Jobs Boost
OUTCOMES FUND

25 November 2025

Quarterly report

1 July 2025 – 31 October 2025

Outcomes funder

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

NSF National Skills Fund

Part of the

PRESIDENTIAL YOUTH EMPLOYMENT INTERVENTION

Implemented by

krutham

Technical funder

Michael & Susan Dell FOUNDATION

www.jobsboost.org.za

1. Overview

Progress to date – 31 October 2025

9,074
enrolments
Verified - 109% of target

6,381
placements
Already verified 88% of target*

2,919 reach
three-months sustained mark
Already verified 50% of target*

1,341 reach
six-months sustained mark
Already verified 25% of target*

R200+ million disbursed
To implementing partners - 70% of total budget

The NSF agreed targets for the programme are 4,500 placements reaching the final milestone.
At present we are expecting to exceed 5,500 (22% over delivery).

Our implementation partners

AfrikaTikkun, AMAZI, BLULEVER EDUCATION, BPESA, V&A WATERFRONT CAPE TOWN, CHEEBA CANNABIS ACADEMY, ESM, GREEN RIDERS, FPD, SWIFT skills academy, Collective_X, TTBISA THE TOURISM & BUSINESS INSTITUTE OF SOUTHERN AFRICA

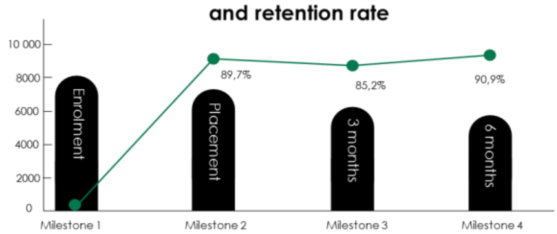
Performance projections

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

Key programme figures

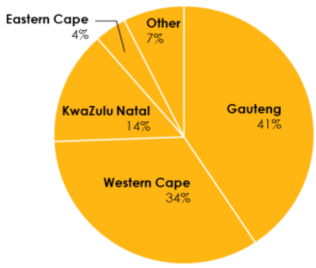
R 288,000,000	**R 287,718,316**	**R 53,134**	**5,519**	**4.8%**
Total budget	Allocated budget across 12 partners	Average cost per job	Number of job placements	Disability proportion

Number of candidates by milestone and retention rate

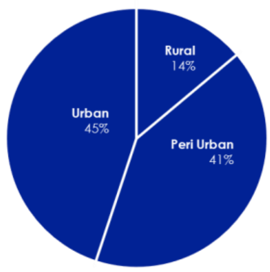


Candidates by industry sector

Candidates by province



Candidates' living conditions



For more information email jobsboost@krutham.com

2. Introduction

The 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 with the opportunity 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 March 2026, 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 issues that have arisen. The pilot is substantial by global standards and is, to our knowledge, the largest formal sector employment outcomes fund in the world. The pilot phase had a target of 4,500 jobs that reach the final milestone of six-months sustained employment and is currently projected to exceed this.

This report is the fourth 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 at the end of 2025, although some final milestones will conclude at end-March 2026, 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 Presidential Youth Employment Initiative on a comprehensive scale-up programme.

Overall, 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 the end of the programme.

3. Summary of third quarter

Between July and October 2025, the programme transitioned from a high-volume placement phase into a retention and verification phase, with a sharp strategic pivot toward securing and validating three- and six-month sustained employment outcomes. By July, enrolments had already exceeded overall targets, with placements approaching final levels but lagging slightly due to audit backlogs and delayed data uploads. By August and September, attention shifted to resolving underperformance by selected partners, reallocating budgets, expanding high-performing partners, and some timeline adjustments to protect ensure full fund expenditure. By October, the programme had effectively entered its final implementation stretch, with a stable target environment, improved verification processes, and accelerating sustained-employment submissions.

From a performance perspective, the programme demonstrated strong aggregate delivery across the four months. Verified enrolments increased from 7,973 in July (100% of target) to 8,808 by October (106%), while verified placements rose from 5,256 (75%) to 5,932 (82%). Verified three-month sustained employment improved from 1,997 (33%) in July to 2,640 (45%) in October, and six-month sustained employment increased from 942 (17%) to 1,258 (23%) over the same period. Financially, the programme showed strong momentum, with total disbursements growing from R134 million in July to over R188 million by October, reflecting accelerating milestone verifications and claims.

Strategically, the period was characterised by active fund management and risk mitigation. Underperforming partners were formally downsized, while high-performing partners received expanded targets. A critical change occurred in October when NSF approved a change to the evidence requirements for Milestones 3 and 4, allowing payslips without proof of bank payment, dramatically improving the pace of sustained-employment verification. At the same time, the programme confronted new compliance risks particularly with regards to a small number of placements that possibly do not meet the Jobs Boost criteria and ongoing documentation weaknesses among several partners. Despite these risks, by October the programme was on a credible trajectory to maximise outcomes, limit underspend to negligible levels, and conclude with performance exceeding initial expectations.

a. Highlights

The period from July to October 2025 was marked by strong aggregate performance and several strategic breakthroughs that significantly strengthened overall programme delivery. Across enrolments, placements, sustained employment and financial disbursements, the programme demonstrated sustained momentum despite operating in a complex implementation environment. Key achievements during this period reflect the effectiveness of adaptive management, partner optimisation and programme responsiveness, resulting in improved outcome verification, accelerated milestone submissions and reinforced confidence in the programme's final close-out trajectory.

