by maintaining the highest level of confidentiality of the respondents. The researcher only interviewed those respondents who provided consent to being interviewed, outlining the purpose of the research and the voluntary nature of being interviewed. She further informed the interviewees that they were free to not answer any question that caused them discomfort.

### **3.5 Conclusion**

This chapter provided an overview of the methodology used in conducting this research. It highlighted the qualitative nature of this study and justified the reasons for using qualitative research methods. This section further described the data collection methods and rationalised the reasons behind the selection of the data collection instruments. Furthermore, this section discussed the reliability and validity guideline proposed by Lincoln and Guba. Moreover, the type of sampling and reason for the particular method was identified as well as the criteria for data analysis. Lastly, the ethical considerations governing this research were disclosed in this chapter. The next chapter outlines the administration processes governing the implementation of the Grant Programme in the Western Cape by the implementing agency, the NYDA.

## **Chapter 4. Administration of the Grant Programme**

This chapter focuses on providing a brief overview of the NYDA which is the implementing agency of the Grant Programme throughout the country. This section describes the Grant Programme and the administration processes and procedures of the Grant Programme as per the Grant Programme Operations Manual and Grant Policy Document.

### **4.1 The National Youth Development Agency**

The legislative framework that governs the National Youth Development Agency (NYDA) is Act No. 54 of 2008 and the National Youth Policy (2009–2014). The NYDA was a merger between the Umsobomvu Youth Fund and the National Youth Commission (NYDA, 2014: 2). The rationale underpinning the establishment of the NYDA was to streamline all youth matters under one umbrella organisation in order to address youth development issues at the national, provincial and local government (NYDA, 2014: 2). The activities of the NYDA are to lobby and advocate for the integration and mainstreaming of youth development in all spheres of society; to implement, coordinate and facilitate youth developmental programmes and to monitor and evaluate these youth development programmes (NYDA, 2014: 2).

The NYDA has a number of key programme areas. These are economic participation, education and skills development, health and well-being, research and policy and governance (NYDA, 2014: 42-43). The Grant Programme falls under economic participation and is the programme of study of this research. The following section describes what the Grant Programme is and how it is administered.

### **4.2 Administration of the Grant Programme**

As per the information provided by the branch manager of the NYDA office, the Grant Programme came into being in December 2013 replacing the micro finance programme which was identified as ineffective in dealing with youth unemployment. The reasons for this ineffectiveness were not discussed with the researcher as the NYDA manager was reluctant to converse about it. The manager however, did say that the micro finance programme was a loan which implied that repayments had to be made by the recipients of the micro finance loan. A majority of the recipients failed to repay. The negative consequences of this were twofold. Recipients would borrow money from one place to repay a debt to another and would indebt themselves even more, and secondly, they would receive a bad credit rating closing their opportunities for other loans in the future. Therefore a restructuring of the micro finance was

necessary and ultimately culminated into the Grant Programme. System operations and procedures had to be developed and therefore the Grant Programme Operations manual and the Grant Programme policy document were developed. The Grant Programme administration, the roles and responsibilities of the implementing staff of the programme, the application requirements for the Grant Programme and the selection criteria of the beneficiaries of the grant are discussed in detail below.

#### **4.2.1 Purpose and Types of Grants**

The purpose of the Grant Programme was to provide “young entrepreneurs an opportunity to access both the financial and non-financial business development support to establish their survivalist businesses. The programme will focus on youth entrepreneurs who are at intentional, nascent and new stages of enterprise development,” (NYDA Grant Programme Operations Manual, 2013: 5). A grant is defined as “financial support advanced to the grantee,” (NYDA Grant Programme Policy Document, 2013: 4). The grants that are available are categorised according to minimum and maximum thresholds with R1 000.00 being the minimum and R100 000.00 being the maximum.

The **individual grant** is directed at youth owned enterprises and groups applying for a grant between R 1 000 to R 100 000 (NYDA Grant Programme Operations Manual, 2013: 5).

**Co-operatives grant** funding can be allocated to registered cooperatives who are provided with both financial and non-financial support (NYDA Grant Programme Operations Manual, 2013: 5). These include community development facilitation and special projects.

**Community Development Facilitation** refers to a project developed internally by the community in which the NYDA’s role is largely facilitative. Through facilitative process, projects that will be implemented will be identified and funded through NYDA funds and or funds can be obtained from partners.

**Special Projects** refer to where the NYDA initiate programmes that create youth enterprises in the different provinces across South Africa. “In line with NYDA’s mandate and focus areas i.e. rural, the NYDA may opt to partner with a municipality, which has a youth focused IDP and LED programme. These may be targeted rural municipalities, where NYDA has limited presence. NYDA intervention may take a value chain approach, i.e. supporting youth economic participation from the beginning to the end of the value chain. This grant may be greater than

R100 000.00 and may be implemented with different stakeholders or partners,” (NYDA Grant Programme Operations Manual, 2013: 5).

#### **4.2.2 Grant Qualifying Criteria and Target Market**

A number of qualifying criteria have been determined by the NYDA with respect to who is eligible for the grant. Some of the criteria are presented below. The Grant Programme criteria state that the allocation of the grant will be fair and non-discriminatory; the applicant must be between the ages of 18-35 years; be applying for a grant within the range of R 1 000.00 and R 100 000.00; applicants are required to be South African citizens or residents of South Africa; the applicant is required to have a for profit sustainable business idea; businesses are required to work within the borders of South Africa and coherent financial information needs to be kept at all times and made accessible to the NYDA when necessary (NYDA Grant Programme Operations Manual, 2013: 6). A detailed list of the Grant Qualifying criteria can be found in Appendix 6.

#### **4.2.3 Exclusions of the Grant Programme**

The Grant Programme does not consider the following; enterprises that require funding below or above R1 000.00 and R 100 000.00 respectively; grant applications staff or Board Committee Members or Member of the Accounting Authority; businesses in the gambling, gaming or sex industries, and/or illegal activities; applicants with a criminal record of fraud or corruption and persons who lack contractual capacity by virtue of being of unsound mind (NYDA Grant Programme Operations Manual, 2013: 7-8). A detailed list of grant exclusions can be found in Appendix 7.

#### **4.2.4 Utilization of Grant Programme**

The Grant Programme provides working capital, stock and asset finance (NYDA Grant Programme Operations Manual, 2013: 8). This implies that there is no exchange of cash.

#### **4.2.5 The Grant Programme Model**

The Grant Programme is based on a holistic model of entrepreneurship paying equal value to the various aspects of business to ensure sustainable and viable businesses. Therefore, as part of the Grant Programme, a business development support service has been identified as important to accompany the grant and is illustrated below.

**Table 2. Business Development Support Services**

<b>Product</b>	<b>Description</b>
Market Linkages Intervention Programme	Lobbying opportunity providers in the private and public sector to present opportunities to young entrepreneurs from procurement, retail, distribution, acquisition of equity stakes, business funding, business development support services, etc.
Business Consulting Services - Voucher Programme (BCSVP)	Access to business development support services ranging from bookkeeping, marketing, tendering support to website development and more for R200 each
Business Mentorship Programme	Mentor allocated to the mentee.
Entrepreneurship Development Programme	Providing business skills training to young entrepreneurs seeking a grant
Youth Cooperative Development Programme	Provides development support services including facilitating registration with CIPC.
Community Development Facilitation	The programme is geared towards rural youth and provides community development facilitation by identifying livelihood opportunities and assists them to access NYDA programmes and services, by bringing these support programmes to the rural communities

Source: NYDA Grant Programme Operations Manual, 2013

The implementation of the Grant Programme occurs at three levels, Head Office in Johannesburg, Youth Advisory Councils (YAC) or branch level and funding partners respectively.

Administration of the Grant Programme generates large quantities of data. To capture the data collected, two software packages are used by the NYDA and are described below.

***Customer Relationship Management (CRM)***

The customer relationship management (CRM) is a software package used to manage all grant related applications and inquiries. Data is captured, stored and shared across all branches throughout the country. The CRM captures all the information related to applicant details, grant type, amount and where the applicant is located.



#### *Great Plains and PTS*

Great Plains and PTS are database management systems used to process payments to implementing partners and clients and are managed by the Finance Division of the NYDA Head Office.

### **4.2.6 Roles and Responsibilities of the management of the NYDA**

#### *Head Office*

The Head Office has the role of oversight of the Grant Programme policies, procedures and grant operations. Product specialists provide support to the branches and the head office (NYDA Grant Programme Operations Manual, 2013: 11).

#### *Branch Level*

At the branch, there are a number of designated roles for the Grant Programme implementation team. The team consists of the Coordinator(s)/Consultant(s) who conduct the initial assessment of grant applications, Grant Officer(s) who directly administer the Grant Programme, CDF Officer(s) who assist rural youth to recognise opportunities and formalise those into business plans, EDP officer(s) who provide entrepreneurship training and mentorship officer(s) who allocate mentors to the grantees (NYDA Grant Programme Operations Manual, 2013: 12). They are supported by the Branch Manager involved in Grants Programme delivery. A full list of the roles and responsibilities of the staff at the Branch level can be found in Appendix 3.

#### *Grant Officers*

The grants officer at the branch level is responsible for the implementation of the Grant Programme. Therefore the successful achievement of the objectives of the Grant Programme rests heavily on this individual. He/she is responsible for the promotion and marketing of NYDA's Grant Programme to a diverse range of low income youth. This Officer bears the responsibility of customer satisfaction and the sustainability of the NYDA's operations in their allocated area (NYDA Grant Programme Operations Manual, 2013: 14).

The grant officer is also responsible for Aftercare. Aftercare refers to assessment of businesses in terms of sustainability once the grant has been utilised. Aftercare makes it possible to physically ascertain whether the businesses that were supported through the grant are still in operation. Aftercare involves site visits in the allocated area under the branch, mentorship and market linkages to ensure sustainability of the businesses (NYDA Grant Programme Operations Manual, 2013: 16).

#### **4.2.7 Grant Approvals**

Grants are approved at both the branch level and Head Office level. At the branch level, the Branch Grant Approval and Review Committee (BGARC) approves grants of up to R 100 000.00 in line with the protocol set out in the Grant Policy Operations Manual and Policy document (NYDA Grant Operations Manual, 2013: 12-13). The BGARC comprises of the branch manager, business development services coordinator and enterprise finance coordinator. The BGARC is chaired by the branch manager. While the BGARC can approve grant amounts between R 50 000.00 and R100 000.00, approval needs to be first redirected to Head Office Grants Approval Committee (HOGAC). Applications are thoroughly assessed by grants officers and by the BGARC in terms of the policy document. Applications in this category are submitted to HOGAC. The HOGAC convenes weekly, or as and when required to approve grant applications (NYDA Grant Programme Operations Manual, 2013: 12-13). In the case of the NYDA Cape Town, the BGARC convenes once every week.

Grant programme applicants are required to complete and submit all the essential documentation (grant application form, identification documents, banking details). The BGARC reserves the right to interview all applicants; decline grant applications for valid reasons and recommend Business Support Services Vouchers to enhance the business's rate of success (NYDA Grant Programme Operations Manual, 2013:13).

Approvals at the Head Office are conducted through the Head Office Grant Approval Committee (HOGAC) for amounts ranging from R50 001.00 to R100 000.00. The HOGAC consists of the senior manager of enterprise finance; senior manager of business development services; senior manager of skills development and training; general manager of service delivery channel; and the senior manager of monitoring and evaluation. The committee is chaired by the Senior Manager: Skills Development and Training as delegated by the Chief Executive Officer (NYDA Grant Programme Manual, 2013: 14).

#### **4.2.8 Assessment of application**

Assessment for a grant begins once the relevant particulars of the applicant are captured on CRM. The applicant is then referred to a business development services coordinator for a comprehensive assessment to identify the strengths, weaknesses and client's needs and willingness for grant or non-financial support (NYDA Grant Programme Operations Manual, 2013: 19). The assessment includes examining the following (NYDA Grant Programme Operations Manual, 2013: 19):

- educational, technical and professional qualifications;
- technical skills, expertise and industry experience;
- general management experience;
- understanding of marketing, sales, administration, financial and human resource requirements;
- organisational structure of a business indicating fulfilment of operational requirements (operational, technical, financial, sales, human resource) with appropriate skills and expertise, appropriate to the enterprise and its industry;
- “soft skills” - leadership, negotiation, delegation, selling, etc;
- identification of deficiencies in management and appropriate remedial measures, e.g. business development support.

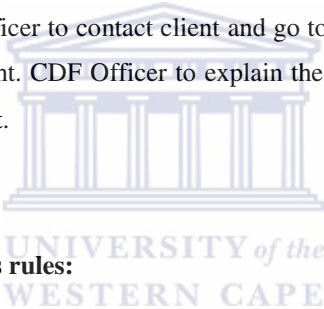
The following table provides a brief synopsis of the Grant Programme from the application to the grant phase:

**Table 7: Synopsis of Grant from application to receipt of Grant**

Step	Action	
1 Enquiry about grant offered at NYDA	Young person referred to the consultant for assessment (Grant Officer); in case of community development this assessment will be conducted by CDF officer.	
2 Comprehensive Assessment	Consultant/CDF officer executes initial comprehensive assessment to determine required intervention and whether the client qualifies for a grant	
	<b>If</b>	<b>Then</b>
	Client meets required standards for grant.	Client is referred to the Grants Officer  For community development facilitation assist client to apply for grant
	Client does not meet required standards for grant.	Refer to BDS.
3 Application forms completed	Once BDS has occurred, Grants/CDF Officer supports the applicant to complete business plan template and grant application form.	

4 ITC check conducted	Grant administrator conducts ITC background check on the client.	
	<b>If</b>	<b>Then</b>
	Respectable Credit History	Grant Officer informs applicant of application status and conducts site visit.
	Adverse credit History	The onus is on the applicant to demonstrate commitment by providing NYDA with written evidence on the settlement arrangements.
5 Site inspection	Grant/CDF Officer conducts site inspection and on completion compiles a Site Visit Inspection Report.	
6 Application pack reviewed	<p>CDF Officer consults Grant officer on application pack and inspection report prepared for review, thereafter submits report to branch manager for final review.</p> <p>Grant Officer submits application pack and inspection report to branch manager for review.</p>	
7 Feedback given to Grants Officer	Branch manager reviews application pack and site visit report and gives feedback to Grants/CDF Officer.	
	<b>If</b>	<b>Then</b>
	Manager's feedback is "Yes"	Pre-approval information will be generated.
	Manager's feedback is "No"	Grants/CDF Officer will conduct a further site inspection (depending on the reasons).
8 Application prepared for Branch Grant Approval and Review Committee(BGARC)	Administrator submits application pack to BGARC for review and approval.	

