



**YES**  
**4 YOUTH**  
**.CO.ZA**



**B-BBEE GAZETTE AND PRACTICE NOTE QUESTIONS AND ANSWERS 23 JANUARY 2019  
FINALISED IN CONSULTATION WITH THE DTI**

NO.	QUESTION	GG / PN	STATEMENT 000 / PRACTICE NOTE	ANSWER
1.	Is YES NPC the only entity that a company can register with FOR B-BBEE recognition for job creation ?	GG 1.1	The Youth Employment Service (Y.E.S) Initiative is to provide for, and institute, Broad-Based Black Economic Empowerment (B-BBEE) Recognition for Y.E.S Measured Entities and qualification criteria applicable to, the B-BBEE Recognition for Job Creation	Yes. In terms of the Practice Note for B-BBEE Recognition, this is explicit.
		PN 1.1	Y.E.S Measured Entities will need to register with the Y.E.S Non-Profit Company (Registration number: 2017/267641/08) in order to participate within the Y.E.S Initiative for Monitoring and Evaluation purposes of the Initiative.	
		PN 1.2	B-BBEE Recognition will only be awarded to Y.E.S Measured Entities that have registered with the Y.E.S Non-Profit Company.	
2.	What happens if a company is unable to maintain or improve its B-BBEE level?	GG 2.5	Y.ES Measured Entities must ensure that they maintain or improve the BBBEE Status Level and performance against the Targets under the overall Scorecard obtained in the prior year before participating in the Y.E.S initiative.	If at the time of B-BBEE Verification where all other elements have been assessed before awarding of Y.E.S B-BBEE Recognition, it is identified that the Y.E.S Measured entity has not maintained or improved, they may approach the dti B-BBEE Policy Unit with justifiable evidence for participation.
3. B	What are "new positions" and "new jobs?"	GG 6.1	Y.E.S Measured Entities engaging eligible employees in <u>new positions</u> are subject to South African legislation governing basic conditions of employment and working conditions	The intention behind the Y.E.S Initiative is to create new jobs in the South African Economy. However, due to the economic climate of South Africa at this point in time, flexibility and practicalities will be considered. No measurement of this will take place but Y.E.S Measured Entities need to

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				<b>ensure that a 12 Month Quality Workplace Experience is created for the Black Youth</b>
4.	<b>What does full-time employment mean?</b>	GG 6.2	Y.E.S Measured Entities are required to sign fixed term or temporary employment contracts with all eligible employees filling new positions within their Entity. <u>These new positions must have a 12-month fulltime work experience</u> paid for by the Entity	<b>Fulltime employment refers to employment that has no defined period of employment</b>
5.	<b>Can a Youth be employed on a part-time contract?</b>	PN 1.7	The Work Place Experience for Eligible Employees needs to <u>cover a full 12-month period</u> . In the event where the Eligible Employee does not complete <u>a full 12-month period</u> due to unforeseen circumstances....	<b>A Youth must be employed on a 12 month, fixed term employment contract that complies with the labour legislation, including the LRA and the BCEA.</b> <b>A Measured Entity may apply the hours of work as determined in a sectoral determination that the entity is regulated by.</b>
6.	<b>Is a company obliged to use the employment contract template provided by YES?</b>			<b>An entity is not obliged to use the YES employment contract template.</b> <b>However, the employment contract must be a 12 month, fixed term employment contract that complies with the labour legislation, including the LRA and the BCEA.</b>
7.	<b>What is meant by a "quality work experience"?</b>	GG 6.3	YES Measured Entities must commit to ensuring a <u>quality work experience</u> is provided to the eligible employee insofar as the entity is able to provide it	<b>Annexure A – Quality Work Experience</b>
		PN 1.10	The 12-month <u>Quality Workplace Experience</u> will be monitored by the Y.E.S Non-Profit Company to ensure a consistent national standard. ...	
		PN 1.12	Placements of Black Youth can be for Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) including EME and QSE Non-Profit Organisations.	

