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The impact economy and youth unemployment in South Africa

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Foreword – Johannes Wedenig



South Africa's young people do not lack talent, energy or the will to work. What they lack is opportunity. With 4.5 million young South Africans outside education and employment, the youth unemployment crisis is no longer only an economic statistic. It shapes the wellbeing of families and communities, and the prospects of an entire generation. For UNICEF, whose mandate is to protect every child's right to grow into a healthy, capable and productive adult, the transition from adolescence to a decent livelihood is where many earlier gains in health and education are either secured or lost.

This paper starts from a simple observation: the work South Africa most needs done is the work its young people are ready to do. Restoring wetlands, mapping water sources, supporting learners in classrooms, installing solar systems, promoting better nutrition at household level. These activities produce real social and environmental value. Too often, that value goes unmeasured, unrecognised and unpaid. The impact economy, which already accounts for an estimated 1.3 million jobs in South Africa, offers a way to change that. In support of the Presidential Youth Employment Intervention, it is another pathway to generating livelihoods for young people at scale.

To get there, we need to rethink how development is financed. For decades, the development system has relied on intermediation. Funds flow through development organisations to pre-finance programmes, which are then judged against agreed targets. This model has delivered important results. It also places considerable distance, and cost, between those who fund impact and the grassroots organisations and young people who create it. UNICEF's ambition, expressed through the Yoma Impacts Exchange, is to narrow that distance. With digital measurement and verification, impact can be recorded where it happens and certified as a trusted record. It can then be financed after it has been achieved rather than only in anticipation of it. Over time, we see impact itself becoming a recognised asset that connects those who seek impact directly with those who produce it, in a marketplace that is more transparent, accountable and efficient.

Experience in Zambia shows what is possible. There, digitally verified cookstove carbon credits command a premium price because of the quality of their verification. The same certificate captures jobs created for women and young people, income flowing to youth, and nutrition benefits for the households they serve. A single commercial intervention can thus be shown to advance climate, employment, gender and social goals at once.

Verification is the key to unlocking this potential. Outcomes-based finance has proven its value in South Africa, through, for example Bonds4Jobs and the Jobs Boost Outcomes Fund. Yet where verification is costly, such models remain confined to simple indicators. Lowering that cost allows us to finance a far wider range of outcomes and build the business case from the bottom up.

Government and the private sector can also help create demand for youth-generated impact. Environmental fines could fund young people to carry out the remediation itself. Extractive industries' social obligations could be channelled through youth-led social enterprises. Treasury could take up verified outcomes from public employment programmes such as school teaching assistants. In each case, the reward goes to measurable results rather than activity alone.

None of this replaces sound policy, quality skills development or the need for economic growth. It does offer a practical way to align public, private and philanthropic capital behind what matters most: young people doing meaningful work and being paid for the value they create. I am grateful to our partners at PwC for this collaboration. I hope this paper prompts all of us to see South Africa's young people not as beneficiaries of the impact economy, but as its producers.

Johannes Wedenig
Representative – UNICEF South Africa

Foreword – Marthle du Plessis



South Africa's youth unemployment crisis is one of the most urgent challenges facing our country. Behind the statistics are millions of young people with the talent, determination and potential to contribute meaningfully to our economy and society, but who remain excluded from opportunities to develop skills, earn a livelihood and shape their futures.

Addressing this challenge requires more than preparing young people for the jobs that exist today. It requires us to rethink how value is created, how work is recognised and how investment can be mobilised to expand meaningful economic participation.

The impact economy presents an important opportunity. Across South Africa, essential work is needed in our communities, schools, local economies and natural environments. From supporting early learning and food security to strengthening climate resilience and access to technology, this work creates measurable value while providing young people with pathways into employment, entrepreneurship and sustainable livelihoods.

Realising this opportunity will require collaboration. Government can create an enabling policy environment, while businesses can contribute capital, expertise, technology, market access and demand. Development organisations and community partners bring experience in reaching young people and delivering impact where it is needed most. Young people themselves bring energy, creativity and a deep understanding of their communities.

For organisations, investing in young people and the impact economy is integral to building a resilient future. As economies become more sustainable and technology enabled, employers increasingly need people who can adapt, solve complex problems and respond to social and environmental challenges. Young people need meaningful opportunities to develop and demonstrate these capabilities through practical experience.

This requires stronger alignment between skills development, employment demand and the outcomes society needs. Training alone is not enough if it is disconnected from real opportunities. When impact can be credibly measured and verified, organisations and investors can direct resources towards interventions that work and scale those that deliver lasting value.

At PwC, we believe that solving complex societal challenges requires collaboration, trust and new ways of thinking. Our collaboration with UNICEF South Africa reflects a shared commitment to unlocking opportunity for young people and supporting solutions that are practical, measurable and scalable.

This paper invites leaders across government, business and civil society to recognise young people as active contributors to South Africa's development. By investing in the value they create, we can help build an economy that is more inclusive, resilient and better equipped for the future.

Marthle du Plessis
PwC South Africa Workforce Leader

01 Executive summary



South Africa is confronting one of the most severe youth unemployment crises in the world. With 4.5 million young people (aged 15-34 years) currently outside of education and employment,[1] the country has the unenviable distinction of having the highest youth unemployment rate globally.[2] This document presents a compelling case for the impact economy—a sector deliberately oriented toward generating measurable social and environmental outcomes—as a strategic and scalable solution to this deepening youth unemployment crisis.

South Africa currently has approximately 1.3 million impact jobs,[3] representing nearly 8% of total national employment. These jobs fall into two broad categories:

- **Social jobs:** Nearly 200,000 social enterprises operate across the country, with 86% of them employing young people. These enterprises are concentrated in education, health, and civic engagement—sectors where social value is central to the business model—and support almost 400,000 full-time jobs. [4]
- **Green jobs:** Approximately 900,000 local jobs are classified as environmentally focused, spanning waste management, alternative energy, and sustainable construction.[5] This segment is poised for significant growth as South Africa advances it's Just Energy Transition (JET)—a national shift away from coal dependency toward renewable energy sources.