9  BGARC review application pack	The BGARC assesses application	
	<b>If</b>	<b>Then</b>
	Application is approved	Administrator must prepare a Grant Approval Letter (signed by Manager).
	Application is declined	Rejection letter to be sent to applicant (signed by Manager).
10  HOGAC Investment memo prepared	Grant/CDF Officer prepares HOGAC Investment memo for each recommended application above R50 000.00 and hands to branch manager for review.	
11  HOGAC investment memo sent to Product Specialist for review	Administrator sends HOGAC Investment memo for each recommended application to Product Specialist for review.	
	<b>If</b>	<b>Then</b>
	Investment memo meets quality	Submit to HOGAC
	Investment memo does not meet quality	Refer back to Branch for rectification and resubmission
12  Investment memo presented to HOGAC	Grants/CDF Officer presents applications to HOGAC for approval.	

<p><b>13</b></p> <p>HOGAC decision communicated</p>	<p>Grants Manager communicates decision of HOGAC to the Branch.</p>
<p><b>14</b></p> <p>Contracting</p>	<p>Branch Manager communicates HOGAC and BGARC decision to administrator to prepare legal agreement and load client on Grant management system.</p>
<p><b>15</b></p> <p>Legal agreement reviewed by Branch manager</p>	<p>Administrator forwards legal agreement to branch manager for review and quality assurance.</p>
<p><b>16</b></p> <p>Legal agreement signed</p>	<p>Administrator to contact client to come to the branch for the signing Legal agreement. Branch manager and Grant Officer to explain the terms and conditions of the contract to the client.</p> <p>CDF Officer to contact client and go to community for the client to sign Legal agreement. CDF Officer to explain the terms and conditions of the contract to the client.</p>  <p><b>Business rules:</b></p> <p>Client has 14 days to accept the terms of the Grant. If terms declined by the client, then the application will be declared as not taken up and terminated in the grants management system and filed accordingly.</p>
<p><b>17</b></p> <p>Disbursement process</p>	<p>If agreement has been signed (By client and manager and witnesses), then a disbursement process will be commissioned.</p>
<p><b>18</b></p> <p>Client/ Supplier banking details confirmed and disbursement request prepared</p>	<p>Administrator confirms client and/or suppliers' bank details, prepares a disbursement request and submits to Branch manager to check and sign after which Administrator sends to Portfolio assistant at Head Office (HO).</p>

<p><b>19</b></p> <p>Disbursement request prepared at Head Office.</p>	<p>Head Office Portfolio assistant prepares disbursement request for sign off by Grants manager and Senior manager EF.</p>
<p><b>20</b></p> <p>Signed Disbursement request forwarded to Finance</p>	<p>Portfolio Assistant forwards signed disbursement request to Finance for payment.</p>
<p><b>21</b></p> <p>Remittance advise printed and distributed</p>	<p>Finance prints remittance proof of payments and forwards to Portfolio Assistant who then dispenses these to the Branches who then inform the client.</p>

Source: NYDA Grant Programme Operations Manual, 2013

#### **4.2.9 Assessment outcome and Due Diligence**

A mandatory procedure for receiving a grant under the Grant Programme requires all candidates to undergo the entrepreneurship development programme. This training covers the following modules: developing an entrepreneurial profile; conducting research, legal aspects of running a business; developing a marketing strategy; understanding management functions; understanding costing and pricing; understanding financial management, understanding business administration and developing a solid business plan (NYDA Grant Programme, 2013: 19-20).

##### ***Due Diligence***

In accordance with the manual operations procedures, every grant application is subject to due diligence and evaluation to reference and verify the position of the applicant (NYDA Grant Programme Operations Manual, 2013: 24). Due diligence occurs in three main areas, namely, viability, management and financial structure (strength of balance sheet). The business plan forms a large part of due diligence process as it entails details on commercial viability and sustainability of the applicant's business idea/business. The business includes a number of aspects namely; cash flow and sales projections, sales and marketing strategies, financial management, organisational structure, property, plant and equipment (NYDA Grant Manual, 2013: 25).

#### **4.3. Conclusion**

This chapter provided a brief overview on what the NYDA is and what its core objectives are. This chapter then explained in detail, what the Grant Programme is and how it is administrated

from the Head Office to the branch levels which are spread throughout the country. It outlined what the roles and responsibilities are of each person that is part of the implementation of the programme. The Grant Programme Operations Manual and the Grant Policy document were the primary sources that were used to describe the Grant Programme. The next chapter presents and discusses the results from the data collected during fieldwork.





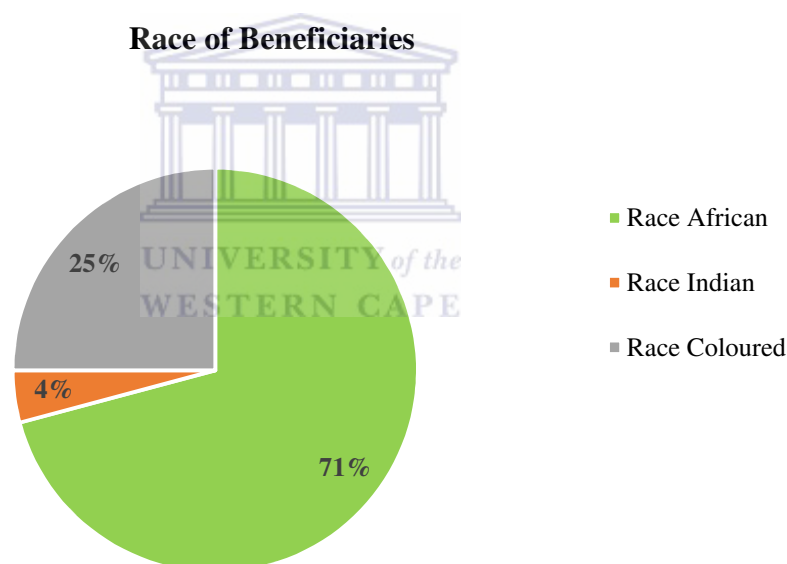
## Chapter 5. Data Presentation and Analysis

### 5.1 Data Presentation

This section presents the data collected from fieldwork from the implementing staff of the Grant Programme from the NYDA and the beneficiaries. Three implementing staff members were interviewed from the NYDA while 24 out of 48 beneficiaries were interviewed who were spread across the Western Cape. The data was gathered through face to face semi- structured interviews and telephonic interviews. This chapter focuses on the findings, analysis and emerging themes that were extracted from the data.

#### 5.1.1 Presentation of NYDA Grant Programme Beneficiaries data

##### Chart 1. Race Demographics

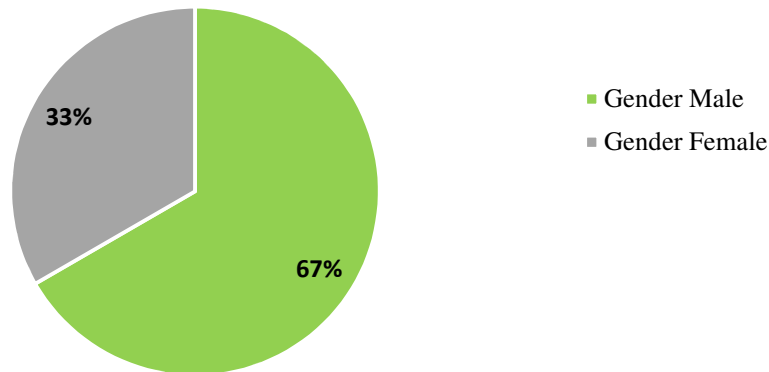


Source: Own compilation, 2014

Chart 1 depicts the racial demographics of the interviewed beneficiaries that received a grant. A total of 71% of the interviewed beneficiaries were African, 25% were coloured and 4% were Indian. This indicates that the Grant Programme is prioritising previously disadvantaged youth and therefore is targeting its intended recipients. This finding is interesting because it illustrates that African youth are seriously pursuing entrepreneurship as an alternative means to seek employment in the job market.

## Chart 2. Gender Demographics

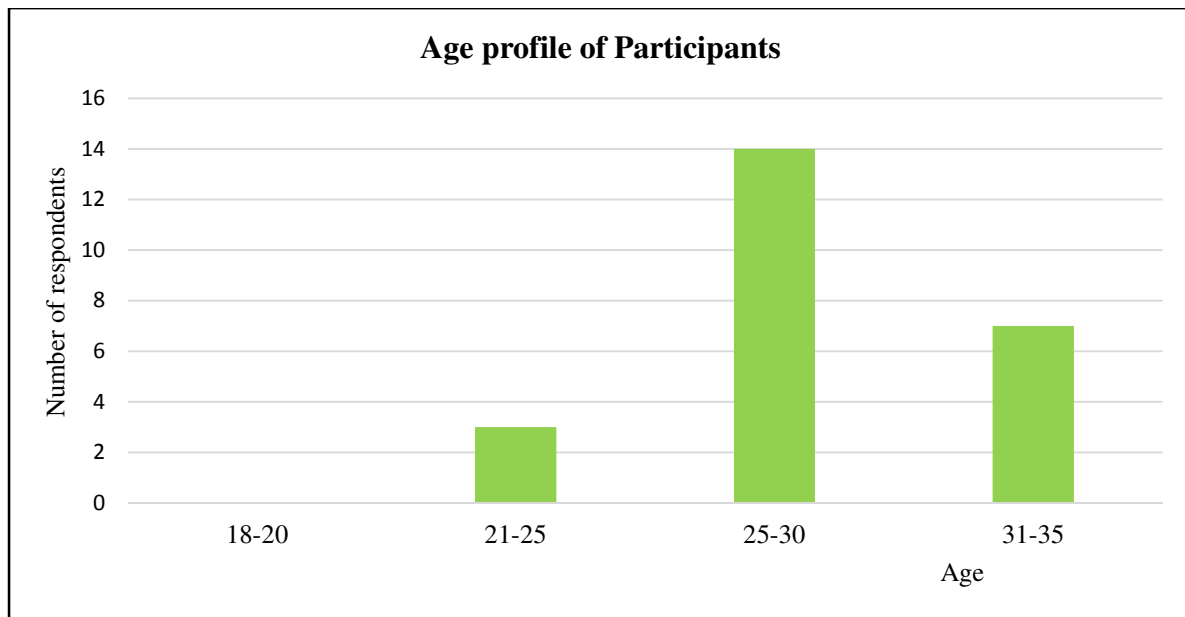
**Gender Profile of the Beneficiaries**



Source: Own compilation, 2014

Chart 2 illustrates the gender profile of the interviewed beneficiaries of the Grant Programme. 67% of the total sample interviewed were male while 33% were female. While it is encouraging to see that both men and women view entrepreneurship as a means to sustainable livelihood, the results indicate that only 33% of the sample interviewed were female. This is relatively low in the context of South Africa given that the unemployment rates of women, both youth and adult are higher than those of men (StatsSA, 2014: 7). Unemployment rates for female youth in the Western Cape stood at 32.6% as of June 2014 (StatsSA, 2014: 7), while male youth unemployment rates stood at 29.6% for the same period (StatsSA, 2014: 7). There is a 3% discrepancy for youth unemployment rates between genders in the Western Cape. These results indicate that more concerted efforts need to be made to entice young women into entrepreneurship.

**Graph 1. Age Demographics of Beneficiaries**



Source: Own compilation, 2014

Graph 1 above presents the age profile of the interviewed beneficiaries. The majority of the beneficiaries (14 out of 24) are in the age bracket of 21-25 years. The results indicate that the Grant Programme is targeting the intended youth within the age bracket identified both within the Grant Programme Operations Manual as well as the Grant Policy document. The findings also illustrate that a majority of respondents were in the age bracket of 25-30 years. This was an interesting find because it suggests that at some point, perhaps with the disillusionment with formal sector unemployment, young people view entrepreneurship as a path to sustainable livelihood. The table below illustrates the reasons and motivation for the respondents in starting their own businesses.

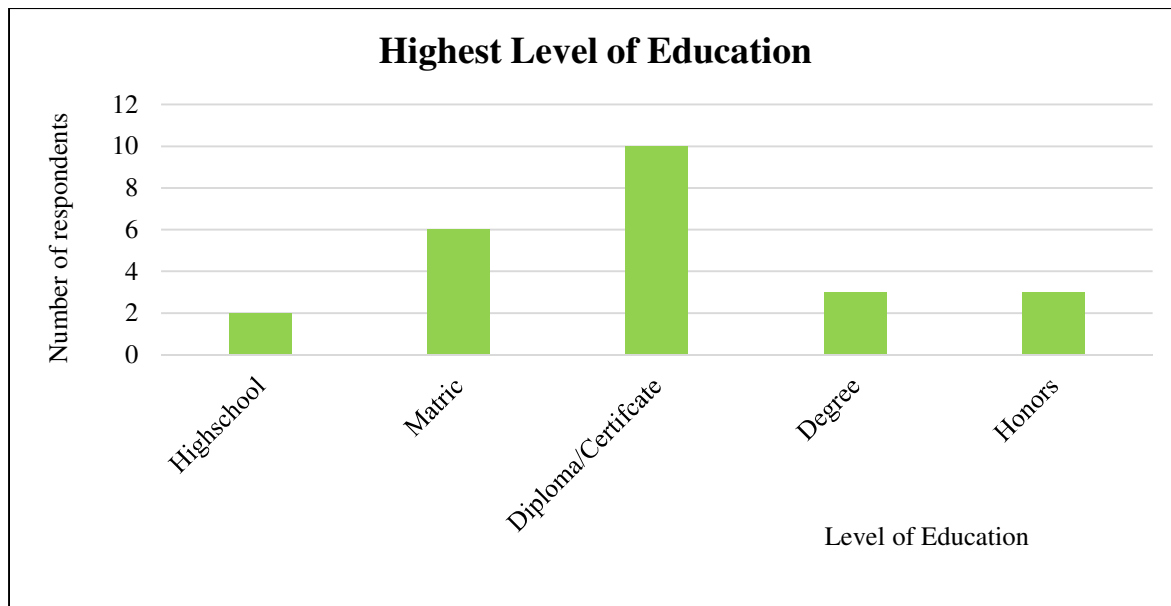
**Table 8. Reasons for starting a business**

<b>Reasons</b>	<b>Number of respondents</b>
Creating self-wealth	4%
Be own boss	17%
Passion for entrepreneurship	25%
Unemployment	13%
Financially independent	29%
Create employment for others	4%
Make profit	8%

Source: Own compilation, 2014

Table 8 presents the respondents' reasons for starting their own businesses. As most respondents cited more than one reason for starting their businesses, it is inaccurate to sum the total percentage of respondents as this would exceed 100% and will constitute as double counting. Therefore each reason has to be viewed independently of the other reasons. The most commonly cited reasons for the respondents starting their own businesses were passion for entrepreneurship (29%), the desire to be one's own boss (21%), unemployment (21%) and creating employment opportunity for others (21%). This was a particularly interesting find as one of the criteria of a successful entrepreneur in the literature on entrepreneurship states that passion for the business is a key factor or success. Furthermore, the current state of the job market with limited employment opportunities has also been a contributing factor for the respondents in starting their own businesses. These findings suggest that the respondents view entrepreneurship in a positive light with passion for entrepreneurship topping the list of reasons for starting a business. Given this, the Grant Programme proves to be a timely and relevant programme not only to the needs of the youth, but also to their passion for pursuing entrepreneurship.