- Enrolment performance exceeded targets consistently, rising from 100% in July to 106% by October, driven by strategic allowances for marginal over-enrolment and expanded partner targets.
- Placements progressed steadily, improving from 75% of target in July (5,256) to 82% in October (5,932) despite audit delays and documentation backlogs.
- Sustained employment outcomes accelerated, with verified 3-month outcomes increasing by 643 placements (July–October) and 6-month outcomes increasing by 316 placements over the same period.
- Financial disbursements scaled rapidly, growing from R134 million in July to over R188 million by October, confirming effective release of outcome-based payments.

- Audit backlogs were substantially cleared by August/September, especially for enrolments and placement milestones, improving overall data credibility and system stability.
- Extension of programme timelines were approved, allowing: August–October placement starts to mature to six-month outcomes by March 2026
- More than 85% of outcomes to be achieved by December 2025.
- TTBISA emerged as a flagship performer, with fast placement pacing, strong post-employment mentoring model, high employer demand leading to a likely +10% over-performance on updated targets
- NSF approval of revised M3 and M4 evidence rules in October unlocked a major bottleneck in sustained employment verification and significantly improved partner submission confidence

b. Challenges during the quarter

While overall performance remained positive, the programme continued to face a range of structural, operational and partner-level challenges during the July to October period. These challenges spanned underperformance by some implementing partners, persistent audit and verification bottlenecks, employer documentation resistance, and emerging data integrity risks. External market dynamics, employer dependency, and informal sector participation further compounded delivery complexity, requiring continuous corrective intervention and risk management. Some of the challenges that we encountered:

- Persistent underperformance by selected partners. This was driven by changes in the demand of the labour market, greater informality in some placements than what we had initially expected.
- Audit and documentation constraints persisted throughout the period. This was driven by outcomes auditor capacity limitations, employer resistance to providing UIF, payslips and banking documentation, difficulty reaching jobseekers working irregular shifts.
- Rising attrition at placement stage, particularly in retail and delivery sectors.
- Budget volatility and underspend risk, driven by partner underperformance (R13.6 million was the projected underspend in August before adjustments), late placement contract starts.
- Administrative strain from programme extensions, including unbudgeted management costs (~R2.5m) as the programme extends to March 2026.
- Employer engagement fatigue, with several employers increasingly reluctant to participate in audits, citing inconvenience to operations and staff

c. Learnings

The July to October 2025 period generated several critical implementation and systems learnings that will inform the design of the scale up. These learnings highlight the importance of flexible timelines, adaptive verification frameworks, diversified employer pipelines, strong post-placement support mechanisms, and early integrity controls.

Flexible timeline design is essential for outcome-based funds. The original system design assumed a firm December 2025 close-out, but real-world employment start delays required some extensions. Building structured contingency windows from the outset would reduce late-stage operational stress.

Evidence requirements fundamentally shape programme performance. The October relaxation of M3 and M4 verification rules immediately unlocked delayed submissions, demonstrating that compliance architecture can be as decisive as partner performance.

Post-placement support significantly improves retention, as illustrated by TTBISA's mentoring model, which delivered faster and more reliable sustained-employment outcomes than partners without embedded post-placement support

Informal and emerging sectors carry structural verification risks. Cheeba and BluLever revealed that sectors with weak regulatory formality create documentation failures that do not meet the quality jobs criteria on paper, even though materially the jobs do.

Employer dependency concentration is a systemic risk. FPD's reduction in target following the withdrawal of two major employers illustrates the vulnerability of single-employer or narrow-market placement models

Gig-economy dynamics distort sustained employment metrics, as seen in Green Riders, where youth migrated to higher-paying delivery platforms before six-month milestones, highlighting tension between job quality definitions (i.e. formalisation), income maximisation and programme metrics

Early and periodic site-based verification is critical. Physical verification alongside system-based audits is essential.

Dynamic budget reallocation preserves value in large outcome funds. The September reallocation strategy successfully redirected capacity from underperformers to outperformers, protecting overall fund performance

Strong cash-flow management is essential under milestone surges. The acceleration of M3 submissions in September required urgent drawdowns and NSF engagement to avoid liquidity bottlenecks

Evaluation and scale up planning

An independent external evaluation of Jobs Boost is currently underway. It is supported by GIZ. The target completion date of the evaluation is end-March 2026.

Our internal process that we ran to analyse the pilot programme is near completion and we will be sharing further details with the next report. We have developed a number of recommendations that we aim to implement as we gear up for an expansion of the programme in 2026.