1 Statistics South Africa, 2026. Quarterly Labour Force Survey, Quarter 1. https://www.statssa.gov.za/publications/P0211/P02111stQuarter2026.pdf
2 Trading Economics, 2026. Youth unemployment rate. https://tradingeconomics.com/country-list/youth-unemployment-rate
3 As an umbrella concept, impact jobs are employment opportunities designed to generate measurable and positive changes on social and/or environmental challenges.
4 WEF, 2025. The State of Social Enterprise: Unlocking Inclusive Growth, Jobs and Development in Africa. https://www.weforum.org/publications/the-state-of-social-enterprise-unlocking-inclusive-growth-jobs-and-development-in-africa/
5 Estimate based on calculations using data from the World Bank and Statistics South Africa

Together, these sectors represent a meaningful and growing foundation upon which youth employment strategies can be built. This document articulates a clear theory of change for reducing youth unemployment through impact jobs. Rather than relying on traditional charity or corporate social investment, the model is outcome-driven and structured across five stages:

- **Inputs:** Capital, policy incentives, and institutional support.
- **Activities**: Demand-led training, mentorship, and job-matching services.
- **Outputs**: Youth placed in impact roles and equipped with market-relevant skills.
- **Outcomes**: Improved employability and faster transitions into quality employment, with associated community and environmental benefits.
- **Impact**: Sustained reduction in youth unemployment and inclusive economic growth.

This framework shifts focus from what is spent to what is achieved, holding stakeholders accountable for real-world results. Our research identifies three key enablers necessary to unlock the full potential of the impact economy:

- **Sustainable financing**: Traditional grant funding is too limited and fragmented to drive systemic change. This report advocates strongly for outcomes-based financing—also known as "pay-for-success" models—where funding is only disbursed upon verified employment outcomes. Initiatives such as the Bonds4Jobs programme and the Jobs Boost Outcomes Fund are cited as proof-of-concept, demonstrating that blended finance models are both financially viable and effective at placing youth in sustained employment.
- **Demand-led skilling**: A significant and persistent skills mismatch exists between what the education system produces and what employers actually need. This report calls for short-term, intensive, employer-aligned training to close this gap. It identifies four skill categories that young people must develop: foundational (literacy and numeracy), adaptive (critical thinking and problem-solving), employability (workplace readiness and soft skills), and technical (trade-specific competencies). Training that directly responds to employer demand—rather than supply-side assumptions—is central to this approach. (At the same time, increased public and private investment is needed to stimulate the demand for new jobs.)
- **Policy alignment and data infrastructure**: While South Africa has comprehensive policy frameworks in place there remains a significant gap between policy ambition and institutional execution. Closing this gap requires strong political will, cross-sector collaboration, and investment in data systems. This document highlights critical gaps in tracking the impact, durability and cost-efficiency of employment models, underscoring the need for rigorous measurement.

The impact economy offers South Africa a "triple bottom line" opportunity to deliver on people, profit, and the planet simultaneously. By strategically aligning public, private, and philanthropic capital through outcomes-based funding mechanisms and demand-responsive training systems, South Africa can transform its youth unemployment crisis from a source of social strain into a catalyst for sustainable, inclusive development. The path forward is not without challenges, but the evidence presented suggests that with the right investments, incentives, and institutional commitment, meaningful progress is well within reach.

02 What is the impact economy, and what is it not?



The worldwide urgency to address unprecedented social and environmental challenges has never been greater. Today's youth face a convergence of crises—rising conflict, climate shocks, and funding shortfalls—that are destroying livelihoods, childhoods, and futures. The urgency for action has never been greater.[6]

Impact employment is growing rapidly across the globe in response to these global challenges. As an umbrella concept, impact jobs are employment opportunities designed to generate measurable and positive changes on social and/or environmental challenges.

Impact jobs make a real difference to the challenges our society faces. Think social entrepreneurs, community health workers, environmental education managers, diversity and inclusion (D&I) officers, wetland conservationists, solar energy technicians, sustainable construction managers, and reforestation workers.

They are all around us. Every day, they are active in our communities. Their outcomes and impacts are clear: making the world a better place to live in.

The impact economy, more broadly, sits at the intersection of economic activity, social outcomes, and environmental sustainability, intentionally designing for measurable outcomes.

The impact economy is not your traditional corporate social investment (CSI) programme—these often focus on inputs and less on outcomes. Impact jobs are not grant-funded, which often underpin programmes with limited scalability. And the impact focus is not after pure green growth; a focus that is often weak on social inclusion.

6 UNICEF, 2025. The State of the World's Children 2025. https://www.unicef.org/reports/state-of-worlds-children/2025

Rather, the impact economy is an entire ecosystem where investment, business activity, production, and consumption are intentionally designed to generate positive and measurable social and environmental outcomes alongside financial returns. This reflects a "triple bottom line" approach focussed on people, profit, and the planet.

How impact jobs support us in achieving the SDGs

The United Nations (UN) Sustainable Development Goals (SDGs) are our societal north star(s). Adopted by UN member states more than a decade ago, the SDGs provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.[7]

The roots of the SDGs are found at the 1992 Earth Summit in Rio de Janeiro where more than 178 countries adopted Agenda 21: an action plan for sustainable development to improve human lives and protect the environment.[8]

Impact jobs were around long before 1992. But their importance for the future of our society was cemented in Rio. The summit created a foundation for the eventual creation of the SDGs which, in turn, is dependent on the work done by entrepreneurs, community workers, educators, D&I officers, conservationists, engineers, builders, re-foresters, and many other impact workers.

How does impact jobs contribute to achieving SDGs? The following table looks at eight of the SDGs, how impact jobs can contribute to achieving them, and examples of the impact workers that play a key role.

Table 1

SDG	Example impact jobs	Impact link
SDG 1: No Poverty	Social entrepreneur, microfinance supplier, social worker	Social entrepreneurs build businesses solving social problems and create employment to help people become self-sufficient
SDG 3: Good Health and Well-Being	Community health worker, old-age care worker, midwife	Community health workers provide informal education, psychological support, and basic care to improve health outcomes near or at home.
SDG 4: Quality Education	Environmental education manager, early childhood development (ECD) specialists	Environmental education managers expand learning opportunities and improve educational outcomes on topics like conservation and climate change.
SDG 5: Gender Equality	Diversity and inclusion (D&I) officers, women's empowerment mentors	D&I officers foster inclusive workplaces to reduce inequality in opportunity and break down systemic barriers.
SDG 6: Clean Water and Sanitation	Wetland conservationist, water treatment operator	Wetland conservationists protect, restore, and manage natural ecosystems to maintain biodiversity, water quality, and flood control.
SDG 7: Affordable and Clean Energy	Solar energy technician, wind turbine technician	Solar energy technicians install, maintain, and repair systems that convert sunlight into electricity or thermal energy, and reduce dependence on fossil fuels.
SDG 11: Sustainable Cities and Communities	Sustainable construction manager, urban planner, recycling-focussed waste collectors	Sustainable construction managers integrate energy efficiency and safety into building project, making communities more liveable and safer.
SDG 13: Climate Action	Reforestation workers, climate policy analyst	Reforestation workers plant, maintain and protect trees in areas where deforestation has eroded food supply and reoxygenation systems.