**Graph 2. Highest Level of Education**



Source: Own compilation, 2014

Graph 2 depicts the highest level of education the beneficiaries received. The results indicate that the majority of the respondents had some form of qualification after matric, either a diploma or certificate. Most of these certificate/diploma qualifications are in the category of NQF level 2-4. According to StatsSA (2014: 10), youth comprise 45.2% of the semi-skilled labour force while adults constitute 54.8%. Youth constitute only 38.3% of the low skilled jobs while adults constitute 61.7% (StatsSA, 2014: 10). Therefore, the chances of a youth finding a job with minimal formal education and training are slim. The importance and relevance of the Grant Programme under these circumstances are therefore paramount in ensuring that youth have a chance to create self-employment opportunities and establish a means through which they can survive.

**Table 9. Breakdown of business sector of grant funded businesses**

Sector	Type of Services	Number of businesses in this field
Services	Car Wash	1
	Motor mechanics and car sales	1
	Car Repairs	1

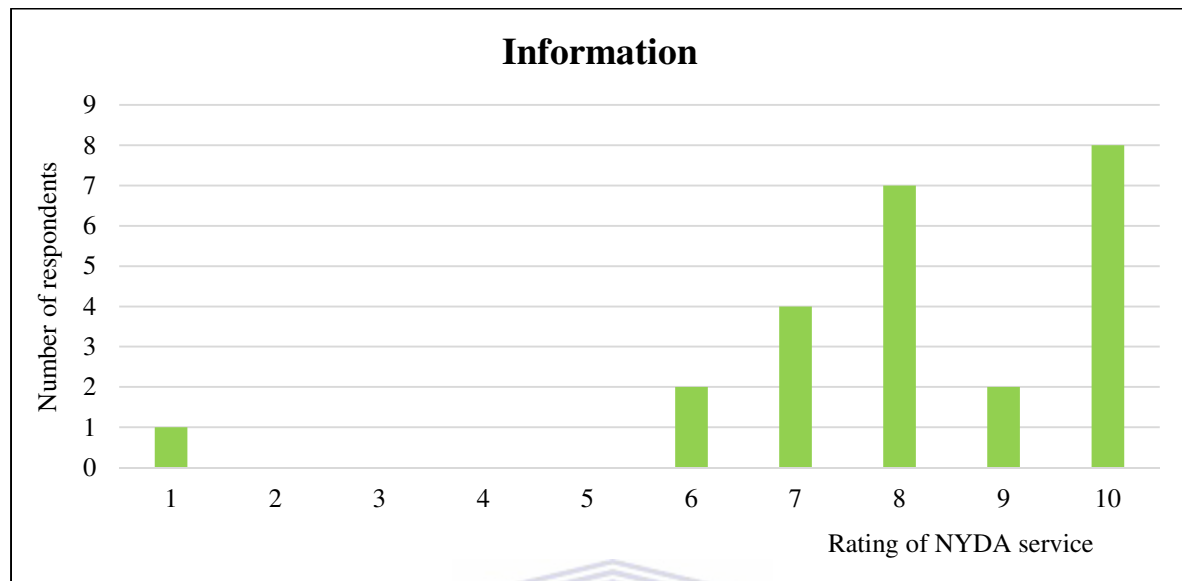
	Selling detergents	1
	Hair Salon	2
	Provision of sound/music	1
	Internet Cafe	2
	Photography	2
	Web and Graphic Design/Information technology	3
	Hiring/renting of sound/music equipment	1
	Braaing and selling meat	1
	Catering	1
	Media	1
Retail	Tuckshop	1
	Selling T-Shirts	1
	Hardware and general maintenance	1
	Fashion Design	1
Manufacturing	Making and selling leather bags	1
Agri Businesses	Livestock/chicken dealer	1

Source: Own compilation, 2014

Table 9 illustrates the sectors, the type of service and number of grant beneficiaries in each service. The table shows great variation of the businesses that have been awarded grants. This dispersion among the businesses is a good indicator of how the NYDA Cape Town Office

disperses the grant amongst various sectors supporting a diverse range of businesses. The table also demonstrates that the majority of the respondents have businesses in the services industry.

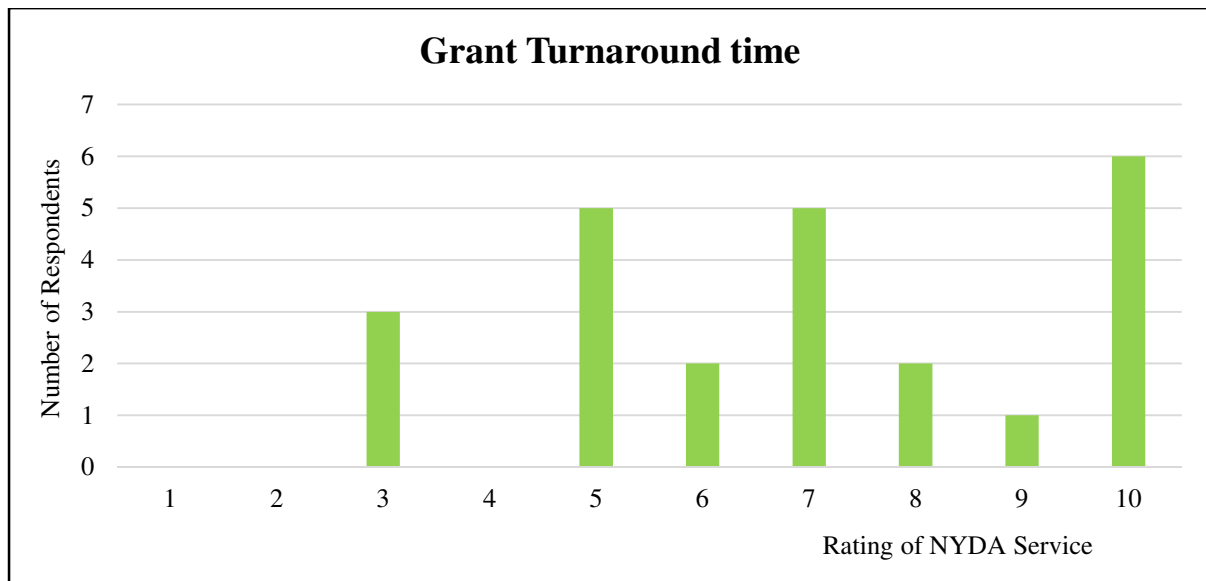
**Graph 3. Rating of Grant Information provided by NYDA to beneficiaries**



Source: Own compilation, 2014

Graph 3 depicts the number of respondents (vertical axis) that rated the information (horizontal axis) regarding the Grant Programme on a scale of 1 to 10, 1 being very bad and 10 being excellent. The cumulative majority of respondents (23) rated the information regarding the Grant Programme as above average (greater than 5). The majority of the respondents rated the Grant Programme information provision as excellent indicating that the Grant Programme, its content as well as the necessary procedures and document requirements were well explained to them and the information provided was easy to understand. Only one respondent was dissatisfied with the information provided, stating that she was not informed of all the necessary documentation and was required to make multiple trips to the NYDA Cape Town Office with the necessary documentation in order to process her application. From a process evaluation perspective, how a programme is implemented is very important and how the services are perceived by the intended beneficiaries provides an idea of how well the processes are executed. In this regard, the NYDA Cape Town Office has done well (as can be gauged from the positive feedback of the respondents) to present the Grant Programme and the necessary documentation requirements for the grant application to be processed.

**Graph 4. Rating of Grant turnaround time**



Source: Own compilation, 2014

Graph 4 illustrates the number of respondents (vertical axis) that rated the grant turnaround time (horizontal axis) from the moment an application for the grant is submitted to the date of receipt of the grant. The majority of the respondents rated the grant turnaround time average (5) or more. A total of six respondents rated the grant turnaround time as excellent while 3 respondents felt that the grant turnaround time was poor and they had to wait far too long to receive the grant.

**Table 10. Grant Waiting time**

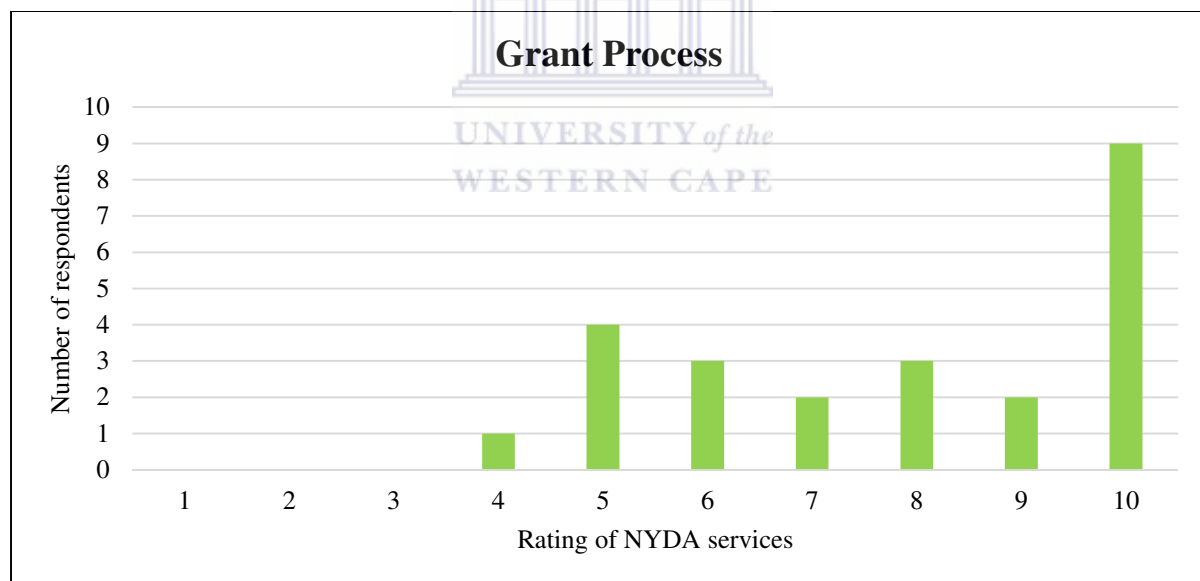
Approximate Waiting time for grant	Percentage of Respondents
2 weeks	8.3%
3 weeks	8.3%
1 month	21%
2 months	29.2%
3 months	25%
Greater than 3 months	8.3%

Source: Own compilation, 2014



Table 10 illustrates the approximate waiting time for the grant to be received. The grant took 2 months to materialise for the majority (7 out of 24) of the respondents followed closely by 3 months for 6 respondents. This is in fact longer than the grant turnaround time stated by the administrator at the NYDA Cape Town Office. The stated turnaround time for the Grant Programme at the Branch level is 21 days. For a majority of respondents the time between applying for the grant and receiving the grant was 60 days, 39 days more than the stipulated turnaround time. This indicates that while respondents stated that they are happy with the grant turnaround time as illustrated in Graph 4, they are waiting longer than they need to in order to receive the grant. This discrepancy could perhaps be explained by the grantees being unaware of what the real turnaround time is. Furthermore, the administrator for the Grant Programme stated that while they may be speedy in processing the applications on their side, delays often take place at the Head Office. Delays in processing applications also depend on whether the grantees have submitted all the relevant documentation and informed their suppliers into whose bank account the grant funds are to be transferred.

**Graph 5. Rating of Grant Process**



Source: Own compilation, 2014

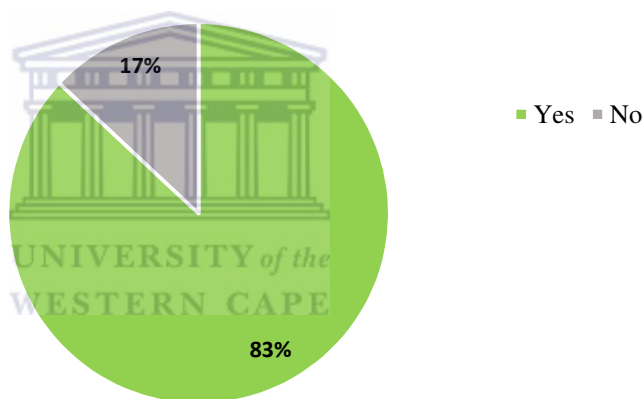
Graph 5 illustrates the number of respondents (vertical axis) that rated the grant process (horizontal axis). The grant process refers to the whole procedure of coming into the NYDA Cape Town office with the grantee leaving there satisfied with how he or she was treated (respectfully, with friendly staff), satisfied with how long they had to queue before they interacted with the grant officer and with the efficiency of the application process itself, as well as response time to queries. Graph 5 illustrates that the majority of respondents were extremely

satisfied with the grant process at the NYDA Cape Town office rating the process a 10 which is excellent. Only one respondent stated that the process was less than average rating it a 4. This respondent was not satisfied with the call backs taking a long time and the hounding of grant officers to receive feedback on queries.

From a process evaluation perspective, the results indicate that the NYDA office in Cape Town has done well to receive an overall positive rating on their grant processes. However, it also indicates that there is room for improvement in the administering of the grant programme, as there are still 15 respondents (those that did not rate the process a 10) that did not think that the programme was administered at its best.

### **Chart 3. Respondents' belief in themselves as successful entrepreneurs (self-efficacy)**

#### **Do you believe that you are a successful entrepreneur**



Source: Own compilation, 2014

Chart 3 illustrates the number of respondents that believe themselves to be successful entrepreneurs. The majority of the respondents, 83% stated that they believed themselves to be successful entrepreneurs. Only 17% of the respondents stated that they had not yet achieved success. This is because they defined success as either an expansion of the business itself, increased sales or increased clients, and they had not yet achieved this. This finding is interesting as it speaks directly to the self-efficacy and agency as discussed in Chapter Two under Social Cognitive Theory on the part of the beneficiaries. The results indicate the positive attitude with which the respondents embark upon entrepreneurship which is necessary to successful entrepreneurship. No single beneficiary expressed fear nor perceived the reasons of

being unsuccessful as insurmountable obstacle. For example, one respondent who stated that he was unsuccessful said that while there is progress, he is not where he wants to be, and until he reaches that goal, he would not consider himself successful. Furthermore, the table below categorises the most common reasons provided by the beneficiaries for stating why they believed themselves to be successful entrepreneurs.

