Jobs Boost
OUTCOMES FUND

25 April 2025

Quarterly report

1 January 2025 – 31 March 2025

Outcomes funder

higher education & training
Department: Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NSF National Skills Fund
FUNDING TO SKILL OUR NATION

Part of the

PRESIDENTIAL YOUTH EMPLOYMENT INTERVENTION

Implemented by

krutham

Technical funder

Michael & Susan Dell FOUNDATION

www.jobsboost.org.za

Jobs Boost
OUTCOMES FUND

1. Overview

Progress to date

The fund is delivering real-world impact, having already placed over 3,000 youth into employment since inception (at end March 2025).

5,442+
Enrolments
Representing 65% of the total target.

3,070
Job placements
Representing 40% of target.

1,955
Sustained three months
Already reaching 1,000+ six-months sustained jobs

R70m+
disbursed
R70,0273,926 disbursed to 10 partners upon successful audits

Four milestone grant tranches are paid upon assurance of specific evidence.
Milestone 1: Enrolment (20%) | Milestone 2: Placement (40%) | Milestone 3: 3-months sustained employment (20%) | Milestone 4: 6-months sustained employment (20%)

Our implementation partners

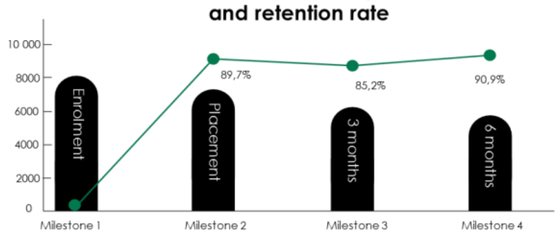
Performance projections

Agreements are in place with all implementation partners setting key milestones and targets

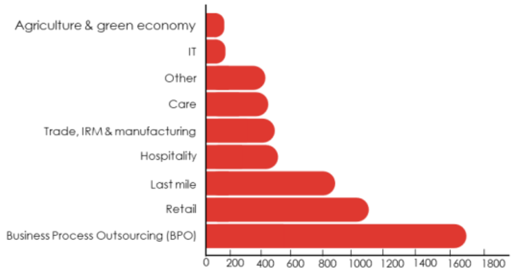
Key programme figures

R 288,000,000	**R 287,718,316**	**R 53,134**	**5,519**	**4.8%**
Total budget	Allocated budget across 12 partners	Average cost per job	Number of job placements	Disability proportion

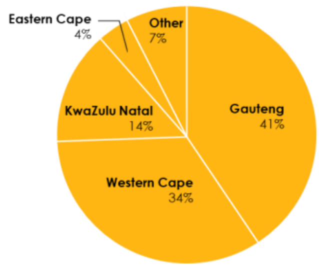
Number of candidates by milestone and retention rate



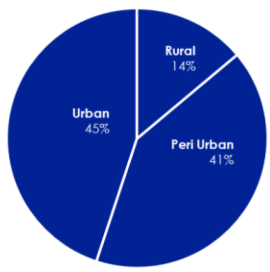
Candidates by industry sector



Candidates by province



Candidates' living conditions



For more information email jobsboost@krutham.com

Jobs Boost
OUTCOMES FUND

2. Introduction

Jobs Boost Outcomes Fund is an innovative new approach to tackling youth unemployment in South Africa. It uses an outcomes-based finance mechanism to partner with skills providers to equip previously excluded young people to access and hold high quality jobs. It does this by shifting the spending from activities and inputs to paying for pre-defined outcomes. The implementation partners receive 80% of their funding only if the job seeker secures full time long-term employment, with the final tranche paid only after the job has been held successfully for six months.

As a new approach, Jobs Boost is committed to sharing insights generated from the programme. The first phase, lasting until the end of 2025, has been designated as a pilot phase with a focus on learning to ensure successful scaling of the programme thereafter. We therefore are particularly focused on learnings from the process and sharing how we have managed through them. The pilot is substantial by global standards and is, to our knowledge, currently the largest formal sector employment outcomes fund in the world. The pilot phase had a target of 4,500 jobs and is currently projected to exceed this.

This report is the second quarterly report on the performance of Jobs Boost. The project was initiated in November 2023 and has progressed through an expression of interest phase, a request for proposals phase, contracting and then implementation. Implementation began in the third quarter of 2024.

The current phase will conclude in 2025, and thereafter we intend to enter a second phase with a new round of outcomes funding and appointed implementation partners. The lessons learned will inform the design of this second phase, and Krutham is working with the Presidency and a comprehensive scale-up programme.