7 United Nations, 2026. History of the SDGs. https://sdgs.un.org/goals
8 United Nations, 2026. History of the SDGs. https://sdgs.un.org/goals

03 How do impact jobs reduce youth unemployment?



We've all read this kind of story. A social entrepreneur in a small rural village recruits young, jobless people in the area to help collect and recycle litter from a nearby wetland. Cleaner environment. Less unemployment. An upskilled workforce. More villages sign up. A win-win situation with a great front-page photo.

This is, of course, easier said than done. A clean wetland doesn't just happen. Someone needs to finance the endeavour, train the workers, and ensure sustainability in jobs beyond the primary village's wetland.

To see real change, inputs (e.g. funding) and activities (e.g. training) need to create outputs (a cleaner wetland) that, in turn, generate positive societal outcomes (higher skilled youths) with positive environmental (cleaner drinking water) and social (less unemployment) impacts.

A clean wetland is an output of this clean-up process. Young people that are more employable is a key outcome. Reduced youth unemployment is the ultimate impact. This is also known as the Youth Force approach: generating social and environmental impact while reducing youth unemployment

The following diagram sets out a theory of change for reducing youth unemployment through impact jobs in an upper-middle-income country like South Africa.

Inputs	Activities	Outputs	Outcomes	Impact
• Capital and incentives • Impact-focused employers • Delivery partnerships • Skills and policy support	• Paid impact jobs • Work-integrated learning • Mentorship and coaching • Job matching and signalling	• Youth placed in impact roles • Market-relevant skills gained • Credible work experience	• Higher youth employability • Faster transitions to quality jobs • Stronger employer confidence • Growing impact enterprises	• Reduced youth unemployment • More inclusive, sustainable growth • Positive social and environmental outcomes

This theory of change makes it clear that impact jobs need an ecosystem of support and enablers to be effective in general, and supportive more specifically for creating jobs and reducing youth unemployment.



04 Rise of the impact economy in South Africa



South Africa has the highest youth unemployment rate in the world at more than 60%.[9] There are 4.5 million young people in the country (aged 15 to 34 years) that are outside of education, and who are willing and able to work, but are currently without employment.[10] It is, quite simply, South Africa's biggest societal channel.

The economy simply does not have enough job opportunities for its young people. With economic growth averaging just 0.7% p.a. over the past decade[11], the South African economy is not growing fast enough to address youth unemployment. Part of the reason is under-investment by both the public and the private sector: total investment is around half that of the 30% of GDP goal set by the National Development Plan (NDP) towards 2030.

The Government of South Africa has a multi-pronged approach to solving the youth unemployment problem. This includes the Presidential Employment Stimulus which supported more than 2.5 million employment and livelihood support opportunities since 2020.[12]

> 4.5 million unemployed young people (aged 15-34) in South Africa

9 Trading Economics, 2026. Youth unemployment rate. https://tradingeconomics.com/country-list/youth-unemployment-rate
10 Statistics South Africa, 2026. Quarterly Labour Force Survey, Quarter 1. https://www.statssa.gov.za/publications/P0211/P02111stQuarter2026.pdf
11 World Bank, 2026. GDP growth (annual %). https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG
12 Presidential Employment Stimulus, 2026. Programme Overview. https://pres-employment.dev/

The state also provides tax incentives to private companies for hiring young workers, allowing employers to pay a lower personal income tax rate on workers aged 18-29 and earning less than R6,000 per month. The Employment Tax Incentive (ETI) has, for example, resulted in an increased female employment rate and reduced unemployment amongst women, by reducing the cost of hiring.[13]

Still, despite many success stories with these and other initiatives, youth unemployment remains a burden on its communities: unemployment is associated with stress, anxiety, depression, poorer physical health, and is associated with reduced life expectancy.[14] In many places, youth unemployment is also associated with criminality and participation in political uprising.[15]

How many social and green jobs do we have?

Many communities have witnessed dedicated South African changemakers get their hands dirty—literally and figuratively—creating impact jobs for young people that help solve societal and environmental challenges.

According to the World Economic Forum (WEF), there are nearly 200,000 social enterprises in South Africa that have created almost 400,000 full-time jobs. The vast majority (86%) of these social enterprises employ young people and four out of ten are youth-led.[16]

Unsurprisingly, the key sectors that these social enterprises work in are in education (36%), health and well-being (15%), and civic engagement (14%).[17] This reflects the on-the-ground challenges faced by many communities across the country where youth unemployment is prevalent: poor educational, health, and political outcomes.

On the environmental front, around 5.5% of employment in the country can be defined as green jobs. It is not an easy task to estimate how many green jobs the country has as there are definitional challenges. The 5.5% estimate is based on a strict (rather than broad) classification of occupations that require at least one meaningful task that is directly linked to the environment.[18]

According to the World Bank, these jobs include, or are associated with, for example, waste management, alternative energy, and green construction, amongst many others.[19] Based on the 5.5% figure and the total number of formal and informal jobs in South Africa at present,[20] there are around 900,000 of these (strictly defined) green jobs in the country today. In sum, we estimate that there are currently around 1.3 million impact jobs—400,000 social and 900,000 environmental—in South Africa, accounting for nearly 8% of total employment. The actual number could be much higher.