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			However, Entities may place Eligible Employees in Entities irrespective of size to ensure A <u>Quality Work Experience</u> is achieved	
8.	<b>Must the salary for each Youth employed be R3500/month?</b>	PN 1.10	...Sectors that are governed by specific Employment Conditions Legislation should be taken into account but ultimately the Eligible Employee needs to fulfil a 12-month workplace experience.	<b>YES recommends that Youth be paid a monthly salary of R3500</b> <b>Employers are required to comply with the Minimum Wage Act, 2018, the relevant labour legislation including the LRA and BCEA as well as any sectoral determination that the entity is regulated by</b>
9.	<b>Can a Youth be absorbed prior to the completion of the 12-month employment term?</b>	PN 1.6	Due to the uptake and difference in Measurement Periods for Y.E.S Measured Entities, the Target for Absorption will not be verified for B-BBEE Recognition during the first year of implementation of the Y.E.S initiative. Instead, the target for this will be verified when absorption takes place in the following Measurement Period. Absorption is based on the Y.E.S Entity's Target	<b>No. Absorption can only take place after the 12 Month Period.</b>
10.	<b>If a Youth is being sponsored and is placed at an SMME which entity is required absorb the Youth in order to qualify for B-BBEE Recognition - the sponsoring company or the hosting SMME?</b>	PN 1.8	Absorption can only take place after the 12-month completion of the work place experience and the target is based on the Y.E.S Targets for Y.E.S Measured Entities. If absorption is identified at the time of B-BBEE Verification, B-BBEE Recognition will be awarded.	<b>Absorption is based on principles embedded within the Amended Codes of Good Practice. Absorption can occur within the Y.E.S Measured Entity or any other Entity. The responsibility is upon the Y.E.S Measured Entity to provide information that proves that Absorption has taken place according to the prescribed targets set out in the Gazette.</b>
11.	<b>What is the consequence for B-BBEE Recognition if neither the sponsoring company nor the SMME absorbs the Youth?</b>			<b>Absorption can occur within the Y.E.S Measured Entity or any other Entity.</b> <b>The responsibility is upon the Y.E.S Measured Entity to provide information that proves that Absorption has taken place</b>

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				according to the prescribed targets set out in the Gazette
12.	If a Youth is employed as part of a Learnership, Internship or Apprenticeship, can the same Youth qualify as part of a company's YES target headcount?	PN 1.9	The 12-month workplace experience is not a Learnership, Internship or Apprenticeship programme.	No. The Practice note is explicit on this. Initiatives for Y.E.S and Learnerships, Internships & Apprenticeships are separate
13.	Can a Youth who employed as part of a company's participation in YES also participate in a Learnership, Internship or Apprenticeship			No. The Practice note is explicit on this. Initiatives for Y.E.S and Learnerships, Internships & Apprenticeships are separate
14.	If a Youth is employed as part of a Learnership, Internship or Apprenticeship, can a company convert the Youth to count as a YES Youth?			No. The Practice note is explicit on this. Initiatives for Y.E.S and Learnerships, Internships & Apprenticeships are separate
15.	<p>Must a Youth remain unemployed from time of registration with YES until time of placement?</p> <p><b>Scenario:</b> Youth A registers with YES in January 2019 At time of registering Youth A is unemployed</p>	PN 1.14	B-BBEE Recognition will only be applicable for the creation of jobs under the Y.E.S Initiative for Eligible Employees who <u>are unemployed at the time of registering with the Y.E.S Initiative.</u>	At the time of registration by the Black Youth, they need to be Unemployed. This is a self-declaration by the Black Youth.

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	It takes 7 months before Youth A is placed in employment			
16.	What happens if Youth A finds employment one day after registering with YES, but still wants the option to be placed in a YES job?			In a scenario such as this, a discussion will take place between the Black Youth, Y.E.S Measured Entity and Y.E.S NPO to determine the way forward for the Black Youth
17.	What evidence is required to confirm that the Youth is unemployed?			This is a self-declaration by the Black Youth
18.	Is YES a verification agency?			No
19.	What evidence must a measured entity gather for verification?			The Y.E.S Practice Note introduces the types of documentation that will be required at the time of B-BBEE Verification (Not Limited to)
20.	If a company is participating for the 2nd year must the previous year's headcount or the new year's headcount be used?			The Measured Entity must use the headcount as at the last financial year-end
21.	If for operational reasons, a company's headcount decreases in the year it is participating in YES, how will this affect its target?			The Measured Entity's headcount provided at the time that it registers to participate in the YES Initiative, being the headcount as at the last financial year-end, is used to determine target for B-BBEE Recognition.  A change in the headcount during the period of participation in the YES Initiative will not affect the target for B-BBEE Recognition.