In general, the programme is running smoothly. There were issues that we faced during the quarter; mostly related to timelines needing to be adjusted and some partners struggling with securing placements but we are confident that we are on track to deliver on the full programme by year-end.

3. Summary of second quarter

Over R70 million has now been paid for outcomes in the programme to 11 of the 12 implementation partners, of which over R30 million was disbursed during the quarter. We saw enrolments surpass the 5,000 point (first milestone) and over 3,000 youth have now been placed into employment (second milestone) with over 1,000 already approaching the three (third milestone) and six month (fourth milestone) sustained employment milestones.

We were encouraged by a greater-than-expected retention rate of youth being placed into employment reaching the sustained employment milestones. As the Jobs Boost programme is entirely focussed on the most excluded youth (quintile 1,2 and 3 schools and/or beneficiaries of child support grants with no formal education higher than a Gr 12 certificate) it has forced some employers in partnership with our implementation partners to change some of the recruitment, training and placement processes typically used. Many of the employers that we have met with have noted that Jobs Boost jobs seekers are proving successful and as a result, we are seeing lower resistance to recruiting excluded youth after seeing greater job retention with the Jobs Boost youth.

a. Challenges during the quarter

We did experience a few important challenges. Two of our larger implementation partners experienced significant delays in placements, owing largely to the December/January break and difficulties in locking down employment partners early. Consequently, in line with contractual arrangements, we have reduced the milestone targets of one of the partners.

In line with the risk management approach built into Jobs Boost, targets can be reallocated to other implementation partners so as to ensure that the programme maximises performance. We are pleased that this mechanism worked as planned during the quarter and underperformance of one partner could be managed without consequence to overall programme goals. As a result, we are still confident that we will be able to deliver on the targeted placements reaching the six-month sustained employment milestone by the end of December 2025.

b. Highlights

During the quarter all partners were engaged in placement activities and about half of the partners concluded all enrolment activities. Some of the key highlights of the quarter included:

- Three partners, TTBISA, Green Riders and V&A Waterfront, concluded all placement activities. That means that those partners are now seeing through the programme to the next milestones (three and six months sustained employment) while providing basic additional support and mentoring to help achieve higher retention.
- Due to performance success, TTBISA has been granted additional outcomes target. It is now in the last phases of recruiting for these new outcomes.
- A quarter of the final targeted six-months sustained employment has tentatively been reached, although much of this is still in the outcomes assurance process.

c. Learnings

As a pilot programme, we are eager to share learnings as we go. Here are the challenges we faced during the quarter and how we have managed them.

Some of the notable learnings include:

- **Delayed timelines:** Although we are on track with most of our implementation partners to deliver on the programme, we do find ourselves approximately two months behind the schedule agreed with implementation partners. This is largely due to one of our large partners experiencing continuous delays in uploading evidence. We are working with the partner to rectify these delays and are confident that the organisation is on track to deliver, but it will be two months later than initially planned. For the programme as a whole, these delays will not affect our ability to achieve full targets by the end of 2025. Therefore, overall programme goals are not at risk.
- **Data system utilisation**. Jobs Boost developed a comprehensive data management system which has been key to managing all evidence and partner performance. We have made great progress in getting all of the partners to adopt and utilise the data management system for the evidence uploads and tracking of the programme. Although the organisations are making use of the data system, we are finding that most organisations are not using the system to its full capacity which allows for detailed tracking. We will take that lesson into the scale-up of the programme and deepen the initial training that is offered to partners
- **Evidence quality**. Some partners continue to struggle with evidence quality. One of the key features of Jobs Boost is that every candidate in the system has comprehensive evidence attached, including evidence of having achieved each milestone. A sample of this evidence is reviewed by the outcomes auditors, and outcomes payment is only made after successful assurance by the auditors. The biggest evidence challenges have been in the case of partners that are working with sub-implementation partners. This tends to also delay the audit and payment processes.
- **Audit and payment delays.** There are delays that we are experiencing with getting the assurance processes completed timeously. This was caused by an influx of payment requests as implementation partners simultaneously reached specific milestones (currently, we estimate that our audit volume is higher in March and April 2025 than it has been at any other stage in the programme). While we did anticipate an increased volume at this point, the delays by some of the partners (audits that were supposed to be conducted in January are being conducted in March and April) were not adequately planned for. We are managing the process with the auditors through increased coordination and the auditors have increased internal capacity. This is being exacerbated by the public holidays and that the auditors generally allocate work of this nature to trainees who are often on study leave during this period. We see this problem persisting through the start of May but we anticipate that by mid-May we should be back to a reasonable timeline.
- **Authentic placements.** We have had engagements with partners regarding whether certain jobs qualify under our "quality jobs" criteria. Those criteria are quite clear that the job must be fully remunerated by the employer. This requirement increases the sustainability of the job in that it is not dependent on any subsidy. One area of confusion was the YES programme. Through the YES programme, employers fund the salaries of workers who are either placed within the employer or at third party employers. Our criteria mean that YES employees that are placed with the funding employer are eligible but if placed with a third-party employer they are not.
- **Failure to place trainees.** In the case of one partner, the partner has determined that it will not be able to meet the target for eligible job placements, despite having trained jobseekers. We have reallocated targets to other implementation partners and we are working with the partner to assist the approximately 350 additional jobseekers that have undergone training but have not progressed to placement.
- **Moving into self-employment.** Green Riders have encountered a problem whereby some of the better-performing last-mile delivery riders are resigning to become self-employed which they deem to be more profitable. Self employment does not meet the quality jobs criteria of the programme and this will have an impact on the number of jobseekers achieving the six-month sustained employment milestone. This provides important lessons on how we integrate gig-economy employment into the programme to help mitigate against such risks. TTBISA are also experiencing