> 1.3 million social and environmental impact jobs in South Africa

13 National Research Foundation (NRF), 2025. A Policy for Jobless Youth in South Africa. https://www.nrf.ac.za/a-policy-for-jobless-youth-in-south-africa/
14 United Nations Development Programme (UNDP), 2023. Harnessing the Employability of South Africa's Youth. https://www.undp.org/south-africa/blog/harnessing-employability-south-africas-youth
15 Governance and Social Development Resource Centre (GSDRC), 2016. Youth unemployment and violence. https://gsdrc.org/wp-content/uploads/2016/11/YouthUnemployment_Violence.pdf
16 WEF, 2025. The State of Social Enterprise: Unlocking Inclusive Growth, Jobs and Development in Africa. https://www.weforum.org/publications/the-state-of-social-enterprise-unlocking-inclusive-growth-jobs-and-development-in-africa/
17 WEF, 2025. The State of Social Enterprise: Unlocking Inclusive Growth, Jobs and Development in Africa. https://www.weforum.org/publications/the-state-of-social-enterprise-unlocking-inclusive-growth-jobs-and-development-in-africa/
18 World Bank, 2024. Profiling Green Jobs and Workers in South Africa: An Occupational Tasks Approach. https://documents1.worldbank.org/curated/en/099216105212422316/pdf/IDU174a103f313696148231bcd51386cf611277e.pdf
19 World Bank, 2024. Profiling Green Jobs and Workers in South Africa: An Occupational Tasks Approach. https://documents1.worldbank.org/curated/en/099216105212422316/pdf/IDU174a103f313696148231bcd51386cf611277e.pdf
20 Statistics South Africa, 2026. Quarterly Labour Force Survey, Quarter 1. https://www.statssa.gov.za/publications/P0211/P02111stQuarter2026.pdf

Box 1: Impact jobs and South Africa's just energy transition.



South Africa's Just Energy Transition (JET) initiative aims to transition the economy from its dependence on fossil fuels to cleaner energies and decarbonisation of key sectors. It was launched in 2021 with funding from an International Partner Group (IPG) providing a combination of grants, concessional loans, commercial debt, and equity.

Impact jobs are a key component of the JET. As the country moves from a dependence on coal for power generation to an energy mix with a far greater renewables component, the JET plans to replace jobs related to the coal supply chain with green jobs associated with, for example, the production, installation, and maintenance of renewable power installations (solar, wind, etc.).

According to the World Bank, 1.6 million direct and indirect jobs can be created over the period 2022-2050 in eleven industries that the multilateral organisation examined. At the same time, around 600,000 jobs could be lost in high-emitting sectors such as petroleum and coal. This will result in a net gain of one million jobs in the industries that will be most affected by the low carbon transition.[21]

The World Bank highlights solar energy technicians as a green job that is essential to the JET. This occupation was highlighted in Table 1 as an impact job contributing to the achievement of SDG 7. A large volume of skills required from a general electrician—or even one working at a coal power plant—can be used in the work of a solar energy technician. This means an electrician can be reskilled to become a solar energy technician.

21 World Bank, 2024. Preparing the Workforce for the Green Transition. https://documents1.worldbank.org/curated/en/099012225210579487/pdf/P50211412fd0fb0921b00f1fbd95ecf5c3d.pdf

06 Sustainable funding models for impact enterprises



Capital is one of the key inputs in the theory of change for reducing youth unemployment in South Africa. Somebody must pay for all these impact jobs. Ideally, they are self-sustainable, financed through non- or for-profit enterprises that operate sustainably from a finance perspective.

However, this is easier said than done. Some 54% of South African social enterprises surveyed by the WEF reported low solvency, with operational costs their biggest financial challenge.[22]

There are various financing models and tools for making social and environmental impact jobs sustainable, both at an individual as well as organisational level. Some examples include.

- **Outcomes-based financing**: Also known as “pay-for-success” financing, these payments are directly associated with outcomes (e.g. sustainable jobs created rather than for activities (e.g. operational budgets). Outcomes are defined upfront and money is conditional on results. The money is linked to a different component of the Theory of Change than traditional funding would be.
- **Impact investing**: Investments designed to deliver both financial returns and measurable social or environmental impact. A dual objective of profit and purpose requires not only financial reporting but also measurements of social or environmental improvement. The investment could be equity or financed via bonds and would include predetermined metrics on the rate of financial return, i.e. from below-market to market-rate.

22 WEF, 2025. The State of Social Enterprise: Unlocking Inclusive Growth, Jobs and Development in Africa. https://www.weforum.org/publications/the-state-of-social-enterprise-unlocking-inclusive-growth-jobs-and-development-in-africa/

- **Blended finance**: A combination of e.g. public, private, and philanthropic capital to de-risk investments. Often, the public and philanthropic capital are used to crowd in private money where returns might not be high enough to attract private funding on its own. The public and philanthropic capital could, for example, absorb potential financial losses or provide guarantees to provide investors.
- **Crowdfunding and community finance**: Small contributions from large numbers of people are pooled via online platforms. These community contributions add up to a much more substantial pool of money. The money could be given as a donation (with contributors expecting no financial return) or reward-based where they expect to get something in return like products by the enterprise. This type of funding is only sustainable if contributions are collected periodically instead of once-off.
- **Obligation-backed funding**: Spending by companies on social and environmental enterprises to comply with legal and other obligations. Polluting and extractive industries have social and environmental responsibilities in the communities that they operate in, including education, health and the physical environment. These companies can structure their spending on these requirements into demand-side, obligation-backed financing mechanisms that fund youth-led delivery models.

Without this kind of capital, the impact of efforts around upskilling, job matching, and cross-sector partnerships will be severely curtailed. Mobilising money—whether general investment in the economy or for the impact economy in particular—is a catalyst for addressing the country's youth unemployment challenge.



07 Case studies



The extent of impact employment—accounting for one in 13 jobs in South Africa at present—underscores the success stories of organisations making social and environmental differences across the country.

Case study #1: UNICEF's Impacts Exchange

At a time when creating sufficient livelihood opportunities for young people remains a major challenge, the Yoma Impacts Exchange – co-created by UNICEF in support of Generation Unlimited - demonstrates how social and environmental impact can be transformed into a source of youth employment and, ultimately, a new asset class capable of attracting investment. The programme provides a practical example of how ecosystem gaps in youth employment can be addressed through demand-side stimulation, impact verification and innovative financing.

Traditionally, development funding flows through intermediary organisations that pre-finance programmes and assess success against agreed targets and indicators. While this approach has achieved important development outcomes, it often places significant distance between those funding impact jobs and the grassroots organisations and communities creating it.

The Yoma Impacts Exchange seeks to reduce this gap by enabling impact to be measured, verified, and recorded directly where it occurs. Using digital Measurement, Reporting and Verification (dMRV) technology, organisations and young people can capture evidence of their contributions through photographs, geolocation data, and other digital records, generating verifiable impact certificates that serve as a trusted record of outcomes achieved.

This shifts the model from financing planned activities to financing verified impact. Rather than funding interventions solely in anticipation of future results, the Yoma Impacts Exchange creates the infrastructure to verify outcomes that have already been achieved, and to convert those outcomes into impact tokens and certificates that can be monetised. It creates a more transparent, accountable, and potentially lower-cost marketplace that brings impact producers and impact buyers closer together.