# Annexure A – Quality Work Experience

# What is a quality work experience and how does YES ensure this?

## Youth Learning and Growth

- Learning is critical over the period of the year, YES measures and monitors this against a baseline for that youth all year every week
- The cutting edge work readiness programme enhances youth prospects by building life long socio-emotional skills and a growth mindset which are proven to improve career success through modern 4IR training methods.
- Delivery of a behaviorally based and digitally delivered work readiness programme. This enhances the success rates of placements, assists and guides youth where little mentorship is available and assists employers with less time and management resource. YES ensures all youth in the programme receive this critical work

## Youth Protection + Equal Opportunity

- The continuous monitoring ensure youth are not used purely to achieve benefits, ignored or abused by unscrupulous employers.
- Consistent and fair measurement regardless of the work opportunity, where youth start out or live.
- If your YES experience is in Bushbuckridge or Sandton, youth receive the same YES experience and quality stamp.

## Structured Exit Strategy for Youth

- Building a trusted and standardized portfolio of evidence of the youth's learning and supervision over the year through digital surveys of youth and from their supervisor.
- Using this data to build a CV and the very important & well constructed **reference letter**. A YES badged letter indicates to future employers a level of benchmarked credibility, quality and trust that the youth has successfully worked through their youth. This de-risks the youth enhancing their future prospects especially the many youth with no certification or qualification.
- Linking youth exiting the programme into a digital network through the YES LinkedIn partnership to enhance future opportunities opening up to them.

## QUALITY WORK EXPERIENCE

### *Why do we need this measure?*

The YES collaboration between business, government and labour is an experimental and innovative model to drive youth employment to scale in SA. Government have put forward and extended the Employment Tax Incentive and the B-BBEE level up for firms who meet YES targets as benefits for taking part and to encourage firms to create larger numbers of work experiences.

Creating a measure around the **quality** of the work experience ensures that the objectives and investments into YES result in the desired outcomes of the programme which are not solely around numbers but also include the impact and sustainability of the work experience and the YES programme.

### **Department of Labour need evidence that:**

- youth benefit from the year with a real work experience
- a clear exit strategy from the one- year employment contract
- this must include the development of a consistent and credible, validated letter of reference and a CV. This is to be constructed using a portfolio of evidence gathered over the year.
- youth are not taken advantage of for the benefit of the incentives and youth have avenues to communicate learning and experience with YES and implementation partners outside of their immediate employers
- youth are given the full year of experience
- youth receive a consistent baseline management and benefits package regardless of where the work experience takes place. A YES CV and reference letter must be quality and hold weight even if the youth is placed in a rural less formalised setting.

### **Department of Trade and Industry require evidence that:**

- the B-BBEE benefits are not abused or gamed where firms benefit however youth impact is not achieved in terms of the number and quality of work experiences created. YES must create **new work opportunities and must be additive** as a measure of success.
- YES is working in the way it was intended and that evidence is presented quarterly to monitor this progress. Agile and scaled reporting through the monitoring and evaluation system allows for rapid interventions and iteration to ensure new, sustainable and quality jobs are being created.
- SANAS, verification agencies, B-BBEE consulting agencies and YES are clearly aligned on YES objectives and compliance criteria.

### **Presidency and Department of Higher Education and Training:**

- must see evidence that pathways to economic wellness and economic inclusion are being created for one million youth with positive community spillovers and sustainability of work experiences created.
- that new work experiences are being created and the programme is additive
- that South Africa's NEET youth and those without certification are extended opportunities to become economically active through these work experiences and community investments in infrastructure and training.

### **Business needs to see:**

- The YES investment creates sustainable work experiences and that the youth unemployment number reduces
- the economic and social impact and value to the future of SA through jobs creation is being achieved.

## What are we measuring?

To achieve the abovementioned success factors YES must ensure that YES companies: meet compliance requirements by measuring baseline data, registering the YES target, are clearly contracted into the programme, receive certificates of baseline and registration compliance for verification, are given assistance and direction to reach targets and in ensuring quality and monitoring and evaluation on a continuous basis.

To achieve the abovementioned success factors YES must ensure that YES youth: are well managed, have safe pathways to log unfair labour practice and interventions to assist, have basic conditions of labour maintained, have clear contracts, have consistent baseline experiences, learn over the period of the work experience, exit with a credible YES reference letter and CV, have been de-risked with a YES alumnus badge which represents a currency for the youth to progress into the economy with.