some jobseekers opting out of the programme in pursuit of learnerships that also do not meet the quality jobs criteria. However, Green Riders otherwise do provide qualifying job opportunities for jobseekers.

- **Changing demand.** Many partners secured soft demand ahead of starting the programme and due to changes in the labour market some partners are having to adjust strategy. One partner has been particularly affected by USAID cuts but has been proactive and have opted to delay training activities as much as possible to limit the risk of overtraining and incurring too high costs. We have significantly reduced the targets of the partner and it is working to achieve the reduced targets in the limited timeframe. The released budget will be used to acquire outcomes from other implementation partners. We believe that the of the partner and the actions of Jobs Boost provide a good illustration of how to risk manage in an outcomes fund.

4. Performance to date

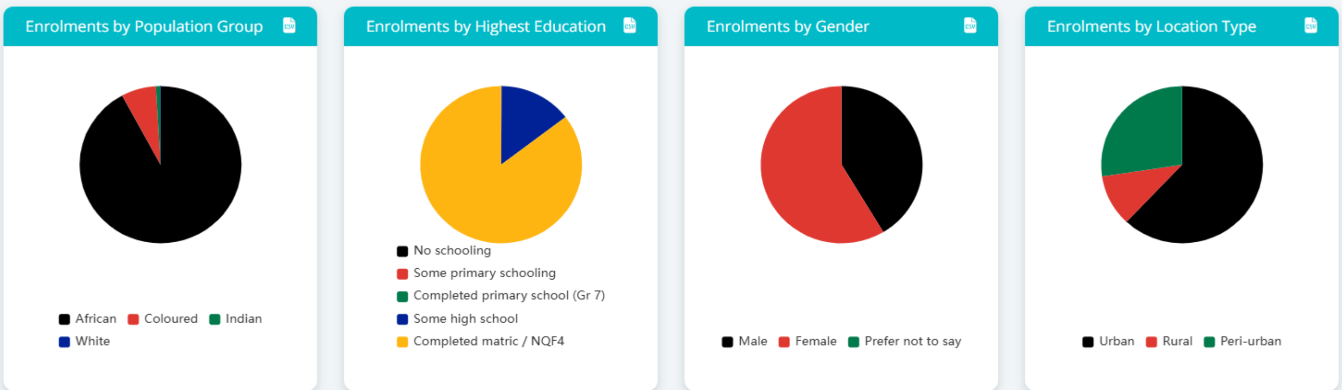
Results as at 31 March 2025

a. Enrolment performance

Targeted number of enrolments: 7,926

Achieved number of enrolments: 5,442 (65% of total enrolment target reached)

Although we are behind target by about 2,500 enrolments, this is not a major concern. One of the partners that accounts for over 2,000 targeted enrolments is operating two months behind target which largely accounts for the enrolment shortfall. We are on track to achieve our enrolment target of over 8,000 youth before the end of May 2025.



