A comprehensive study of existing Youth Employment Schemes and Schemes to minimise the retrenchment of employees in South Africa



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Presentation outline

- Terms of reference
- Objectives and deliverables
- Methodological approach
- Schemes making up the sample
- Key highlights from literature
- Results
- Conclusion
- Recommendations



Terms of reference

The purpose of the study was to:

- "Undertake a comprehensive study through the collection of data on existing employment creation and retention schemes in South Africa",
- "Evaluate the trends, impact and Return on Investment of all employment creation and retention schemes in South Africa".



Objectives & deliverables

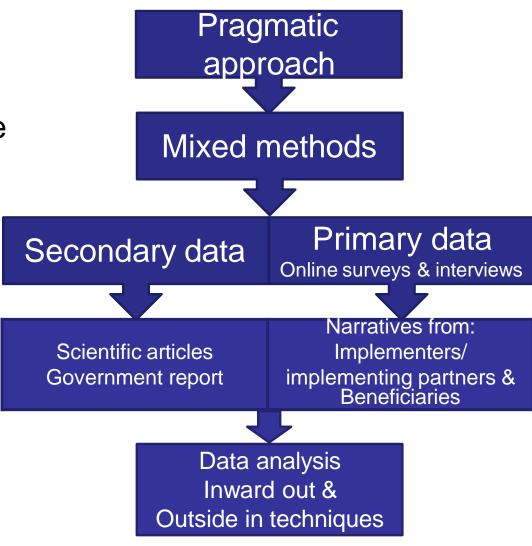
The set objectives for this study was to:

- A. Undertake a comprehensive study through the collection of data on existing employment creation and retention schemes in South Africa.
- B. Evaluate the trends, impact, and Return on Investment of all employment creation and retention schemes in South Africa.
- c. Make recommendations, based on analysis, of possible future programmes and opportunities to scale up existing successful programmes, within limitation of resources.
- Upon addressing these objectives, the following deliverables were made.
 - 1. Proposed and agreed data set on which to report on current employment creation and retention schemes in which government funding is invested;
 - 2. A draft report tabled to the Employment Services Board for engagement; and
 - 3. Presentation of the revised report to the Employment Services Board before finalisation.



Methodological approach

- Mixed methods (qualitative and quantitative)
- The study used convergent parallel mixed methods (neither dominates and the methods are applied concurrently).
- Sample was predetermined by the schemes that create employment and retain jobs.
- 12 schemes were recruited and only 10 participated in the study.
- Data analysis followed an inward in and outside in techniques in order triangulate the data and track how it relates to the theory of change (interventions and perceived impact).



Change the World



Survey

A survey instruments were designed for:

- Implementors
- Implementing partners
- Beneficiaries

Survey deployment

- Multiple methods were used given COVID1-19 restrictions and that targeted respondents are scattered across the country.
 - First option was online link shared via QuestionPro [data collection platform]
 - Second option was to complete a word document version of the instrument and email it back to us.
 - If not suitable, then interviews via MS Teams or telephone.



Evaluation guidelines

The following indicators and questions were used in guiding the evaluation of the schemes:

Content	Key questions			
	• To what extent does the programme address an identified need?			
Appropriateness	• How well does the programme align with government and agency priorities?			
	• Does the programme represent a legitimate role for government?)			
	How well did the programme work?			
Effectiveness	• Did the programme produce or contribute to the intended outcomes in the short, medium, and long term?			
	• What unintended outcomes (positive and negative) were produced?			
	• To what extent can changes be attributed to the programme? - counterfactual evidence)			
	• What were the particular features of the programme and context that made a difference?			
	• How is the programme going to be sustained and replicated?			
	How is the programme being implemented?			
Efficiency	• How appropriate are the processes compared with quality standards?			
Lineiency	• Do the outcomes of the programme represent value for money?			



Schemes evaluated

Scheme/programme name	Primary Focus	Responded to survey	Proxy scheme	Stakeholders contacted	Comments
Public Employment Programmes:					
	Employment creation	Online survey		Implementer	One implementer- DPWI
(CWP)	Employment creation	Online survey		Implementer	
(NYS)	creation	Online survey		Implementer	
	Employment creation		This is the same as service corps which was listed separately in the approved list.	Implementer	 Recruited youths spends: 24 months at Department of Rural Development and Land Reform 24 months at Department of Deference
	Employment creation	No		None	
6. Jobs fund,	Employment		Harambee Youth Accelerator and Monyetla Work readiness were identified as schemes,	Implementer	Under COVID-19, PYEI - The Presidential Youth Employment Intervention (PYEI) is a part of the
Enterprise development	employment retention and		however they are examples of projects under Jobs fund. Jobs fund has four categories as		Presidential Employment Stimulus Programme. PYEI is a multi-sector action plan/ programme directed at
InfrastructureSupport for work seekers	skills training		listed in the first column		addressing South Africa's chronic youth unemployment
 Institutional capacity building 					challenge.
7. Youth Employment Service	Employment	Online survey +		Implementer,	
(YES)	creation and	Follow up		implementing	
	skills development	interview		partners; beneficiaries	
	Employment creation		The National Rural Youth Service Corps (NARYSEC) is a youth skills development and employment programme executed through youth service corps.	Implementer	
	creation	Online survey + Follow up interview		Implementer	
	Employment retention	Yes	Regional (EC Province)	Implementer	