**Table 11. Why do you believe you are a successful entrepreneur?**

<b>Reasons cited by respondents</b>	<b>Percentage of respondents</b>
Moving forward/progress	29.1%
Differentiation of service from other service providers	4.2%
Passionate about my business	8.3%
Innovative	4.2%
Overcome challenges	8.3%
Make a profit	8.3%
Hard work	12.5%
Take risks	4.2%
*1 respondent had not fully started his business at the time of the interview	4.2%
*4 respondents did not consider themselves successful entrepreneurs	16.7%

Source: Own compilation, 2014

The table above presents the reasons why the beneficiaries perceived themselves as successful entrepreneurs. The majority of the beneficiaries (29.1%) perceived the progress they had made in their businesses, from where they were when they had started their businesses to where they were at the time of the interview, as an indicator of success. The second most commonly cited reason was hard work (12.5%) as an important contributor to the success of an entrepreneur. It is worth mentioning that all of the above reasons mentioned are the same as the criteria

discussed in the literature on entrepreneurship as attributes of successful entrepreneurs. The grant beneficiaries therefore have identified with what the literature and general consensus says about successful entrepreneurship. Hirsch (1990: 209) states that “ Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk, and receiving the resulting rewards of monetary and personal satisfaction.” Qualities identified with successful entrepreneurship in the literature on entrepreneurship were: perseverance, reflection, experimental learning and determination (Nandram and Samsom, 2007: 18) while others included passion, initiative taking, efficient use of resources, risk taking and learning from failure (Dingee, Haslett and Smollen, 197: 1).

Entrepreneurship does not exist outside a social vacuum and therefore the psychic and social risks form part and parcel of entrepreneurship. Bandura’s Social Cognitive Theory states that intentionality, forethought, self-reactiveness and self-reflectiveness are all processes that ensure agency, in this case, as an agent of entrepreneurship. Self-efficacy, that is belief in oneself, is what will determine the success or failure of the business. Self-belief was also a factor which came up in a participant’s response as to why he perceived himself to be successful.

This therefore supports the rationale and relevance of a Grant Programme that identifies with the social cognitive mind-set of aspiring entrepreneurs, supporting them in their entrepreneurial aspirations.

**Table 12. Qualities associated with a successful entrepreneur**

<b>Qualities</b>	<b>Number of respondents</b>
Vision	8.3%
Integrity	4.2%
Passionate	8.3%
Hard work	25%
Innovative	21%
Disciplined/Perseverance	8.3%

Self-Belief (self-efficacy)	8.3%
Motivation	8.3%
Risk taking	4.2%
Capitalise on opportunities	4.2%

Source: Own Compilation, 2014

Table 12 presents the respondents' perception of qualities associated with successful entrepreneurs. The qualities most commonly cited by the respondents were hard work (25%), innovation (21%), self-belief (8.3%), vision (8.3%) and motivation (8.3%) as qualities they felt were representative of successful entrepreneurs. Once again, most of the qualities are supportive of what the literature discusses on entrepreneurship and therefore this Grant Programme is both relevant and timely for the aspiring youth entrepreneurs of South Africa.

**Table 13. Do you struggle with Cash flow?**

Yes	No	Not applicable
46%	50%	4%

Source: Own compilation, 2014

Table 13 illustrates the percentage of respondents that struggled with cash flow. The majority, 50% of the respondents did not struggle with cash flow while 46% did struggle. The question was not applicable to 4% of the sample as the respondent's business was to open after the week of the interview. This is an important finding as cash flow is an important indicator of the financial health of the business (CIMA, 2014) and therefore points towards the sustainability of an enterprise. In the case of the survivalist businesses that the NYDA Grant Programme supports, cash in hand allows for the payment of day to day operations. These survivalist businesses are not supported through loans from banks, therefore the importance of cash on hand cannot be underestimated. Given that 50% of the beneficiaries did not struggle with cash flow, it is reasonable to expect that these businesses are likely to continue. For the 46% of beneficiaries who struggled with cash flow, it would be prudent for the NYDA to develop some sort of emergency intervention to support these businesses, through perhaps the provision of a workshop on financial management and the importance of liquidity in a survivalist type of business.

**Table 14. What challenges do you face with the business?**

<b>Specific Challenges</b>	<b>Number of respondents</b>
Finances	42%
Human Resource Management	8%
Tendering	4.2%
Transport	4.2%
Expansion	4.2%
Physical space	21%
Equipment	4.2%
Networking	4.2%
Sourcing clients	4.2%
No challenges	4.2%

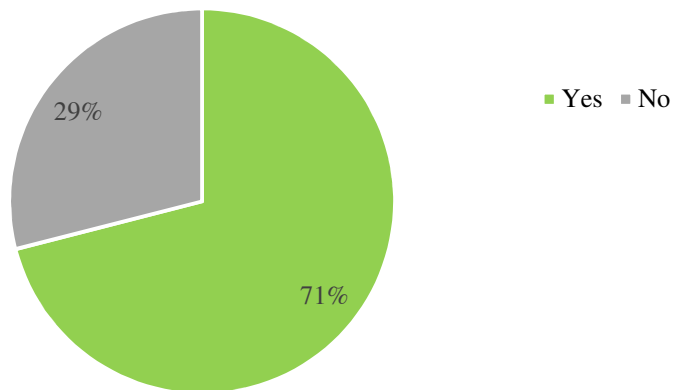
Source: Own compilation, 2014

Table 14 illustrates specific challenges that the respondents faced in operating their businesses. The commonly occurring challenges were finance (42% of respondents), physical space (21%) and human resource management (25% of respondents). The majority of respondents cited finances as a limiting factor to the growth and sustainability of the business. Furthermore, three of the respondents expressed concern at not having a suitable physical space in which they could operate their businesses and desired the NYDA to help them locate trading space in Cape Town, as this was the prime location for their services. They also requested the NYDA to help them fund the premises they traded in as rent was becoming increasingly unaffordable or was unaffordable for the businesses that were struggling. Other respondents stated that sourcing qualified staff remained a challenge for them. At the time of the interview, only one respondent stated that she faced no challenges and, despite deeper probing, she stated her business was running smoothly. Limited finance and restrictive physical space in which to trade are significant challenges that can impact on the sustainability of these survivalist businesses; therefore it becomes imperative for the NYDA to find means of mitigating these challenges for grantees in the future. Perhaps provision of a grant for renting of physical space can be made

after a business has been running for a minimum of three months. The grant can be renewable every three months provided the business shows growth or potential to grow over that period.

#### **Chart 4. Beneficiaries that received EDP training**

### **Did you receive EDP training?**

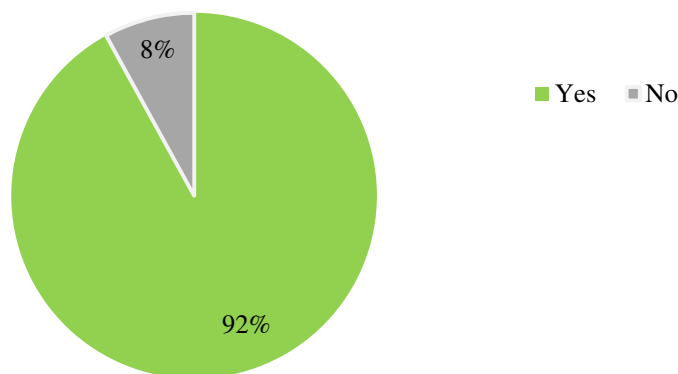


Source: Own compilation, 2014

The chart above displays the number of the beneficiaries that attended the EDP training workshop. A large number of respondents (71%) attended the training while 29% did not. Those that did not attend either received business training elsewhere or were not invited to attend the EDP training. Given that the EDP is one way in which the NYDA ensures sustainability of the businesses, it needs to make more of an effort to invite every grant recipient to the EDP training workshop and to conduct feedback and follow up on what the beneficiaries thought of the EDP and how the EDP could be improved to make the training more relevant to the beneficiaries.

**Chart 5. Percentage of respondents that would like another business training workshop**

**Do you think the NYDA should have another training workshop?**



Source: Own compilation, 2014

The chart above depicts the responses to whether the NYDA should host another enterprise development training workshop. A surprising number of respondents (92%) stated that they would like to participate in another training workshop in which they could learn more about the different aspects of sound business management, while 8% stated that they were not interested in another workshop. This data therefore suggests that the NYDA should pursue avenues to provide another workshop in which the aspects (congruent with the wishes of the beneficiaries) in the table below can be explored at length.

**Table 15. What respondents would like to learn in another workshop?**

What would you like the workshop to focus on?	% of Respondents
Business management	21%
Workshop on Grant Programme, documentation required and partners of NYDA	8%
Tendering	8%
Financial Management	29%
Human Resource Management	4%



Computer Literacy	4%
Networking	8%
Marketing	8%
No. respondents that did not want another workshop	8%

Source: Own Compilation, 2014

Table 15 above presents the aspects the grant beneficiaries are interested in should the NYDA host another enterprise development workshop. Given the challenges that a number of respondents faced in running their businesses, it is no surprise that the majority of respondents (29%) desired to receive more training in financial management followed by 21% stating that they would like to improve on their overall business management skills. Other relevant aspects to running a successful enterprise were mentioned, such as networking sessions to increase the client base, marketing including online marketing training, training on how to submit tender documents, training in computer literacy and another workshop that outlines in detail what the Grant Programme is and the requirements necessary to receive a grant. The respondents that did not want another workshop (8.3%) were the very same respondents that had substantial experience in a business or received a substantial amount of business training outside of the NYDA.

**Table 16. To what extent has the NYDA contributed to your business success?**

Extent of success	Percentage of respondents
Taught the basics of how to manage a business	8%
Provided equipment	46%
Provided stock	38%
Printed the magazine	4%
Branding/Marketing	4%

Source: Own compilation, 2014

Table 16 depicts the extent to which the beneficiaries believed the NYDA to have contributed to the success of their businesses. The majority of the respondents received a grant in the form of equipment (46%) and stock (38%). Equipment took on a number of forms from photographic equipment, to photo-copy machines to equipment related to catering to name a few. Stock took the form of providing shampoos and dyes for a hair salon, chickens, leather and fabric to name a few. It was clear that in most cases, without the grant a majority of these businesses would either have discontinued due to a shortage of funds to purchase the necessary stock and equipment, or would not have started at all. This illustrates the importance of not only the Grant Programme in starting up and propelling youth enterprises, but also the importance of capital and finance necessary to start and sustain a business.

**Table 17. Total number of people employed and total number of youth employed**

Total Number of People Employed	Total Number of Youth Employed
51	45

Source: Own compilation, 2014

The beneficiaries were asked to state the number of people their businesses employed and of those employed, to state the number of youth. Table 17 illustrates that a total of 51 youth were employed by the beneficiaries interviewed, and of those 51, 45 were youth. This is a significant finding for two reasons. Firstly, these youth businesses are creating general employment. Secondly, a large share of those employed are youth. Therefore, the Grant Programme is achieving progress in terms of addressing youth unemployment. However, due to the small sample, taken from only one of the nine provinces, the findings cannot be generalised and the potential impact is very small compared to the number of unemployed youth across the country. In fact it is a mere drop in the ocean. More research and comprehensive monitoring and evaluation of all businesses supported by the Grant Programme needs to occur in which the impact of the businesses on youth unemployment can be measured. The measurement of impact is beyond the scope of this study as this is a process evaluation focusing only on the procedures and administration processes in rolling out the Grant Programme. All that can be said at this time is that the Grant Programme has proved both timely and relevant to the youth survivalist businesses.

**Table 18. What recommendations can you make to improve the implementation of the Grant Programme?**

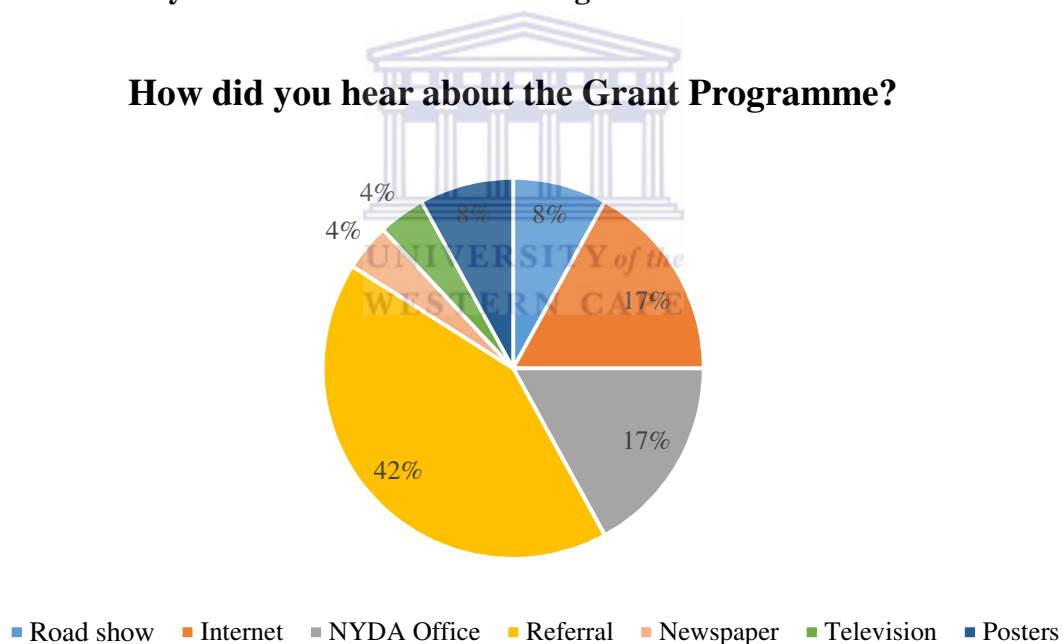
<b>Recommendation</b>	<b>% of Respondents</b>
Improve advertising	4.2%
Improve and update website	4.2%
Establish business networking sessions	4.2%
Must visit beneficiaries more often	4.2%
Help with physical space to start/maintain a business	16.7%
Allocate mentors efficiently	4.2%
Grant application process should be made available online	4.2%
Improve efficiency in grant application process	16.7%
Help with securing transportation of goods to client	4.2%
Increase grant amount for equipment/stock	8.3%
Improve computer services at the NYDA Cape Town office	4.2%
Increase branches in the Western Cape	8.3%
Timely feedback and call backs	4.2%
Increase staff capacity	4.2%
Nothing to improve	8.3%

Source: Own compilation, 2014

Respondents were asked to make recommendations to the current implementation of the Grant Programme. Table 18 presents the recommendations. A majority of the respondents (16.7%) stated that they would like the Grant Programme to include funding for renting trading space

as this is a major impediment to the success of their businesses. Another recommendation presented was that the efficiency in the Grant Programme application process needs to be improved upon. This is not surprising given that for more than 50% of the sample interviewed, the grant turnaround time was between two to three months. From the perspective of a process evaluation, the grant turnaround time is inefficient. Other recommendations included an increase in the grant amount as sometimes the grant covered only one aspect of the stock required to run a successful business. For example, in the hair salon business, the grant may cover only shampoos and dyes leaving out room to obtain hair dryers and straightening machines. Therefore a more holistic allocation of grants needs to take place. Some beneficiaries stated that the NYDA needs to increase its branches in the Western Cape as it costs far too much time and money for the beneficiaries to travel to Cape Town. Lastly, 8.3% of the sample found the administration of the Grant Programme without need for improvement.