What is a 'quality' work experience:

- Given the mandate to create one million jobs in three years it is important to recognise that youth placement experiences will be diverse and varied. Therefore **quality** is not defined by the nature, location or perceived status of the job due to the breadth and scale of YES work experiences.
- **Quality is measured by and consistency maintained through:**
  - the personal development trajectory, learning and mindset shift of the youth over the course of the 12-month experience as evidenced through big data collection in the YES M&E system.
  - the completion of the 24 work readiness modules and assessments released over the course of the year- long YES contract.
  - the data gathered via the baseline survey and the following weekly, two weekly and monthly surveys completed by youth on their YES smartphone.
  - The data gathered through the supervisor app and survey responses collected over the year.
  - The YES exit pack of the standardised CV and reference letter built from the collection of a portfolio of evidence from the youth assessments, surveys and supervisor surveys and responses.

## How are we measuring?

To achieve the 1 million target Y.E.S. requires that both youth and employers come to trust the Y.E.S programme. This requires that all parties have a good Y.E.S. experience. Thus, ensuring a quality experience is fundamental to the success of this initiative. Y.E.S. will ensure a quality experience through the following components:

- I. Providing every Y.E.S. youth participant with a mobile phone. The phones and the use of technology will provide a consistent experience for all youth and the ability to provide high quality\* training at scale. (\*Quality: cutting edge, digitally delivered, behaviourally based, curated content designed in conjunction with global best-practice institutions such as the World Bank - a signed partner of Y.E.S). This will launch the youth into the digital economy and build their digital literacy in an incremental fashion over the course of the year:
  - Global evidence has pointed to exponential growth and leapfrog technologies as being faster pathways to global development.
  - At the low cost of approximately R1000 we can transform the life of young person who

otherwise would have no access to the benefits of a digital economy and digital networks by linking them to the information superhighway. Empirical evidence demonstrates a strong relationship between smartphone penetration and GDP growth per capita and that linking people into the digital information superhighway provides the biggest shifter of economic advancement (SEE FOOTNOTE REFERENCE<sup>1 and 2</sup>).

- ii Improving the 'fit' between a young person and a job opportunity. Skills4YouthEmployment (S4Y), a Washington based think tank, has done extensive research to define a quality experience as being a correct 'fit' between a candidate's profile and a job description. Y.E.S. is working in collaboration with S4Y and the Dell Foundation to enable better profiling of youth, in particular those who do not have the accreditation or formal certification that would otherwise provide market signals to help link them to appropriate work opportunities.
- iii All Y.E.S. youth (regardless of where they are placed) will participate in a digital work-readiness programmes through the Y.E.S. App.
- iv Y.E.S. is working with experts to develop a digital App-based employer toolkit to guide employers and SMMEs to better manage youth so that all parties have a better experience.
- v Equipping youth (on an ongoing basis) with the soft skills required to integrate into new workplaces and providing them with a reference letter and better designed C.V. Combined, these help to 'de-risk' the youth after the one-year placement and make them three times more likely to be offered gainful employment. (Y.E.S. is working with LinkedIn to design the Y.E.S. C.V. as a credible market reference).
- vi Given that this is the first time that many of the youth will be earning an income a key component of quality is ensuring financial wellness and management of first income. The Y.E.S. App will incorporate behavioural interventions and training to assist Y.E.S. youth so that they are better equipped to responsibly manage income and credit.
- vii Providing quality training to every youth and every participating SMME and tracking the progress of each youth to ensure that the placement experience both improves their skill levels and that this training record and their progress is reflected in their C.V. and letter of reference.
- viii Providing multiple easily accessible channels for the youth to raise concerns about their placement and to seek support, guidance or help (the hubs and locally identified community organisations will play a role in face-to-face support wherever possible. Y.E.S. is looking at AI chatbots to also assist in this, global examples have shown promise).
- ix Conducting rigorous monitoring, measurement, evaluation and reporting across youth, employers and the programme so that we learn what is working and what is not and rapidly iterate as we scale.

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<sup>1</sup> 60% of South Africa's adult population owns a smartphone. Stats SA, Nov 2017

<sup>2</sup> Deloitte, CISCO and GSMA: *What is the impact of mobile telephony on economic growth?* (2012) "Waverman *et. al* (2005).concluded that 10 more mobile phones per 100 people would increase GDP per capita growth by up to 0.6 percentage points. Studies focussing on developing countries found this impact to be larger, between 0.8 and 1.2 percentage points." <https://www.gsma.com/publicpolicy/wp-content/uploads/2012/11/gsma-deloitte-impact-mobile-telephony-economic-growth.pdf>