The model is underpinned by the UNICEF Generation Unlimited (GenU) Youth Agency and Youth Force approach, which seeks to generate both social value and livelihood opportunities. Young people participate in impact activities such as environmental conservation, water mapping, tree planting, and community-level development initiatives, earning income while producing measurable contributions towards the Sustainable Development Goals (SDGs).

If large-scale public employment and social employment programmes can be linked to this approach, verified impact generated by those programmes could potentially be refinanced, creating a more sustainable funding mechanism for future youth livelihood opportunities.

A practical example of the model can be seen in Nigeria, where 213 young people mapped 7,538 validated and geolocated water sources, contributing to Sustainable Development Goal (SDG) 6 on Clean Water and Sanitation. The initiative demonstrated how youth-led work in African countries can generate valuable development data while creating livelihood opportunities and producing verified evidence of impact. The project subsequently attracted support and evolved into a registered NGO, highlighting the potential for youth-led impact initiatives to create lasting social and economic value.

The Yoma Impacts Exchange also addresses one of the most persistent barriers in impact investment and outcomes-based financing: the cost and complexity of verification. Many outcomes-based funding models rely on relatively simple indicators because more rigorous verification can become prohibitively expensive. By leveraging digital technologies and automated verification processes, the Yoma Impacts Exchange seeks to reduce these costs while improving the credibility and granularity of impact measurement. Over time, this capability could strengthen the business case for financing a wider range of social and environmental outcomes.

A further example of this potential is emerging in Zambia through a blended-finance cookstove programme built around digitally verified carbon credits. Using blockchain-enabled verification, the model generates high-quality carbon credits that command a premium price in international markets. Importantly, the resulting impact certificates capture not only carbon reductions but also employment creation, particularly for women and young people, youth income generation, and nutrition-related benefits created through community engagement activities. By combining multiple forms of verified impact into a single asset, the model demonstrates how one commercial intervention can contribute simultaneously to climate, employment, gender and social-development goals.

The long-term vision for the Yoma Impacts Exchange is to create a marketplace where verified impact can be traded as a recognised asset class, providing a sustainable financing mechanism for youth livelihood programmes. By connecting impact creation, digital verification and innovative finance, the model offers a pathway towards financing social and environmental outcomes at scale while creating meaningful livelihood opportunities for young people. In doing so, it demonstrates how the impact economy can contribute not only to achieving the SDGs, but also to building more sustainable and self-financing systems of youth employment.

Source: UNICEF

Case study #2: Inclusive Youth Employment Pay for Performance Platform (Bonds4Jobs)

The Inclusive Youth Employment Pay for Performance Platform, also known as Bonds4Jobs, was the first social impact bond (SIB) in South Africa. The initiative aimed to place economically excluded young South Africans into formal, high-complexity, and well-paying jobs in growth sectors.

To this end, a special purpose vehicle (SPV) was created to pool capital which, in turn, was directed to NGOs who trained and matched youth to employer needs. Investors included major commercial banks, large philanthropic organisations, government departments, and private sector companies.

The lead service provider was the Harambee Youth Employment Accelerator which provided training and employment matching. A payment-for-results funding approach incentivised effective training and job placement. Harambee had a track record for narrowing the gap between the unemployed and potential employers, with demand-led training helping 100,000 young people find jobs by 2019. Harambee was joined in the second round by Explore Data Science Academy and WeThinkCode.

The first round of funding (R33.9 million) created 600 jobs for young people before the initially planned 12-month implementation period was completed. Based on this, a second round of funding (R90.5 million) was raised for a three-year initiative aimed at creating 5,400 youth jobs. COVID-19 curtailed the second round which ended a year later, having placed another 1,209 youths.

The Bonds4Jobs initiative had demonstratable results both for those who were placed in employment as well as those who invested in it. Despite early termination due to the pandemic, the SIB fully repaid all raised capital, with annual returns of between 7% and 11% for investors. For investors, this was better than a rate of 6% to 7% that could be earned on risk-free investments like government bonds. This validated the model's financial viability in the South African context. It also underscored the importance of demand-led training to connect young people to the actual needs of the labour market.

Source: Intellidex[23]



23 Intellidex, 2021. The Bonds4Jobs Social Impact Bond. https://www.tutuwafoundation.org/assets/downloads/Intellidex-the-B4J-SIB-report.pdf

Case study #3: Jobs Boost Outcomes Fund

The Jobs Boost Outcomes Fund was South Africa's first outcomes-based funding model for addressing the country's youth employment challenge. Now the largest youth employment outcomes funds globally, the Jobs Boost programme was initiated under the Presidential Youth Employment Intervention (PYEI) scheme. Financing came from public funds: a combination of R100 million from the National Skills Fund (NSF) and R200 million from the National Treasury.

The fund has since its inception in December 2024 enrolled 9,174 youths (110% of target) and placed 6,813 of them (94% of target) in employment. Jobs Boost aims to place 4,500 young people in six-month sustained placements and has reached nearly half of that goal to date.

The fund has so far distributed more than R220 million. Its implementation partners come from a diverse set of sectors, and include (in alphabetical order): Afrika Tikkun, Amazi, BPI SA, BlueVerve Education, Cheeba Cannabis Academy, Collective X, ESM, Foundation for Professional Development, Green Riders, SAWIT Skills Academy, Tourism Business Institute of South Africa (TTBSI), and V&A Waterfront.

The fund only pays for verified employment outcomes—80% of funding is released only once employment has been achieved and sustained for three or six months. This transfers the risk to service providers and incentivises innovation, as organisations only receive most of their funding upon successfully placing and—importantly—retaining youth in jobs.