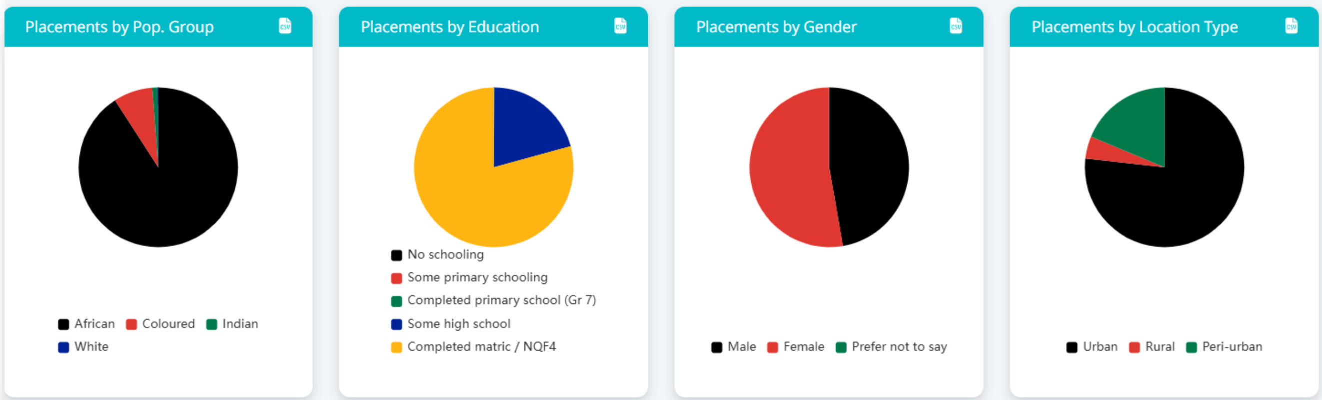
b. Placement performance

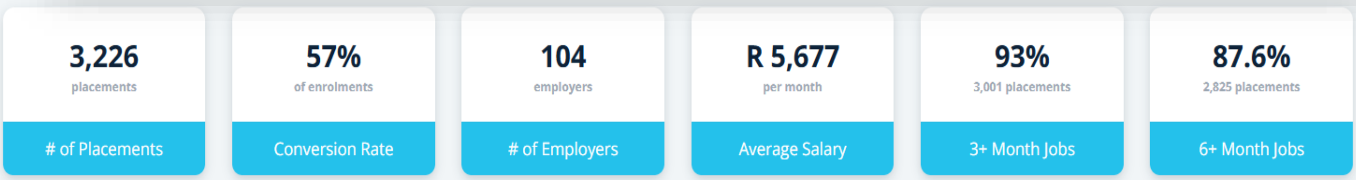
Targeted number of placements: 5,982

Achieved number of placements: 3,070 (40% of total targeted placements)

Placements refers to the second milestone, when jobseekers are placed into jobs.