4. Performance to date

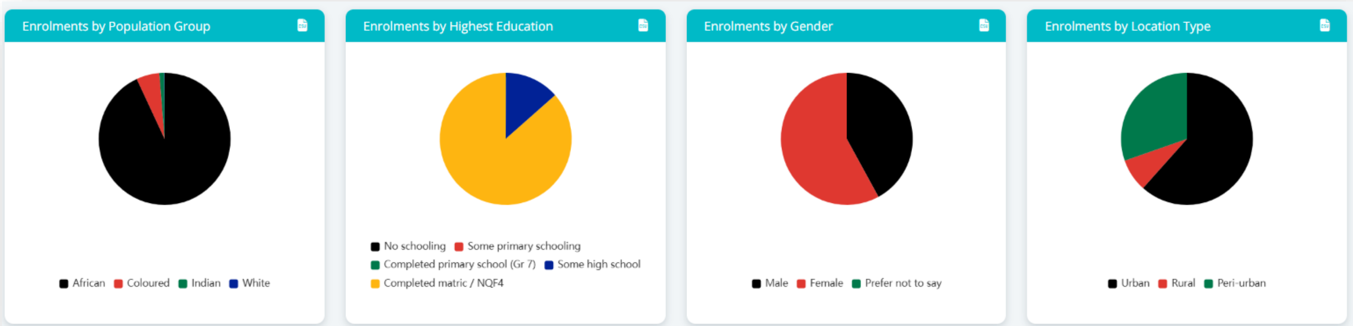
Results at 31October 2025

a. Enrolment performance

Targeted number of enrolments: 8,322

Achieved number of enrolments: 9,074 (109% of total enrolment target reached)

We have exceeded our enrolment target. This is because we allowed additional enrolments (although milestone payments could not be claimed) for some partners to be able to potentially expand on original targets for later milestones.



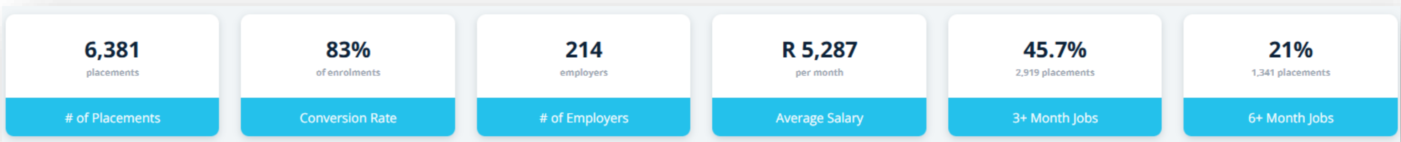
b. Placement performance

Targeted number of placements: 7,249

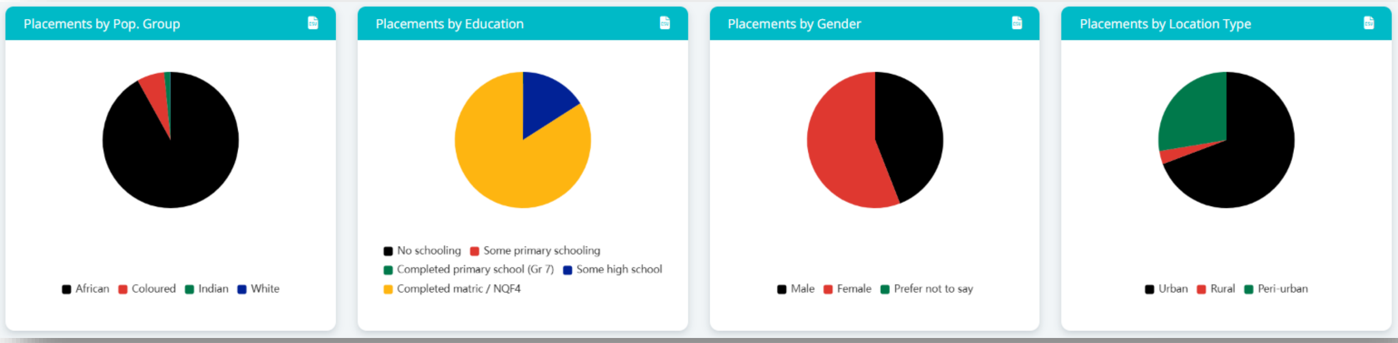
Achieved number of placements to date: 6,381 (88% of total targeted placements)

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

Although slightly behind the target, placements are still tracking well. We have increased the target slightly to account for greater attrition levels. To date over 6,000 excluded youth have been placed into employment through the programme (verified data) and when we are completed with the outstanding verifications, we expect that number to exceed 7,200.



We are seeing a much better conversion rate (83%) of enrolments into placements than we were achieving in the previous quarter. Encouragingly, we are seeing a good average salary point that is significantly above the minimum wage. As was expected, the greater attrition rates are leading to a lower average level of retention but this is not truly reflective. As evidence of three- and six-months sustained employment gets verified we will see the retention rates improve.



Placements by gender are now starting to be more reflective of the enrolments by gender when compared to the previous report. Another notable demographic change from enrolments to placements is that the placements tend to be more urban, as is expected.