**Chart 6. How did you hear about the Grant Programme?**



Source: Own compilation, 2014

Chart 5 illustrates the mode through which the respondents discovered the Grant Programme. The majority of them (42%) heard of the Grant Programme through referrals from either friends, training workshops, or partners of the NYDA. The remaining respondents discovered the Grant Programme through the NYDA office (17%), the internet (17%), roadshows (8%) and posters (8%) while a small number discovered it through the television (4%) and the newspaper (8%). This is an indicator that the NYDA Cape Office needs to improve on its

marketing strategies, given that traditional methods of marketing such as the roadshows, newspapers and television have yielded a poorer marketing outcome than word of mouth.

**Table 19. Participation in a Stakeholder Workshop**

Did you participate in a stakeholder workshop?	
Yes	No
0	24

Source: Own compilation, 2014

Table 19 illustrates that none of the beneficiaries that were interviewed were part of a stakeholder workshop or stakeholder engagement. The purpose of a stakeholder engagement is to identify and consider the needs, limitations and capabilities of the beneficiaries that are to receive an intervention to maximise the eventual outputs and outcomes of that intervention and to ensure a participatory approach in the design of the intervention. In this sample of beneficiaries, stakeholder engagement did not occur and therefore from a process evaluation perspective, this programme was non participatory. At the time of this study, it is unknown to the researcher if stakeholder engagement occurred elsewhere in the other provinces and it was beyond the scope of this research to establish if it occurred in other provinces. The implementing staff of the Grant Programme at the NYDA themselves were unsure as to whether stakeholder engagement had occurred or not.

## **5.2 Data Analysis using the DAC criteria**

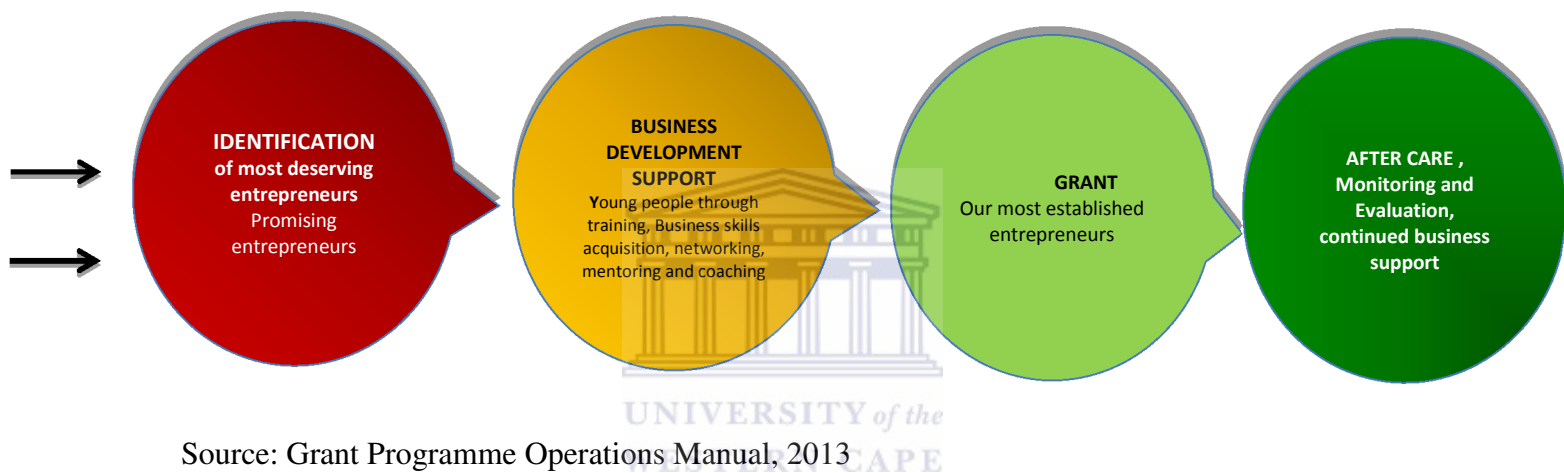
This section seeks to analyse the data that was collected during the fieldwork stage. The framework for the evaluation of the data is the DAC OECD criteria. The OECD DAC criteria speak to relevance, effectiveness, efficiency and sustainability. The criteria are applied to both the NYDA beneficiaries as well as the NYDA implementation staff. Given that this research is a process evaluation, indicators were developed in order to measure progress towards the objectives of the Grant Programme. An indicator is “a qualitative or quantitative factor or variable that provides a simple and reliable means to ensure achievement, to reflect the changes connected to an intervention or to help assess the performance of a development actor.” The SMART criteria that indicators need to fulfil have been discussed in Chapter One. The first section applied the DAC criteria to the NYDA implementation process with a discussion on

the findings. The second section applies the DAC criteria to the beneficiaries coupled with a discussion on the findings.

### 5.2.1 DAC Criteria applied to the NYDA Cape Town Branch in implementing the Grant Programme

The implementation of the Grant Programme has a number of stages before the grant is given to the recipient and also has a follow up component called Aftercare. The diagram below summarises the steps in implementing the Grant Programme.

**Diagram 1. Steps in the implementation of the Grant Programme**



Source: Grant Programme Operations Manual, 2013

A detailed organogram of the grant implementation process can be found in the Appendix. A detailed explanation of how the grants are administered can be found in Chapter 4. A log frame was designed for implementation of the Grant Programme and provided the framework for the analysis of the programme using the DAC criteria. The logframe is a matrix that rests on a hierarchy of aims or objectives that consists of activities, outputs, outcomes and impacts (Ile, Eresia-Eke and Ile, 2012: 100).

The four criteria for the DAC evaluation rest upon relevance, efficiency, effectiveness and sustainability. To determine whether the implementation of the Grant Programme was in line with the Grant Programme operations manual, indicators were developed to measure whether the objectives of the programme were achieved. They have been included in the logframe below. The method through which the indicators were selected was through consultation with the Grant Programme Operations Manual as well as the Grant Policy Document and through determining the various aspects that constitute to a process evaluation. Indicators were designed to gauge information on the processes and procedures for the administration of the

grants across the Western Cape. This information was obtained from the Grant Programme Operations Manual as well as the Grant Policy Document. The table on the following presents the logframe developed by the researcher.



<b>Table 20. Log frame</b>				
<b>Project Description</b>	<b>Narrative Summary</b>	<b>Indicators</b>	<b>Means of Verification</b>	<b>Risks/Assumptions</b>
<b>Goal</b>	To address the youth unemployment crisis in South Africa	Number of successful businesses supported by the Grant Programme  Number of youth employed by these businesses	NYDA Annual Report	Funding continues for the Grant Programme
<b>Purpose</b>	Provision of an opportunity to young entrepreneurs to access both the financial and non-financial business development support to establish their survivalist businesses	Number of sustainable businesses funded through the Grant Programme  Number of monitoring and evaluation reports	Site Visits to beneficiaries' business premise  NYDA Cape Town Office Annual Report	The business of each beneficiary will continue into the future
<b>Output</b>	50 grants successfully administered to youth across the Western Cape for the period 2013-2014	Number of Grants issued for the period of 2013-2014	Monthly report on grants issued	Accurate records of all grants administered are kept, site visit reports are updated regularly and data for monitoring and evaluation is collected



Activities		Inputs		
s	<ol style="list-style-type: none"> <li>1. Inquiry/intake of Grant Applications</li> <li>2. Data capturing of details/file opened in the name of the applicant</li> <li>3. Initial comprehensive assessment</li> <li>4. Selection of Grant beneficiaries for BDS</li> <li>5. Identification of Grant beneficiaries</li> <li>6. Business template filled in (Grant officer and beneficiaries)</li> <li>7. Due diligence check, credit history check</li> <li>8. Site inspection of business</li> <li>9. Application pack reviewed and submitted to branch manager for approval</li> <li>10. Approval</li> <li>11. Grant administrator submits application to BGARC</li> <li>12. BGARC reviews application pack</li> </ol>	<ul style="list-style-type: none"> <li>• Funding</li> <li>• Grant Implementing staff at branch level</li> <li>• CRM database and Great Plain system</li> <li>• Branch Office</li> <li>• Manual designed for implementation</li> <li>• Grant Administration staff at Head Office level</li> <li>• Advertising of the Grant Programme on the internet, television, newspapers, posters and through roadshows across the Western Cape</li> <li>• Post grant support</li> </ul>	<ul style="list-style-type: none"> <li>• CRM database</li> <li>• Grant Manual</li> <li>• Monthly Report</li> <li>• Monthly site visit reports</li> </ul>	<ul style="list-style-type: none"> <li>• Data is captured timeously and accurately</li> <li>• Grant applications are processed in line with the policies and procedures set out in the grant manual</li> <li>• The BGARC meets once a week to review assessed applications</li> <li>• Frequent and good communication channel between head office and branch level administration staff</li> <li>• Youth attend the EDP training workshop</li> <li>• Youth apply what they learnt in the EDP training workshop to their businesses</li> </ul>

	<p>13. Investment memo submitted for application over R50 000 to HOGAC</p> <p>14. Investment memo submitted for specialist review</p> <p>15. If approved, Investment memo presented to HOGAC</p> <p>16. HOGAC decision communicated to branch manager</p> <p>17. Contracting between grant beneficiaries and grant management team</p> <p>18. Contract reviewed by branch manager</p> <p>19. Contract signed</p> <p>20. Client supplier banking details confirmed and disbursement of funds</p> <p>21. Disbursement request prepared at Head Office</p> <p>22. Disbursement request forwarded to Finance for signature</p>			
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	23. Remittance advise printed and distributed to branch manager (proof disbursement)			
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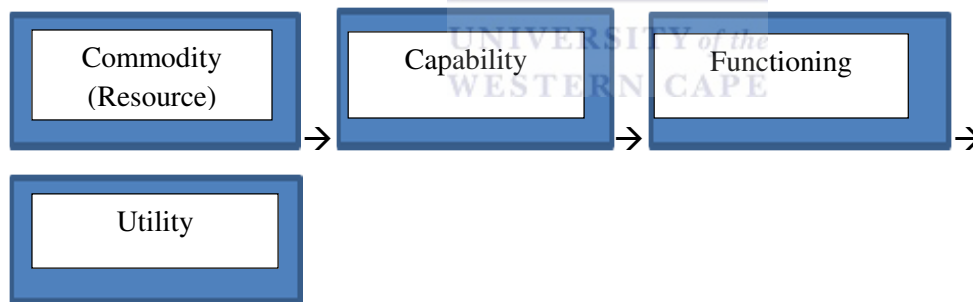
Source: Grant Operations Manual, 2013 and Own Compilation, 2014



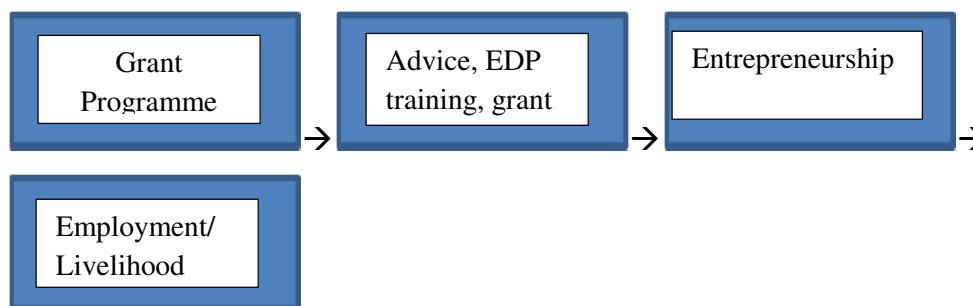
**5.2.1.1 Relevance**

Relevance refers to the extent to which “the objectives of the development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partner and donor’s policies,” (OECD, 2002: 32). South Africa is facing a youth unemployment crisis with the unemployment rate sitting at 36.1% (StatsSA, 2014: 6). Given this situation, youth entrepreneurship interventions are both timely and pertinent to mitigate the rising youth unemployment rate.

To assess whether this intervention was useful to the beneficiaries the Capability Approach as well as Social Cognitive Theory were used as the framework for understanding important factors that would enable the maximal benefits of the Grant Programme. The Capability Approach used in the context of the Grant Programme was interested in determining whether the beneficiaries have the capabilities of transforming these commodities (Grant Programme) into functionings (entrepreneurship), that is from potentiality to actuality and if not, then why and what are the barriers which make them unable to convert resources into functionings? The diagram below illustrates the adaption of the Capability Approach to the context of the Grant Programme.



Adapted to the Grant Programme the diagram looks as follows:



The results indicate that all the respondents that were interviewed had functioning businesses at the time of the interview except one respondent who was to start his business the week after

the interview had occurred. The grant beneficiaries were indeed able to convert the Grant Programme into a sustainable livelihood from which they derived their income. Furthermore, all the grant beneficiaries either attended the EDP training or had received entrepreneurship or business training elsewhere. Collectively these survivalist businesses employed 51 people. The Grant Programme from the perspective of the Capability Approach has enabled 24 youth to enhance their capability set thereby their freedom of choice to attain utility in the form of livelihood.