Emp. Creation	Emp. Retention	Skills/ Other
 Public Employment Programmes EPWP CWP National Youth Service Programme National Rural Youth Service Corps Employment tax incentives Jobs fund Enterprise development Infrastructure Support for work seekers Institutional capacity building 	 Temporary Employer- Employee Relief Scheme (TERS) Ordinary Unemployme nt Benefit (Unemployme nt Insurance 	 Technical vocational and occupational programme Second chance programmes
 Youth Employment Service Others considered Isiqalo Youth Fund Entrepreneurial development programmes Department of Basic Education- Basic Education Employment Initiative (BEEI) 	Fund (UIF)) 3. CCMA S189– Dismissals Related to Operational Requirements	



Key highlights from literature



Literature

Beyond labour legislations, many companies aim to de-risk hiring practices. This also means not taking a risk on unemployed youth because of a lack of technical skills, or lack of work experience.

- Youth labour market- ecosystem considerationdefinition of youth has implications.
- Economic growth presents opportunities for youths.
- Access to technology and internet presents opportunity to address asymmetries.
- Interventions offering below reservation wage not attractive.
- Structure of qualifications matter: significance of including experiential learning component.
- Legislations multiple & relevant.
- Significance of data: access and use of administrative data is critical for impactful interventions.
- Agriculture frowned upon yet potential exists.
- Interventions need close monitoring pilot, then scale up; than going big at first go.
- Care to avoid partners being incentivised to do what they would do anyway [deadweight loss].

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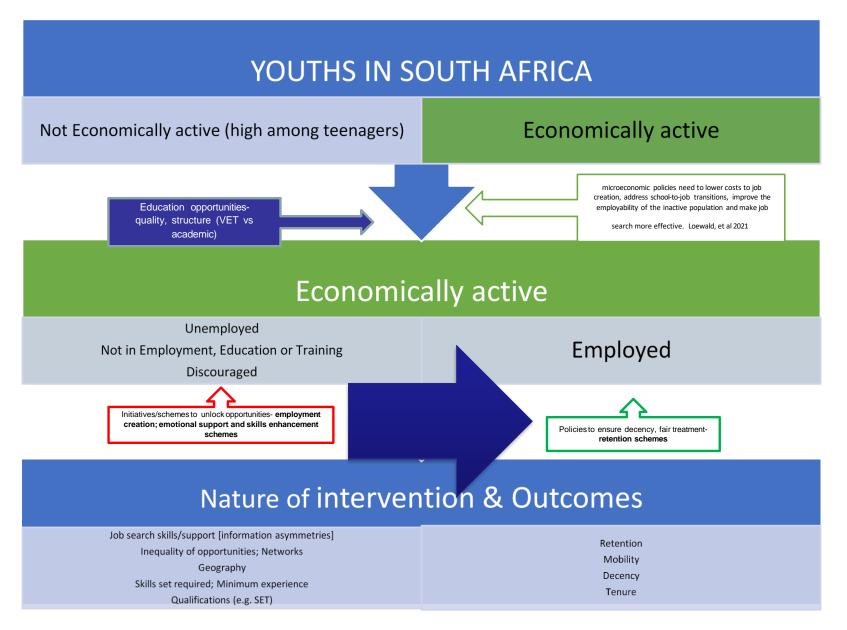


Figure 1: Labour Market Dynamics typology for the Youths



Key highlights per scheme

RESULTS



Review of the schemes: caveats

Plethora of schemes- but possibilities of some youths falling through the cracks

- especially due to information asymmetry & political interventions in recruitment

Schemes considering vulnerabilities within youth groups- e.g. disabilities, rural context, ex-ante inequalities

- There is a need for partnerships with institutions that support & accommodate disabled groups [Department of Women, Youth and Persons with Disabilities].
- Technology presence is hope for equal access reducing information barrier.

Lack of coordination and experience sharing within gvt – vertically [e.g. Prov. to National] and horizontally [Dept. to Dept.]

Legislations revisions – e.g. B-BBEE Level 1 recognition to participate under YES programme.