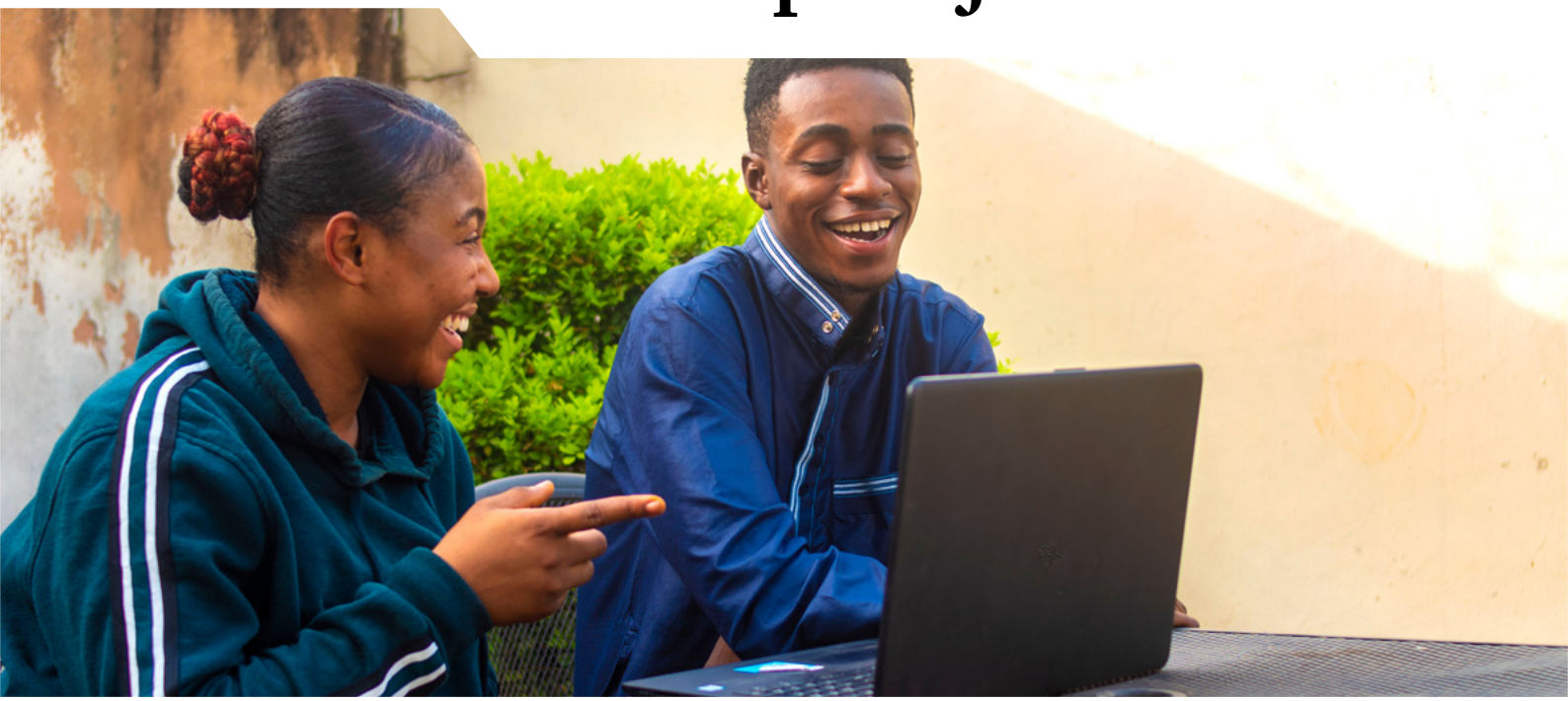
The "pay for jobs, not just training" model shows that aligning public funding with actual employment results drives implementation partners to get young people into sustainable and impactful jobs. It is also proof that such a scheme can work in South Africa—an important result considering that future rounds of funding will require private and philanthropic investment.

Source: Jobs Boost Outcomes Fund[24]



24 Jobs Boost Outcomes Fund, 2026. Quarterly report 1 November 2025 – 31 January 2026. https://jobsboost.org.za/wp-content/uploads/2026/02/Jobsboost-report-Q5-public.pdf

08 What do South African youth need to be ready for impact jobs?



Our Theory of Change (see page 10) noted four key inputs to creating more jobs for young people:

- Capital and incentives
- Impact-focused employers
- Delivery partnerships
- Skills and policy support

The first three of these points have already been looked at to some extent in this report. There are financial models and case studies for how to fund impact enterprises and work with delivery partners to create sustainable and impactful jobs for South African youth.

We now turn to the fourth point: skills and policy support.

Skills, skills, and more skills

South Africa's skills conundrum—a structural large gap between the skills available in the labour market and those demanded by employers—is a long-term socio-economic challenge for the country. The Global Talent Competitiveness Index (GTCI) 2025 ranks South Africa 97th out of 135 countries (i.e. in the bottom 30%) for the extent of challenges faced by companies in finding people in the local labour market with the skills required to fill their vacancies.[25]

> South Africa ranks 97th out of 135 countries for challenges faced by companies to find skilled workers

At the same time, and paradoxically, employers are allocating limited resources to training their staff. The GTCI 2025 ranks South Africa 110th out of 135 countries (i.e. in the bottom 20%) for the prevalence of firms offering formal training programmes to permanent, full-time employees.[26] In the Western Cape, for example, a survey found that many firms allocate only 1%-4% of their wage bill to training. The proportion is unlikely to support meaningful upskilling or sustained capacity building.[27]

For young people, the challenge is frightening. They leave school behind—either as graduates or dropouts—and look to a labour market that asks of them to have skills that the education system has not given them. No wonder the country has 3.9 million "discouraged workers". These are people not in education and are willing and able to work, but who are currently without employment and have given up on finding a job.[28]

Reducing the size of the skills conundrum and making our youth fit-for work in the impact economy requires them to gain skills across four interconnected categories.



25 INSEAD and Portulans Institute, 2025. Global Talent Competitiveness Index. https://www.globaltalentcompetitivenessindex.org/country/south-africa/
26 INSEAD and Portulans Institute, 2025. Global Talent Competitiveness Index. https://www.globaltalentcompetitivenessindex.org/country/south-africa/
27 T. Chivige & M Magidi, 2025. Bridging the skills gap in South Africa: evaluating workforce readiness in Western Cape's business environment. Development Southern Africa 43 (1). https://www.tandfonline.com/doi/full/10.1080/0376835X.2025.2595145#abstract
28 Statistics South Africa, 2026. Quarterly Labour Force Survey, Quarter 1. https://www.statssa.gov.za/publications/P0211/P02111stQuarter2026.pdf

1. Foundational skills (e.g. numeracy and literacy)

Foundational skills are the basic building blocks of participation in the impact economy. In South Africa, many young people still face challenges in literacy and numeracy, limiting their ability to access training and employment opportunities. These skills enable youth to understand instructions, engage with communities, and interpret information in roles such as healthcare, education, and environmental management. Without strong foundational skills gained in primary and secondary school, it is difficult to translate training into meaningful outcomes.

2. Adaptive skills (e.g. learning agility and problem solving)

Impact jobs operate in dynamic and often resource-constrained environments. As a result, young people need to learn adaptive skills—such as learning agility, problem solving, and critical thinking—from an early age as part of their formal education. These capabilities allow them to respond to changing conditions, whether adapting to climate variability, shifting community needs, or evolving technologies. In many cases, impact workers must design practical solutions in complex settings where there are no standard approaches, making adaptability a core requirement.