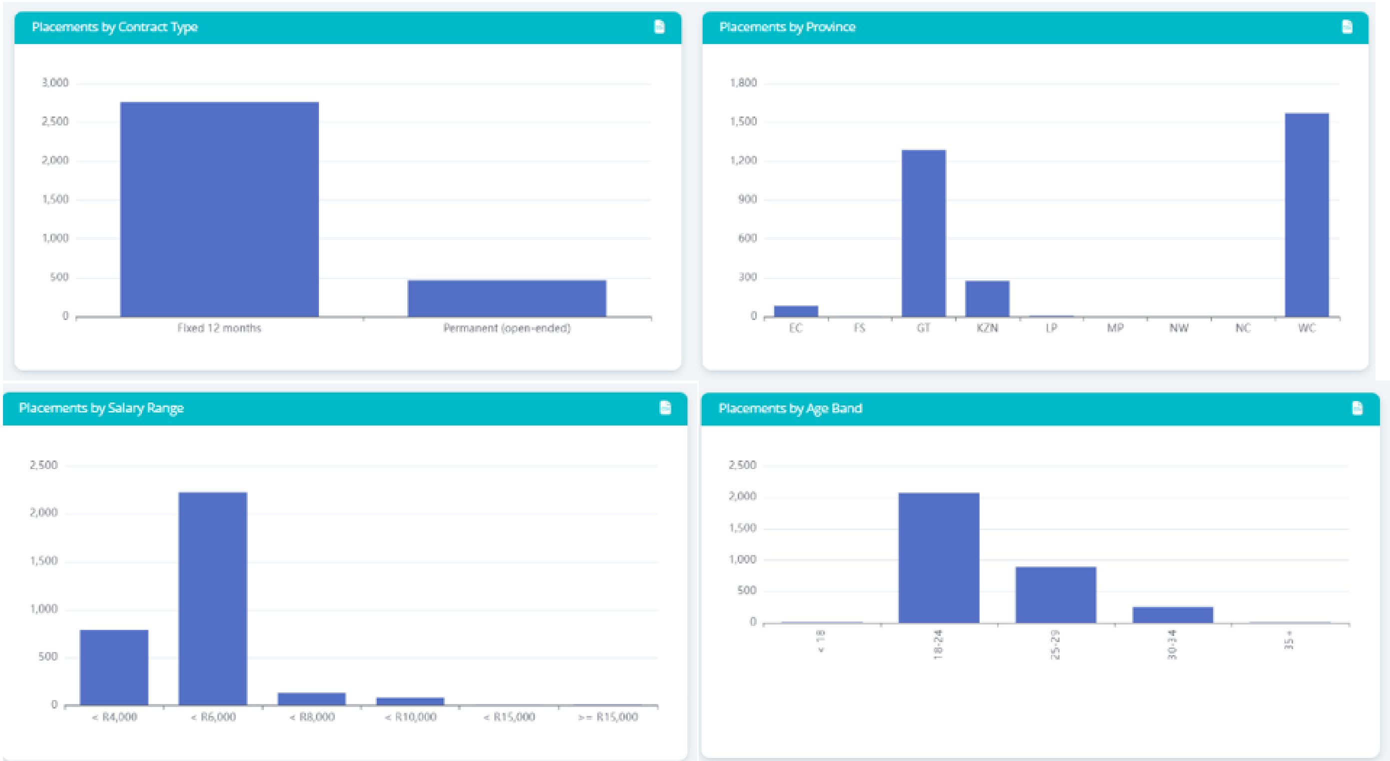
This target is approximately two months behind schedule (the targeted placements for January 2025 were 3,310). The delay is being driven by one of our large partners lagging by approximately two months on overall programme delivery and another of our large partners encountering placement difficulties (mentioned elsewhere in this report).





We are seeing a lower conversion rate (57%) of enrolments into placements than we had initially planned but we do expect that this will mostly correct when we get evidence in from some of the larger placements that are underway but we have not yet received evidence for. Encouragingly, we are seeing a good average salary point that is significantly above minimum wage and a strong retention rate of jobs reaching the three and six month sustained employment milestones.

Placements by gender is not exactly reflective of the enrolments by gender but that is due to the large number of last-mile delivery riders that have been successfully placed which is slightly male dominated; we anticipate that the placements will be more reflective of enrolments as more placement data comes in. Another notable demographic change from enrolments to placements is that the placements tend to be more urban, as is expected.



5. A special note on jobseekers trained and not placed

We are aware that several jobseekers were trained by one of our partners and may not be placed into employment, as mentioned above in this report. We estimate that approximately 300-350 jobseekers will not be placed into employment and about 700 jobseekers will experience delays in placement (they were initially expecting to be placed in January-March 2025, but are being placed into employment in March-May 2025).

As an outcomes fund, Jobs Boost only disperses grants to organisations upon successful placement of jobseekers into sustained, quality employment. This is a critical design feature. An outcomes fund is intended to reverse the problem of spending on training programmes that leave jobseekers still without a job. By tying most of the payment to job placement, implementation partners have a strong incentive to ensure that training is not wasted and is delivered efficiently.

In the case of one partner, the incentives have not resulted in the expected level of jobs. The partner recruited over 1,000 youth into training nationally with the objective of placing those youth into employment. That partner has experienced difficulties in achieving its placement targets in the necessary timeframe. It is now working on a recovery plan to ensure that most recruited jobseekers (700) are placed into quality employment. In line with the programme design, outcomes payments will only be made after placements have been achieved and are assured by independent auditors. This means approximately 300 jobseekers have been trained and will not find placements. We are working with the implementation partner to find alternative opportunities for these young people.

It is important to note that the job placements that qualify for the programme are 12-month or longer jobs that are fully remunerated by the final employer (thus excluding any internship and stipend programmes), are compliant with the basic conditions of employment act, remunerate at minimum wage or higher, involve 30 hours of work per week or more and are not in the public sector. This programme is entirely demand-driven and the risk of failure sits with the implementation partners that have deployed their own funds for training and recruitment activities. Failure to place jobseekers into quality employment has a financial impact on the implementing partner.

The 12 implementation partners to the fund were all selected based on our assessment of the viability of programmes and a balanced scorecard applied to various factors including price and demographics.