Social Cognitive theory relies heavily on the notion of self-efficacy, whereby people believe more in their own capabilities of accomplishment rather than skills. Self-efficacy is important because it is a central factor that determines life choices, motivations and empowers us to deal with failures and success. These are important aspects to consider when embarking on the journey of entrepreneurship. The results indicated that all of the respondents believed themselves to be successful entrepreneurs or the ability to be successful given some time. Furthermore, they identified qualities associated with what the literature on entrepreneurship attributes to successful entrepreneurs. This finding reinforces the literature on entrepreneurship.

Therefore, the Grant Programme is relevant to the youth of South Africa and has proved to be a lifeline to survival for the youth that were interviewed in this study. The results indicate that the Grant Programme is also timely as the passion for entrepreneurship thrives amongst the youth that were interviewed. Furthermore, hindrances or entrepreneurial obstacles cited by scholars in Chapter One, such as a lack of entrepreneurship culture (Nasser, 2003); lack of entrepreneurship knowledge through formal and informal education (Blokker and Dallago, 2008); relevant business development services and business support (Simpson and Christensen, 2006) and the insufficient access to financing (Simpson and Christensen, 2006) have been largely mitigated by the Grant Programme and its holistic structure.

Unfortunately no information was provided on when and where stakeholder engagement occurred with the youth. Stakeholder engagement is important because the results of interventions have to be defined from the perspectives of the stakeholders as well as their cooperation (Ile, Eresia-Eke, Allen Ile, 2012: 109). Mere acknowledgement of success from one stakeholder does not reflect the reality of the intervention; hence multiple perspectives from multiple stakeholders lend credibility to the success or failure of an intervention.

None of the beneficiaries that were interviewed were part of any stakeholder workshop. When the researcher asked the implementation staff whether stakeholder engagement occurred, she was referred to the Head Office. Therefore, it remains unknown whether the beneficiaries were consulted on the type of intervention they desired and if the current intervention was suited to their needs. Despite this, the results from the interviews present a positive picture of the Grant Programme itself as well as its implementation in the Western Cape.

### 5.2.1.2 Efficiency

Efficiency is a measure of “how economically resources/inputs (funds, expertise, time) are converted to results,” (OECD, 2002: 21). When assessing the efficiency of the Grant Programme, aspects related to the efficient administration of the Programme were considered. These administration process factors that this study focused on are presented in the table below.

**Table 21. Processes related to the efficiency of the Grant Programme implementation**

Process Outputs	Indicators	Process Outcomes	Indicators
Grants have been allocated for the year	Number of grants distributed across the Western Cape for the year  Number of Grant administrators	Sustainable businesses	Number of people employed by the business of the participant  Number of youth employed by the business of the participant
Entrepreneurship Development Training	Number of beneficiaries that attended EDP training	Sustainable businesses	Number of businesses that are struggling, running smoothly, expanding
Site Inspection	Number of site inspections	Qualification for Grant	Number of youth receiving the Grant

Grant processing	Number of Grants with a turnaround time of 21 days	Grants processed and disbursed within 21 days	Grant turnaround time
Aftercare	Number of site visits per month	Follow up on businesses support by the NYDA through the grant programme	Number of businesses still functioning
Feedback/ Call backs	Number of call backs a month	Queries resolved or challenges addressed	Grant beneficiaries' satisfaction with the grant process

Source: Grant Programme Operations Manual, 2013 and Own compilation, 2014

The above table highlights the most important processes related to the administration of the Grant Programme. Indicators used to determine how well these input resources were used were: the number of grant programmes that have been distributed thus far; the number of beneficiaries that attended the Grant Programme; number of grant administrators; the number of grants with a turnaround time of 21 days; number of site visits per month; frequency of callbacks/feedback to the beneficiaries regarding their queries; the number of people that were employed by the businesses that the NYDA provided grants to, and subsequently the number of youth that were employed by these businesses and the number of businesses still functioning at the time of the interview.

The number of grants distributed at the time of this study was 48 out of a total of 50. There were only two grant administrators officers at the time of this research. This is an insufficient number to administer the Grant Programme efficiently as the roles and duties of the Grant Officer were loaded. Not only are they responsible for the majority of the Grant Programme administration, but they also have to conduct site visits. When they are away on site visits, they cannot attend to beneficiaries' calls regarding queries. Two grant officers administering the Grant Programme throughout the Western Cape is inefficient and organisational capacity in this regard needs to be increased. The roles and responsibilities of the Grant Officer can be found in Appendix 4.

The number of beneficiaries that attended the Grant Programme was 71% and of those that did not attend, only 8% of the beneficiaries were not aware of the EDP training. The remaining 21% of the beneficiaries that did not attend were exempted from the EDP training as they were already proficient with entrepreneurship knowledge or experience and thus would not have gained much from the EDP training. A majority of the respondents (92%) stated that they would have liked another EDP training workshop that focused deeply into areas of concern for them. These areas of concern can be found in Table 12.

Each grant participant underwent an initial site inspection; therefore 24 of the beneficiaries' business premises underwent a site inspection before the grant was processed. While site visits occurred, they did not occur with same frequency every month and varied throughout the year. No exact amount of site visits could be given to the researcher despite attempting to find out. Grant officers stated that they would go for site visits when they could and had the necessary time to do so as some sites were far out, such as in Great Brak River.

Only 8.3% of the beneficiaries reported a grant turnaround time of 21 days. For more than 50% of the beneficiaries, the grant turnaround time was between two to three months. This is far too long and needs to be remedied to enhance the efficiency of the grant disbursement. A business can be completely closed down in the time it currently takes to receive the grant.

The Grant Programme has given livelihood to 24 of the beneficiaries that were interviewed. Collectively, the beneficiaries have employed 51 people of which 45 are youth. At the time of this study, 23 out of the 24 beneficiaries that were interviewed had functioning businesses.

Lastly, the majority of the beneficiaries were grateful to have received a grant and 96% of the beneficiaries rated the grant administration process as above average. Despite this, almost all the beneficiaries felt that much more could be done to further improve the programme. Their recommendations have been presented in Table 15.

#### ***5.2.1.3 Effectiveness***

Effectiveness refers to the “extent to which intended results have been realised,” (Ile, Eresia-Eke and Ile, 2012: 77) or the extent to which an “intervention achieves its objectives,” (OECD, 2002:20). Effectiveness can also be used as “an aggregate measure of the merit or worth of activity,” (OECD, 2002: 21). Each branch can only provide a grant to 50 beneficiaries. At the time of this research study, the NYDA Cape Town office issued a total number of 48 grants. Numerous attempts were made to interview all beneficiaries; however only 24 beneficiaries



could be reached and interviewed. From the 24 beneficiaries that were interviewed, 23 were still in business operations while 1 respondent was to officially open his business a week after the interview. The objective of the Grant Programme was to provide “young entrepreneurs an opportunity to access both the financial and non-financial business development support to establish their survivalist business,” (NYDA Grant Programme Operations Manual, 2013: 5). Therefore, theoretically the NYDA Cape Town office achieved 96% of its intended objectives for the period under review, having issued 48 out of a total of 50 grants. What can conclusively be said from the interviews that were conducted is that 23 out of 24 respondents were still in business at the time of this study. They were indeed given the opportunity to access both financial and non-financial services such as the entrepreneurship development training, and in total provided employment to 45 other youth. While this modest number is a drop in the ocean, the Grant Programme displays promise for growth congruent with the growth of small or survivalist enterprises. The NYDA Cape Town office therefore was effective in implementing the Grant Programme in the Western Cape.

#### *5.2.1.4 Sustainability*

The design of the Grant Programme incorporates sustainability throughout the various stages of the grant administration process. All potential grant beneficiaries that satisfied the initial assessment criteria, except those who had received prior business training, were required to undergo EDP training. Those that completed the training were then supported through the business development plan process. In pre-grant processing site visits were conducted by the grant officers to ascertain if the business has a viable trading space in which to function. Once the disbursement is made, frequent site visits are made to business premises of the beneficiaries to follow up on the beneficiaries’ progress and address any challenges that they face in the running of their businesses. Therefore, reasonable measures have been incorporated into the design of the Grant Programme to ensure sustainability. However, physical space to trade in was cited as the most common obstacle that the beneficiaries faced, coupled with cash flow; therefore it would be prudent for the NYDA to incorporate measures through which these challenges can be addressed.

## **5.2.2 DAC criteria applied to the Grant Programme Beneficiaries**

### ***5.2.2.1 Relevance***

The relevance of the Grant Programme can be observed through the responses of the beneficiaries when asked the extent to which the grant programme helped them. The respondents stated that they could not have either started their businesses, or would not have been able to continue their businesses due to the scarcity of the necessary stock or capital required. Stock was provided to 38% of the beneficiaries while 46% of the beneficiaries were provided with equipment. From the perspective of the Grant Programme participant, each participant stated that the Grant Programme was a useful initiative and that they were deeply grateful for it.

### ***5.2.2.2 Effectiveness***

The measurement used to determine effectiveness of the programme was through asking the beneficiaries what their challenges were and what key aspects they would want to learn should the NYDA have another EDP workshop. It was not surprising to find that the challenges that the beneficiaries faced in running the businesses were the very skills the beneficiaries desired to learn in the workshop. For example, a large number of beneficiaries (42%) struggled with finances and requested that financial management (29%) be the focus of the hypothetical workshop. The majority of the beneficiaries (92%) felt that if they knew how to overcome the challenges they faced (Table 11), they would be able to manage their businesses more effectively, therefore contributing to better functioning businesses in the long run and the overall purpose of the NYDA Grant Programme.

### ***5.2.2.3 Efficiency***

Efficiency on the part of the participant rested heavily on how much the participant could do with the limited resources he or she had. Not every grant recipient received the full amount they had requested from the NYDA Office in Cape Town therefore had to find innovative strategies in which to run their businesses. For example, a participant selling livestock to street vendors had to find a way to stretch his stock over a period of two weeks instead of selling everything off in the first week. He complained that this was bad for business as he had suppliers to sell to but did not have sufficient stock, but until he could find a way to improve his situation, his strategy was to sell less in a week so as to cover the whole month. Another participant catering to the military mess stated that due to the limited space she had and limited equipment, she could only service a certain number of clients. She therefore ensured that her food was of the best quality, making that her brand image and securing recurring clients. These

examples illustrate that the beneficiaries are able to devise ways in which to be efficient to ensure the survival of their businesses.

#### *5.2.2.4 Sustainability*

Cash flow is the reflection of the financial health of the business. It depicts all the money that comes in and out of the business (CIMA, 2014). Cash flow is crucial to a business's survival as cash on hand enables creditors, employees and others to be paid on time. If a business or person does not have enough cash to support its operations, it is said to be insolvent, and is a likely applicant for bankruptcy should the insolvency continue. For start-ups, especially the survivalist businesses that the NYDA supports through the Grant Programme, cash flow is very important. Banks do not provide these types of survivalist businesses with loans, so cash on hand to manage day to day operations becomes a life source for the sustainability of these businesses.

To determine the sustainability of the businesses supported by the NYDA once the grant is utilised and has come to an end, respondents were asked to comment on the status of their cash flow for the financial year. The results indicated that 50% of the sample did not struggle with cash flow while 46% found cash flow a major obstacle to their business. The question was not applicable to 4% of the sample as the respondent's business was to open after the week of the interview. These findings demonstrated that the majority of the sample were able to manage their day to day operations, increasing the likelihood of their business's survival. The relatively large number of respondents (46%) who struggle to manage their cash flow is indicative to the NYDA that some form of intervention or innovative business support needs to occur to ensure these businesses are able to continue into the future and not be cash strapped in the beginning phase of the business. Furthermore, this indicates that the EDP training should focus deeper on the financial management aspects of running a business.

### **5.3 Conclusion**

This chapter presented and analysed the data that was collected through semi-structured interviews from the beneficiaries and Grant Programme implementation staff. The data was analysed using the DAC criteria of relevance, effectiveness, efficiency and sustainability. The analysis indicated that the Grant Programme was both timely and relevant to the needs of the youth, it was generally well implemented and there was general satisfaction with the Grant Programme administration process. However, there were aspects that could have been improved upon, such as grant turnaround time, increased programme implementing staff,

networking sessions, help with further sourcing of goods, further finances and an increased number of branches throughout the Western Cape. The following chapter summarises this study and presents both recommendations as well as areas for further research.



## Chapter 6. Conclusion

This research set out to conduct a process evaluation of the NYDA Grant Programme. The research objectives set out for this study were to conduct a process evaluation; to develop a theoretical and legislative framework underpinning youth in South Africa; to describe and analyse the Grant Programme; to highlight opportunities and challenges that affect the current implementation of the Grant Programme and to present recommendations.

Chapter Two provided an overview of the theoretical and legislative framework that has guided this study. The Capability Approach, Social Cognitive Theory and Stakeholder theory were all used to provide a comprehensive lens through which analysis of the Grant Programme could occur. The CA approach was primarily interested in establishing freedoms and measurements thereof in ways other than those postulated by traditional economics. Traditional economics focused heavily on the set of choices (capability set) in which an individual has the ability to make the choice that makes him or her most happy. However, people are limited by what Sen calls conversion factors such as social, environmental and personal factors. If these factors can be overcome, given the right resources and level of agency, then the literature on entrepreneurship suggests that entrepreneurs have a higher chance of being successful.

The biggest hindrance the researcher presumed for the success or failure of the Grant Programme rested heavily on the belief of the beneficiaries in themselves to be successful entrepreneurs, with them simply viewing the Grant Programme as nothing but a short term cash cow. The results contradicted the presumption of the researcher. Not only were the beneficiaries serious about their businesses, having invested all of their own personal funds, time, energy and efforts to keep their businesses alive, but their motivations and reasons for a business did not stem solely from unemployment, but from the passion for entrepreneurship and the desire to be one's own boss. The results indicate the increasing relevance and timeliness of the Grant Programme in the current socio-economic landscape which the youth of South Africa face. Unfortunately, none of the beneficiaries that were interviewed were part of any stakeholder engagement, therefore this study could not discuss whether the needs or the priorities from the perspectives of the youth were addressed. However, the positive responses on the extent to which the Grant Programme helped the beneficiaries with capital and stock and their overall positive feedback on the grant implementation processes indicated that the Grant Programme was relevant and appreciated by all the beneficiaries as well as implemented

soundly. Having said this, there is still significant room for improvement in various other factors that are discussed below.

Chapter Three explained in great detail the methodological design governing this study. Qualitative research methods were deemed appropriate by the researcher due to the exploratory nature of this study in seeking answers to “how, “what” and “why” questions related to the implementation of the Grant Programme.