3. Foundational employability skills (e.g. reliability and workplace readiness)

Young people need the workplace behaviours that enable them to succeed in employment. In South Africa, limited exposure to formal work environments means that many youths lack experience in professional conduct, communication, and reliability. Impact jobs often require working directly with communities and representing organisations in the field, where consistency and accountability are critical. Acquiring these skills are challenges due to the limited availability of formal work environments and work readiness programmes. The next-best approach is for young people to learn this through involvement with NGOs, religious organisations, and informal businesses.

4. Targeted upskilling (e.g. technical abilities and trade-specific skills)

Targeted upskilling provides the technical capabilities required for specific impact jobs. These skills are closely linked to sector demand, particularly in areas such as renewable energy, healthcare, education, and sustainable infrastructure. In South Africa, practical, demand-led training through TVET colleges, apprenticeships, and employer partnerships is essential to build these capabilities. As the impact economy grows, especially through initiatives like the JET, targeted upskilling will play a central role in preparing the youth for emerging opportunities in the green jobs space.

Foundational and adaptive skills should be learned at primary and secondary school level. But we know that schooling outcomes in South Africa often fall short. In turn, foundational employability skills are ideally developed with formal and informal work experience—a challenge in itself considering the struggle that young people have in finding any kind of job.

For many, the answer to these skills needs, as well as for developing sector- and job-specific skills, is found in demand-led skilling. This strategy narrows the gap between unemployed youth and potential employers by developing diverse skills—foundational, adaptable, employability and technical—over a relatively short period to specifically match the needs of the employer.

Demand-led skilling has had significant success in getting young people into jobs in South Africa. For example, the Harambee Youth Employment Accelerator (a not-for-profit social enterprise) has connected more than 1.6 million youth to employment opportunities, matching these young people with more than 3,000 employers through work readiness programmes, sector-specific training, digital enablement for job seeking, and pathway management for individuals.[29]

These success stories remind us that we already know how to close the youth skills gap in South Africa. And the foundation for these successes is always when the public sector, private sector, labour, NGOs, and other stakeholders work together.



29 Harambee Youth Employment Accelerator, 2026. Who We Are & Impact. https://www.harambee.co.za/

Box 2: How do we account for the on-demand economy?



Supporting the youth and guiding them towards sustainable income opportunities does not necessarily mean that most or all of these young people will enter long-term, full-time jobs immediately - or at all.

Many will first enter the on-demand economy where workers are engaged in short-term contracts or freelance work rather than having permanent employment with just one employer. Think artists, food delivery drivers, and freelance writers.

The on-demand economy is no longer a marginal employer. There are more than three million on-demand workers in South Africa, accounting for one in every six (formal and informal) jobs in the country. And two out of every three workers are younger than 35 years.[30]

The employment opportunities found in the on-demand economy must be seen both as a viable, long-term income stream for some young workers, while for others it acts as a stepping stone to a full-time job.

For the first group, the skills they require to take on multi-job positions go beyond the technical abilities and trade-specific skills required by the job. They also need to know about entrepreneurship, human resource management, taxes, and many other skills associated with running their own business.

For the second group, the abilities developed along their on-demand journey must be stackable: building a unique skills proposition layer-by-layer into a one-of-a-kind résumé that future employers would covet. This provides for an alternative route into full-time impact employment by building on individual impact jobs.

30 Aura Social, 2026. The Gig Economy in South Africa: A Complete 2026 Guide. https://www.aurasocial.world/blog/gig-economy-south-africa

The career path of those entering the on-demand economy is not pre-determined. While this makes upskilling more complex, it also opens more doors for young people if they can master the skills needed across various outcomes, i.e. whether on-demand employment is permanent or a stepping stone.

Policy support … or support for policy

South Africa does not really need new policies to help develop the skills of its youth. It already has multiple relevant polices in place.

Fifteen years ago, the NDP set out a full-system approach to education and skills, covering early childhood, schooling, TVET, higher education and other training structures.

More recently, the National Skills Development Plan (NSDP) 2020-2030 provides an operational policy architecture for translating skills needs into training interventions. It is explicitly aligned with the NDP and designed to support employment creation and social development.

Many other relevant policies like the National Skills Development Strategy (NSDS) and Human Resource Development Strategy for South Africa (HRDSA) are in place. There is certainly no shortage of policy instruments for skills development—the system is already multi-layered and comprehensive.

However, in many instances, there is a deep misalignment between policy ambition and institutional reality. This is not to say that the vision of the NDP and the plans in the NSDP are unobtainable. Certainly not.

Success requires that these polices are vaulted into reality by strong and coordinated political will, institutional courage to enact change, and public accountability.[31] This does place a large burden on the public sector to right the skills development ship.

While the private sector has an important role to play in the overall skills development endeavour, the leadership and accountability needed to help our youth must come from the government.

There is enough research available that sets out how successful policy implementation is achievable in South Africa. Recently, researchers from the Durban University of Technology looked at the art of effective policy implementation in South Africa, identifying key first steps to making policy implementation work.32 We view these in the context of upskilling the youth.

- **Align policy design with on-the-ground capacity:** Focus on translating South Africa's established skills and employment policy framework into action by aligning implementation plans with current institutional, fiscal, and delivery capacity. This means prioritising what can (and cannot) be executed effectively now, strengthening coordination across departments and delivery agencies for short-term and long-term gains, and ensuring that policy intent is realised where possible through practical, demand-led youth upskilling pathways linked to real labour market opportunities.