Chapter Four outlined the function of the NYDA which is the implementing agency of the Grant Programme. The NYDA bears the responsibility for successfully implementing youth related interventions and received its mandate from Act No. 54 of 2008. This ACT saw the former youth Umsombvu youth fund and the National Youth Commission merge into the NYDA. While youth were identified as important actors in the South African struggle for freedom, their needs and challenges were not seriously addressed until the formalisation of youth policies and interventions under the National Youth Policy. This chapter then explained in great detail the Grant Programme implementation processes as well as the administrative roles and responsibilities of the implementing staff.

Chapter Five presented and described the data that was collected through semi-structured interviews with the beneficiaries as well as the NYDA implementing staff. This data formed the basis of the DAC criteria analysis providing insights on the relevance, effectiveness, efficiency and sustainability of the Grant Programme from the perspectives of both the NYDA implementing staff as well as the beneficiaries. Furthermore, the data provided key insights into areas for opportunity to improve the Grant Programme, as well as challenges that may affect the success of the Grant Programme. Opportunities, such as increasing branch levels thereby decreasing pressure and scope of implementation on the implementing staff at the Cape Town NYDA office, can be viewed as an opportunity for growth. Another opportunity could be to computerise the grant application process by making it available online. Furthermore, an opportunity to enhance efficiency of the grant administration could be to simply hire more staff so that the grant turnaround time can be within the stipulated 21 days.

Challenges that the Grant Programme faced from the perspectives of the NYDA implementation staff were: a shortage of staff, and the grant officers being unfamiliar with practical entrepreneurship therefore not thoroughly understanding what they were really assessing when a potential grantee pitched his or her idea. Given that the grant officers exercise a great deal of discretion in the initial selection of applications, they may discard good ideas

whose business scope is beyond their understanding and thereby reject a potentially innovative aspiring youth entrepreneur.

This research paper has therefore executed the stated research objectives. However, specific research questions were also outlined and these are presented below:

1. What policies, structures, procedures and selection criteria for the beneficiaries are in place to ensure effective and efficient implementation of the Grant programme?
2. What specific opportunities and challenges are faced by the NYDA staff as well as the beneficiaries during the implementation of the programme?
3. What is the relevance of the programme for intended beneficiaries with respect to their self-efficacy, the social cognitive level and capabilities?
4. What were the intended process outputs and intended process outcomes of the Grant programme?

The Grant Programme was described in great detail in Chapter Three, outlining the policies, structures, procedures and selection criteria for the beneficiaries as well as providing detailed descriptions of the roles and responsibilities of the implementing staff of the Grant Programme in the Appendix section. Process outputs and outcomes were described in Chapter Four and presented in a table. Furthermore, a log frame mapping the grant implementation process was developed by the researcher and presented in Chapter Four. Relevance, effectiveness, efficiency, sustainability, self-efficacy, social cognitive level and capabilities were all discussed at great length in Chapter Four. The ultimate question is whether the Grant Programme gives value for money, or whether the inputs justify the outputs? From the results obtained, while only half the total number of grant recipients were interviewed, they were able to collectively employ 50 people. The potential for some of these businesses to grow is certain and the Grant Programme allows submission of a grant for expansion of the business. This will become a vital aspect on the long term sustainability of these businesses. The Grant Programme thus far, from the feedback on its importance on starting up young entrepreneurs, has been positive and should continue into the future to support aspiring entrepreneurs.

The strength of the Grant Programme lies in its non-cash transfer mechanism to beneficiaries. The NYDA rather provides useful assets and services necessary for the business. This is one prudent way in which to ensure accountability of funds. Secondly, a grant is offered which

means that there is no pressure of loan payments; therefore beneficiaries are not blacklisted for credit defaults. The Grant Programme caters for youth, which are the intended beneficiaries and was deemed relevant and useful by the grant recipients that were interviewed. Furthermore, a number of checks and balances in implementing the grant process were in place to ensure sustainability, such as the EDP training, site visits, post grant investment, CRM and PTS/Great system which enhance accountability/efficiency in data management systems and the presence of a Grant manual and Policy document which were followed relatively closely. Another key strength also lies in the capabilities of beneficiaries that were enhanced through EDP training as well as the obtaining of the grant.

The weaknesses of the Grant Programme lie in the marginal impact on youth unemployment. The grant officers exercise a high level of discretion at the initial application stage which could exclude many innovative business ideas that they may not be familiar with, especially in the context where they are limited in understanding and identifying innovative entrepreneurs, given they have no entrepreneurship experience themselves. The Grant Programme implementing capacity is limited and therefore affects efficiency. Lastly, none of the respondents were part of any stakeholder engagements regarding the programme.

## **6.1 Recommendations**

Recommendations on improving the Grant administration were presented from both the beneficiaries of the Grant Programme and the implementing staff as well as the researcher. The following recommendations were made:

### **Grant Turnaround time**

From the perspectives of the beneficiaries, the grant turnaround time needs to be improved upon as two to three months was neither prudent nor efficient. This lengthy time may even demotivate current and prospective applicants in either continuing with the application process or applying.

### **Grant application process**

The grant application process is lengthy requiring numerous documents. The suggestion made by one participant to address this was to upload this process online, which would save time and money for the beneficiaries, as they would not have to make numerous trips with all their documentation to the Cape Town office. The grant officers would benefit from this arrangement as they would have more time to focus on other grant related aspects, rather than



having to explain the entire assessment process over and over again to every walk-in client they receive.

#### Supplementary Workshops

Other recommendations include the hosting of another EDP training workshop that focuses on key aspects related to business management such as financial management, tender processing, physical space and transport to name a few. A once off workshop does not work as a one wonder miracle and lessons learnt need to be emphasised upon in subsequent workshops while key business related topics important to the beneficiaries should be the crux of these workshops.

#### Appeal Process

Furthermore, the Grant Programme Operations Manual does not outline an appeal process for grant applications that are rejected, and should consider doing so in order for precluded respondents to understand why they were rejected, and can work towards mitigating those mistakes when reapplying for a grant.

#### Networking

It is prudent from a sustainability perspective for the NYDA to facilitate business networking sessions where the young aspiring entrepreneurs can introduce themselves and their business to a wider audience. The mere fact that the NYDA facilitates such a process would lend credibility to these businesses and their products, rather than an unknown person with unknown product or service approaching a potential customer.

#### Extra Staff

From the perspectives of the implementation staff, the grant officers stated they were indeed understaffed and would like to see an additional person support the Programme administration team. This recommendation ought to be taken into due consideration as being understaffed affects the efficiency with which the programme is executed.

#### Implementing staff receive entrepreneurship training

The NYDA branch manager stated that it would be practical for the grant officers to undergo entrepreneurship training themselves.

#### Increased number of branches

The branch manager also stated that more branches were necessary across the Western Cape as not all beneficiaries could make it to the Cape Town office.

## Partnerships

Lastly, the NYDA branch manager stressed the importance of establishing partners, as youth unemployment is not just one organisation's mandate but rather the collective mandate of every organisation, to ensure that youth are adequately represented in the economic sphere of this country.

## **6.2 Areas for further research**

This study was limited in scope and focused only on the process evaluation side of the Grant Programme. It would be thoroughly exciting and useful to understand the impact the programme has had on the lives of the grant beneficiaries, what they attained, how many subsequent youth were employed and how many of the funded businesses survived the first year of the grant not only in the Western Cape, but in the other provinces as well. A comparative study of branch performance across the nine provinces could illuminate best practices in each province, which each branch can adopt and learn from. Furthermore, all branches should conduct process evaluations through which baseline data can be collected and provincial implementation comparisons can be made. Lastly, from a psychosocial perspective, it would be interesting to know what keeps these young survivalist business owners motivated and determined. This could further contribute to academic literature on identifying traits that are positively associated with young entrepreneurs in South Africa.

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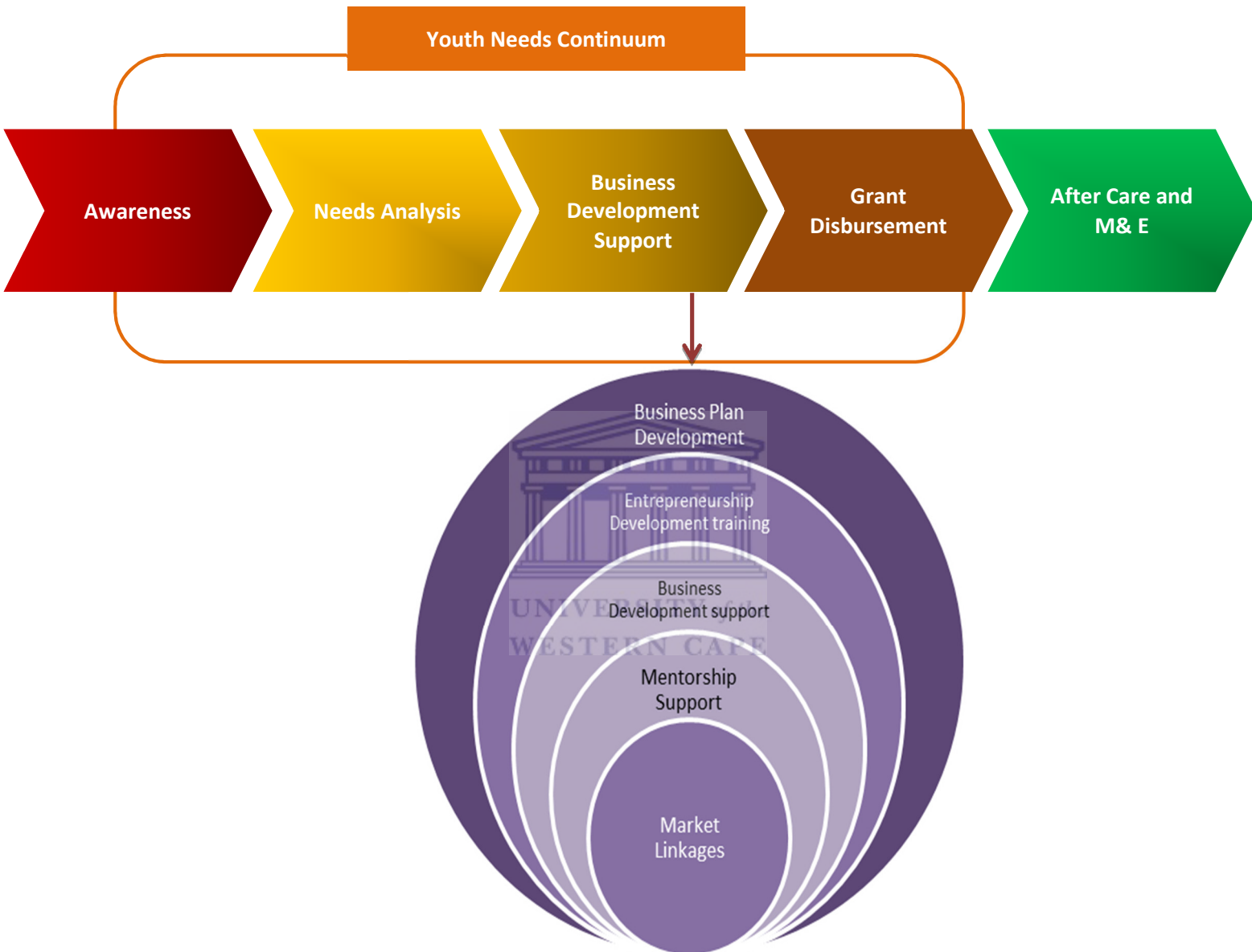
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## Appendices

### Appendix 1. Organogram of Grant Implementation procedures



Source: Grant Programme Operations Manual, 2013

## Appendix 2. Head Office Functions

**Table 3: Head Office Functions**

Head Office Functions	
Position	Key Responsibilities
Senior Manager: Enterprise Finance	Overall oversight of the Grants programme policies
Grants Manager	Overall oversight of grants operations
Product Specialists	Overall support of grants function at branches and head office

Source: NYDA Grant Programme Operations Manual, 2013



### Appendix 3. Branch Level Functions

**Table 4. Branch Level Functions**

<b>Branch Functions</b>	
<b>Positions</b>	<b>Key Responsibilities</b>
Branch Manager	Overall Branch Management and oversight
Coordinator/Consultant	Initial comprehensive assessment of potential clients
CDF (community development facilitation) Officer	Assist rural youth to identify opportunities and formalize those into business plans, assist rural youth to apply for grant funding Facilitate rural youth community development projects and assist them to access grant funding
EDP (entrepreneurship development) Officer	Entrepreneurship training
Grant Officer	Processing of grants
Grant Officer Aftercare	Provide aftercare on approved grants
Mentorship Officer	Identify mentors and link them with clients
Market Linkages Officer	Identify market opportunities for clients.
Grant Administrator	Provide Administration of grant applications and aftercare

Source: Grant Programme Operations Manual, 2013

## Appendix 4. Key activities and outcomes of the Grant Officer

**Table 5. Key activities and outcomes of the Grant Officer**

Key Activities	Outcomes
<p><b>1. Delivery of grants programme</b></p> <ul style="list-style-type: none"> <li>• Identify potential client's needs</li> <li>• Investigate viability of client business idea and grant application</li> <li>• Follow grant process as per grants policy</li> <li>• Close the transaction</li> <li>• Assist applicant with grants application and procedures</li> <li>• Estimate date of delivery to applicant based on knowledge of production and delivery schedules</li> <li>• Achievement of set production targets</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure proper assessment of applications to ascertain viability and minimal risk</li> <li>• Ensure effective marketing and selling skills to ensure maximum sales</li> <li>• Ensure accurate costing</li> <li>• Ensure adherence to grant policy</li> <li>• Ensure proper handling and accurate completion of all necessary paperwork related to grant applications</li> <li>• Ensure realistic scheduling</li> <li>• Ensure set production targets are met</li> </ul>
<p><b>2. Administration</b></p> <ul style="list-style-type: none"> <li>• Maintain client records</li> <li>• Ensure correct and neat completion of all grant documents</li> <li>• Compile grant proposal for the relevant approval committee</li> <li>• Perform all grant related administration within area of responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure all client files are up-to-date and complete</li> <li>• Ensure timely processing of applications</li> <li>• Ensure recommendation are based on set criteria and requirements – free from discrimination, nepotism and fraudulent activities</li> <li>• Ensure compliance in terms of legal and ethical operations of grant applications</li> </ul>
<p><b>3. Reporting</b></p> <ul style="list-style-type: none"> <li>• Prepare a weekly plan</li> <li>• Prepare production reports and activity sheets</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate management of grants portfolio</li> </ul>