31 South Africa Student Solidarity Foundation for Education (SASSFE), 2025. Is our higher education system aligned with the National Development Plan (NDP) vision? A policy reflection. https://sassfe.org.za/news/is-our-higher-education-system-aligned-with-the-national-development-plan-ndp-vision-a-policy-reflection/

32 D. Banda, N. Dorasamy & Z. Mbandlwa, 2025. From Vision to Reality: The Art of Effective Policy Implementation in South Africa. Asian Journal of Human Services 29:444-459. https://www.researchgate.net/publication/397049304_From_Vision_to_Reality_The_Art_of_Effective_Policy_Implementation_in_South_Africa

- **Strengthen implementation capacity through cross-sector collaboration:** Assemble well-resourced implementation teams that span government departments, industry employers, skills funding bodies, and training institutions (such as TVETs and universities). Capacitate these teams with skilled personnel from both the public and private sectors, ringfence adequate funding, and determine clear operational frameworks.
- **Secure high-level political leadership and accountability:** Establish dedicated leadership (both individual champions and institutional mandates) at the highest levels of government to drive the youth upskilling agenda. Strong political will—for instance, through a central coordinating body or the PYEI—and clear accountability mechanisms will cement commitment across ministries, enable decisive action, and align stakeholders around the shared mission.
- **Balance local priorities with global commitments:** Harmonise youth skills strategies with South Africa's national development plans and international frameworks (like the SDGs) to avoid misalignment. Early on, ensure policy implementation plans address domestic needs while integrating global best practices (e.g. focus on climate-resilient skills, 4IR digital competencies, and sustainable funding approaches) in the South African context. This careful balance helps maintain relevance and broad support, setting up youth upskilling initiatives for success.



The researchers identified five additional critical components for successful policy implementation, again viewed here through a youth upskilling lens:

1. **Clear, outcome-focused objectives:** Define and communicate specific targets for youth upskilling (such as increased employability, faster transitions into quality jobs, and skills acquisition in key sectors) so that all stakeholders share a common vision. Measurable, aligned objectives provide strategic direction and transparency, guiding collaborative efforts throughout the system towards meaningful outcomes.
2. **Inclusive stakeholder engagement and partnerships:** Foster active collaboration among all key stakeholders—including government agencies (national, provincial, and local), employers and industry bodies, training providers (TVET colleges, universities, NGOs), community organisations, and youth themselves. Building these relationships and trust across the public and private sectors encourages co-investment and innovation to continuously address youth skills needs.
3. **Adequate and well-targeted resources:** Commit sufficient human, financial, and technological resources to implement and scale youth upskilling initiatives. This involves aligning budgets and incentives (e.g. skills funds, tax rebates for youth hiring, etc.) to support training and job placement programmes, and exploring innovative financing (such as outcomes-based funding or blended finance models) to drive results. Reliable funding and capable personnel empower those delivering training, mentoring, and job-matching services to maintain momentum in supporting youth.
4. **Robust monitoring and evaluation (M&E):** Implement strong M&E frameworks to continuously track programme progress and measure outcomes. Regular performance reviews and data-driven feedback enable timely course corrections, helping adjust strategies when outcomes fall short of expectations. This evidence-based oversight keeps policy implementation focused on delivering tangible upskilling benefits for young people.
5. **Sustained leadership commitment and coordination:** Maintain high-level commitment across all spheres of government and ensure enduring coordination among ministries and partners. Champions at the executive level and within key departments (such as education, labour, economic development, energy, etc.) are crucial for aligning efforts, streamlining decision-making, and holding the system accountable over time. Whole-of-government leadership—complemented by private sector and civil society support—keeps youth upskilling as a national priority, driving consistent implementation and long-term success.

How do we unify these policy ideas with the impact economy? An effective policy-impact nexus would see government use its policy tools and spending power to directly grow the impact economy through targeted expenditure.

For example, if government sets a policy aimed at the revitalisation of the country's rural wetlands (remember our illustrative example earlier in this report?) aligned with promoting youth employment, then government spending on this policy would directly benefit youth livelihoods and impact jobs. This would provide demand0side stimulation for young workers to enter the impact economy and acquire the necessary skills.

10 Closing the gaps with the right data



Many of the key puzzle pieces are already on the table to complete the picture of how successful youth upskilling in support of the impact economy should look. These include comprehensive policies and strategies ready to guide skills development; enthusiastic impact-focused employers and enterprises; innovative demand-led skilling initiatives proven to connect young people to real job opportunities; and sustainable financing models that link resources directly to youth employment results.

The remaining challenge is to assemble these pieces with strong coordination, unified leadership, and committed execution—in short, to align and integrate existing efforts—so that the full picture of a thriving youth upskilling and job creation ecosystem can emerge.

And at the core of the coordination, leadership and execution efforts must be a robust data generation and collection backbone. Whether you are measuring community-level youth unemployment, or the number of social enterprises and green jobs, or the quantum of young people lacking an in-demand skill, having access to the right metrics is the foundation for planning and implementation.

Where are the big data gaps?

- We have limited timeseries data on the quality and durability of jobs that young people access. How long do they work in a good quality job, and why do they stay or leave? And how do we quantify the social and environmental impact of these jobs?
- Where interventions are successful, it is challenging to understand the costperjob across different impact models. What methods create the desired quality and quantum of jobs with the most efficient financial model?
- Do the short-term jobs translate into long-term employment opportunities? There is currently not enough data on the transition from short term jobs or experiential learning programmes into sustainable income opportunities.

- How do we accurately classify jobs—social, environmental, or both—at a local, regional, and national level, and measure growth of the impact economy over time? And how do we account for the on-demand economy where sustainable income tracks do not equate to the need for one full-time job. (See Box 1.)
- What is the true state of our young population's skills and abilities? It is not just the technical abilities that employers are looking for but also softer skills like creativity, teamwork, critical thinking, and communication.

Solving for these data gaps is not easy. But to help solve youth unemployment—the country's biggest societal challenge for this generation and the next—it is undoubtedly an endeavour that is fundamental to the country's socio-economic future and the prosperity of its people.

And, while much work needs to be done to build a comprehensive data perspective on youth unemployment and the impact jobs that could help solve the challenge, South Africa already has many of the building blocks it needs for a data-centred response.

Multiple government, private and non-profit initiatives are already data-driven, using big data, machine learning, and AI across the spectrum of their activities to take young people from joblessness to being upskilled and gainfully employed. Their methods are tested internationally, and their successes are robust domestically.

Other essential data from official agencies need more widespread interpretation. Tax records and frequent national surveys could, if analysed and disseminated correctly, give a wealth of information over time as to the nature of youth employment in the country and the problems in sustaining these jobs.

Is it time that South Africa creates a unified data approach to the youth unemployment challenge and the role of the impact economy? Definitely.

It is crucial that stakeholders across the impact economy agree on standardising economic, social, impact and other measurements to ensure alignment on measurement.

This would for example, allow potential funders to compared projects on a like-for-like basis. Standardisation would facilitate the leveraging of financing and, ultimately, the monetising of impact. A standard set of measurement could also reduce the resources required for measuring impact by setting out required data, definition and quality standards.

Broadly, it would also allow stakeholders to speak to each other in the same language about young people, jobs, money, and the future of the impact economy.

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