Source: NYDA Grant Programme Operations Manual, 2013

## Appendix 5. Key activities and outcomes of Aftercare by the Grant Officer

**Table 6. Key activities and outcomes of Aftercare by the Grant Officer**

Key Activities	Outcomes
<p><b>1. Follow-up and aftercare</b></p> <ul style="list-style-type: none"> <li>• Make post investment visit to client</li> <li>• Provide mentorship to clients</li> <li>• Investigate client performance and identify possible problems/risks</li> <li>• Provide ongoing post disbursement monitoring.</li> <li>• Facilitate generic business development support services</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure proper utilization of funds</li> <li>• Mentor beneficiaries or allocate mentor to beneficiaries</li> <li>• Ensure business growth and profitability</li> <li>• Enhance service delivery</li> <li>• Provide aftercare support</li> </ul>
<p><b>2. Administration</b></p> <ul style="list-style-type: none"> <li>• Maintain client records</li> <li>• Ensure correct and neat completion of all post grant investment documents</li> <li>• Compile site visit, after care and mentorship reports</li> <li>• Perform all post grant related administration within area of responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure all client post grant investment files are up-to-date and complete</li> <li>• Ensure timely post investment visits, aftercare and mentorship</li> <li>• Ensure post grant support is provided to beneficiaries</li> <li>• Ensure compliance in terms of legal and ethical operations of grant programme</li> </ul>
<p><b>3. Reporting</b></p> <ul style="list-style-type: none"> <li>• Prepare 10day site visit report</li> <li>• Prepare quarterly aftercare report</li> <li>• Prepare bi-annually mentorship report</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate management of grants portfolio</li> </ul>

Source: NYDA Grant Programme Operations Manual, 2013

## Appendix 6. Grant Qualifying Criteria

The following is a list of the Grant Qualifying criteria:

- It shall be the policy of NYDA to provide Grants to eligible beneficiaries to start or expand their businesses; and to assist community development facilitation projects in Rural Areas;
- No applicant will be discriminated against because of race, class, creed, colour, sex, religion or political affiliation. The Policy is not intended to discriminate directly or indirectly against any natural person, juristic person or association of person on one or more grounds set out in section 9(3) of the constitution, or more grounds set out in Chapter 2 of the Promotion of Equality and Prevention of Unfair Discrimination Act when assessing the ability of the person to apply for the Grant;
- The applicant must be eighteen (18) years at the time of application;
- The applicants are youth (18-35 years) with necessary skills, experience or; with the potential skill appropriate for the enterprise that they conduct or intend to conduct;
- The applicants have to be South African citizens or South African residents within the borders of South Africa;
- The applicant has to be involved in the day-to-day operation and management of the business;
- Require grant from NYDA of not less than R1,000.00 and not more than R100,000.00;
- Upon approval of grant, if applicant is employed full time, he/she may be required to resign from employment and provide grant officer with proof of resignation;
- Operate either informally or formally; generally recognized as micro enterprises (e.g. street traders, vendors, emerging enterprises);
- The applicants must have a profit motive and be commercially viable and sustainable;
- Members of entities should comprise 100% South African citizens; Businesses are operating within the borders of South Africa;
- Individual entity must have bank account and or a young person must be assisted to open an account; and Cooperatives should comprise 100% youth ;
- Beneficiaries will be required to participate in the NYDA Business Development Support Programme as per identified needs of the youth;
- Must agree to keep proper financial information and willing to disclose such information as and when required by the NYDA

## **Appendix 7. Grant Exclusions**

The following are excluded from the Grant Programme:

- Enterprises which require less than R1, 000;
- Business owned by NYDA staff members, Board Committee Members or Member of the Accounting Authority;
- NYDA clients that have benefited from the loan programme or to re-finance any existing loans;
- Where a relative of a staff member applies for a Grant the said individual shall recuse himself or herself from all pre and post approval activities;
- Where the staff, immediate family of the staff at that branch is a shareholder/associate or partner of the business for which the Grant is required;
- Businesses that fall within the gambling, gaming or sex industries, and/or operates illegal activities;
- Purchasing of alcohol and tobacco stock and use of these as a primary income generator;
- Are investment trusts/venture capital / private equity funds/ pyramid sales schemes;
- Require finance to substitute an existing financier;
- Require finance to register a patent or intellectual property;
- Require finance to register with professional bodies or industry associations;
- Require NYDA to issue a guarantee in favour of a third party; Invoice based contracts;
- Require seed capital for research and development;
- Shareholders/members are natural persons who lack contractual capacity by virtue of being of unsound mind;
- Where applicants have a record of fraud and/or corruption;
- Where the owner/applicant is an un-rehabilitated insolvent; Where the owner/applicant is attending school other than tertiary;
- Vehicles in general (however where the vehicle is entirely for business use the application will be considered on merit).
- Any material purpose not contained in the application for grant or defined during due diligence stage and detailed in the approved Terms & Conditions, unless where written approval has been granted by NYDA;
- To settle overdue or outstanding South African Revenue Service liabilities, whether current or non-current.

## **Appendix 8. NYDA Implementation Staff Interview Questionnaire**

### **Interview Questions for the Staff of the NYDA Grant Programme**

My name is Sahar Iqbal Mohy-Ud-Din and I am conducting a process evaluation of the NYDA Grant programme. Your feedback on the process is important in understanding whether the services and methods in which these services were provided to the recipient are efficient and effective and how this programme can be improved in future. This is a completely voluntary interview and you are free to exit the interview at any stage. All the information provided will remain anonymous and confidential.

1. How long have you been the Cape Town Office Grant Programme Grants Officer?
2. What are the roles and responsibilities of the NYDA Grant Officer and who are you accountable to?
3. What is the purpose of the Grant Programme? What does it seek to do?
4. What programme activities were accomplished during the period 2012-2013?
5. What measures are in place to inform youth on the Grant programme?
6. Is there an implementation manual/guidelines for the implementation of the Grant programme? Where do these guidelines come from?
7. What criteria are used for the selection of the beneficiaries of the Grant programme?
8. How is information collected, stored and shared with other NYDA offices?
- 9.1 Is there a baseline report by the NYDA Cape Town Office with which previous year's performance can be measured against?
- 9.2 Who is responsible for the development of the reports?
- 9.3 Is there a database which lists all the beneficiaries of the Grant programme, the type of business, a record of how many businesses succeeded and how many failed and what the reasons were for success and failure?

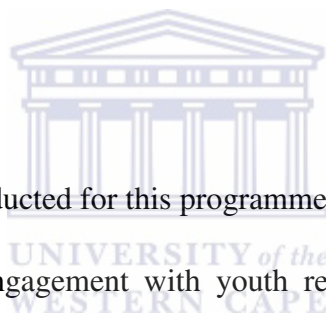


10. What are the process outputs and process outcomes of the activities of the Grant programme?

Outputs	Outcomes

11. Does monitoring and evaluation of the Grant programme take place? If, no why not? Who is responsible for the monitoring and evaluation of the Grant programme at the Cape Town Office?
12. What are the major types of businesses that the beneficiaries embark upon? Why do you think they favour this type of business?
13. Do you think the beneficiaries are capable of being successful entrepreneurs? Why/why not? What does a successful entrepreneur mean to you?
14. Do you think the beneficiaries require entrepreneurship training before funding can be allocated to them? Why, why not?
15. What strategies are in place to deal with implementation risks such as failed business, insufficient applications for the Grant programme, and entrepreneurs that are facing challenges in running their businesses?
16. Are there up to date year on year reports on the NYDA Cape Town office's performance of the Grant Programme in terms of how many beneficiaries were serviced, the type of service provided, how many grant applications were successful, how many were not? If no, please explain why not? Who is the report submitted to?
17. How many people administer the Grant programme?
18. How many areas/offices are located to each site?

19. How many beneficiaries are there under the Grant programme?
20. What are the current challenges that are being faced by the staff of the NYDA in implementing the Grant programme?
21. Is there an implementation manual for the grant programme?
22. Are the implementing agents orientated?
23. Are the implementing agents trained in the policies and procedures required to execute effective implementation of the grant programme? Why/Why not?
24. What institutional arrangements were set up from the implementation of the grant programme?
- 25.1 Processes –
- 25.2 Record Management-
- 25.3 Financial Management-
26. Was a needs analysis conducted for this programme? Why/why not?
27. Was there stakeholder engagement with youth regarding this programme? When? Why/why not?
28. As the NYDA manager, what are the strengths and challenges that you face in the implementation of the Grant Programme?



Strengths	Challenges

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29. From your personal perspective, what are the lessons you have learned?

30. What can be recommend as areas/issues that require improvement to any key stakeholders of the programme?



## Appendix 9. NYDA Branch Manager Questionnaire

### Interview Questions for the Staff of the NYDA Branch Manager

My name is Sahar Iqbal Mohy-Ud-Din and I am conducting a process evaluation of the NYDA Grant programme. Your feedback on the process is important in understanding whether the services and methods in which these services were provided to the recipient are efficient and effective and how this programme can be improved in future. This is a completely voluntary interview and you are free to exit the interview at any stage. All the information provided will remain anonymous and confidential.

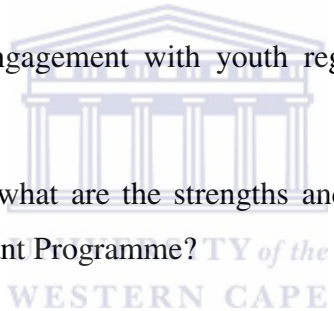
1. How long have you been the Cape Town Office NYDA Branch manager?
2. What are the roles and responsibilities of the NYDA Office Manager and who are you accountable to?
3. What is the purpose of the Grant Programme? What does it seek to do?
4. What programme activities were accomplished during the period 2012-2013?
5. What measures are in place to inform youth on the Grant programme?
6. Is there an implementation manual/guidelines for the implementation of the Grant programme? Where do these guidelines come from?
7. What criteria are used for the selection of the beneficiaries of the Grant programme?
8. How is information collected, stored and shared with other NYDA offices?
- 9.1 Is there a baseline report by the NYDA Cape Town Office with which the year's performance can be measured against?
- 9.2 Who is responsible for the development of the reports?
- 9.3 Is there a database which lists all the beneficiaries of the Grant programme, the type of business, a record of how many businesses succeeded and how many failed and what the reasons were for success and failure?

10. What are the process outputs and process outcomes of the activities of the Grant programme?

Outputs	Outcomes

11. Does monitoring and evaluation of the Grant programme take place? If, no why not? Who is responsible for the monitoring and evaluation of the Grant programme at the Cape Town Office?
12. What are the major types of businesses that the beneficiaries embark upon? Why do you think they favour this type of business?
13. Do you think the beneficiaries are capable of being successful entrepreneurs? Why/why not? What does a successful entrepreneur mean to you?
14. Do you think the beneficiaries require entrepreneurship training before funding can be allocated to them? Why, why not?
15. What strategies are in place to deal with implementation risks such as failed business, insufficient applications for the Grant programme, and entrepreneurs that are facing challenges in running their businesses?
16. Are there up to date year on year reports on the NYDA Cape Town office's performance of the Grant Programme in terms of how many beneficiaries were serviced, the type of service provided, how many beneficiaries were successful, how many were not? If no, please explain why not? Who is the report submitted to?
17. How many people administer the Grant programme?
18. How many areas/offices are located to each site?
19. How many beneficiaries are there under the Grant programme?
20. What are the current challenges that are being faced by the staff of the NYDA in implementing the Grant programme?

21. Is there an implementation manual for the grant programme?
22. Are the implementing agents orientated?
23. Are the implementing agents trained in the policies and procedures required to execute effective implementation of the grant programme? Why/Why not?
24. What institutional arrangements were set up from the implementation of the grant programme?
- 25.1 Processes –
- 25.2 Record Management-
- 25.3 Financial Management
26. Was a needs analysis conducted for this programme? Why/why not?
27. Was there stakeholder engagement with youth regarding this programme? When? Why/why not?
28. As the NYDA manager, what are the strengths and challenges that you face in the implementation of the Grant Programme?



<b>Strengths</b>	<b>Challenges</b>

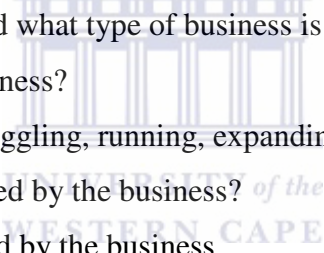
29. From your personal perspective, what are the lessons you have learned?
30. What can be recommend as areas/issues that require improvement to any key stakeholders of the programme?

## Appendix 10. Grant Programme Beneficiaries Questionnaire

### NYDA Grant Beneficiaries Interview Questions

#### Dear Participant

My name is Sahar Iqbal Mohy-Ud-Din and I am conducting a process evaluation of the NYDA Grant programme. Your feedback on the Grant Administration process is important in understanding whether the services and methods in which these services were provided to the participant are efficient and effective and whether the programme has improved your life in anyway. This is a completely voluntary interview and you are free to exit the interview at any stage. All the information provided will remain anonymous and confidential.

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1. Do you own a business and what type of business is this?
  2. What is the age of the business?
  3. Status of the business (struggling, running, expanding?)
  4. Number of people employed by the business?
  5. Number of youth employed by the business
  6. How many partners are there in your business?
  7. What business experience do you and your partners have?
  8. What is the highest level of education that you and your partners have?
  9. Why did you start your own business?
  10. Type of business ownership?
  11. Level of profitability?
  12. Status of cash flow?
  13. What entrepreneurship interventions did you receive at NYDA?
  14. Have you received other entrepreneurship interventions elsewhere?
  15. Do you believe that you are a successful entrepreneur?
  16. Why do you believe you are a successful entrepreneur?
  17. What are the qualities of a successful entrepreneur
  18. To what extent do you think that NYDA contributed to your success?
  19. Participant's age:

20. Race:
21. Area of business:
22. Reason for this area:
23. Reason for this particular type of business:
24. What was the waiting time for the grant?
25. Did you go to the Cape Town Office?
26. How did you find out of the NYDA Grant Programme?
27. Economic status of participant (monthly salary from business):
28. Other sources of Income:
29. Quality of services: Please rate from 1 (very bad)-10 (very good)
  - Information (useful, easy to understand, explained well)
  - loan (length of loan process, amount)
  - Process (friendly, helpful, respectful, efficient)
30. Does the NYDA provide any workshops to improve your business skills?
31. Do you think they should have such a workshop (will it be useful to you, what would you like to learn?)
32. Were you as youth part of any stakeholder workshops?
33. Do you have vouchers for business other business support services such as mentorship?  
Why not?
34. Why did you not venture into other industries such as manufacturing or services?
35. Who are your customers?
36. What do you when business is bad?
37. What are the challenges you face in running your business?
38. What recommendations can you make to improve the current implementation of the Grant Programme?