Reporting not done [or at least not timeously], making it difficult to measure outcomes and account – some reporting uses sweeping general statements and no specific details provided; project data not collected or shared.



- Extended Public Works Programme (EPWP)
- Community Works Programme (CWP)
- The National Youth Service (NYS)

Public employment programmes



Public employment programmes

- Implementor: National Department of Public Works (DPW) decentralised at a provincial level.
- Expanded Public Works Programme that has sub-programmes like National Youth Service. Target for employment is 55% of participants.
 - National Youth Service programme: started in January 2004 and the scheme end date is March 2024.
 - a government initiative that aims to engage South African youth in community service activities.
 - EPWP: in its fourth phase (1st April 2019 to 31st March 2024) targeted 5 million work opportunities with 2.6 million work opportunities created by 30th September 2021.
 - The youth target of 55% participation has not been achieved achieved 44% youth participation in EPWP phase 4.

EPWP

- Goal: Creation of work opportunities to contribute towards poverty alleviation and reduction of unemployment.
- Participants are recruited through engagement with community structures
 - Most beneficiaries are low skilled and unemployed.
- Challenges
 - political interference in recruitment &
 - lack of interest of youth to certain types of work.
- Weaning strategies
 - Beneficiaries are being provided with training where feasible to have skills for project implementation. Some participants are also being provided with training in business skills to run their own businesses.
- Required: More funding for training. Better monitoring processes using the 4th Industrial revolution.

EPWP

- A. Design Good, targeting of unemployed, and targets to reach 55% of youth proportion.
- B. Implementation process Decentralised implementation by public bodies.
- C.Output EPWP contributing towards reduction of unemployment and alleviation of poverty; but not reaching targets; impact on youth remains minimal.

Activities

- Identification of projects.
- Selection of participants.
- Implementation of projects by participants.
- Monitoring and reporting of EPWP outcomes.

Outcome

 Some get employment or start their own businesses. Some are unemployed after the programme.

EPWP- challenges



Design- Difficult to coordinate different projects because implementation is being done by different public bodies.



Implementation process- Difficulty in ensuring fair recruitment.



Output- Poor record keeping by public bodies makes it difficult to measure outputs.



EPWP successes

- Since 2012/2013, the EPWP had created 4 185 462 work opportunities, and targeted creating an additional 4 205 730 work opportunities by the end of 2018/19 (South Africa. Government Communication and Information System).
- In 2019, EPWP performance stood at 73.2% against its five-year work target which represented an overall shortfall of 1 610 484 work opportunities to achieve the five-year target.
- The programme has reported 4 389 516 cumulative work opportunities to date since the inception of Phase three.

National Youth Service Programme (NYSP)

- Train and provide real work experience to young people over a fiveyear period
 - National Youth Development Agency (NYDA) offers the secretariat services to the scheme.
- Aimed at involving South African youth in community service activities in order to improve service delivery, build patriotism, promote nation-building, foster social cohesion, and assist youth in acquiring occupational skills that will enable them to access longterm employment opportunities
 - being targeted are those who have completed grade 12 and have taken Math and Science as subjects.

Different stakeholders, such as communities, project managers, and contractors, must be involved in the implementation process. With over 25,000 youths trained since August 2007

The scheme's activities include:

- The project manager selects appropriate projects and goals.
- Advertisement aimed at teenagers.
- Youth recruitment through testing and application screening.
- Theoretical and practical training of adolescents on projects.
- The youth's departure after completing their training.

Successes

Many of the trainees were taken in by the contractors who trained them.

Approximately 10% of the youth were assimilated.

Youth who were trained went on to become artisans and after the programme the participants have either been hired by contractors, are pursuing higher education, or have launched their own service firms.

However, more collaboration with the commercial sector is required.

NYSP challenges

Challenges in engaging with suitable local structures that represent young, political involvement with recruiting, and failing to identify adequate numbers of youths with the minimal standards of grade 12 with Math and Science.

Although annual goals are set for the National Youth Service program, on a national level, the targets have not been met in general, however certain provinces have exceeded them.

It's difficult to get different stakeholders to work together during training. The placement of [youths] who have been trained is difficult in terms of productivity. To have a greater impact in terms of outcome, more scale is required.

Highly recommended that there should be additional funding for participant training and improved links with the private sector in terms of placement.

NARYSEC

National Rural Youth Service Corps



NARYSEC

It is the youth flagship programme of the Department of Rural Development and Land Reform

established in 2010 by the DRDLR to equip the youth in rural areas with necessary skills needed to obtain employment and to contribute to rural development

technical and vocational skills: Construction, Agriculture, Household profiling, Welding and Records Management.

- All participants are given a R1320.00 per month stipend over a two year period
- recruited 16178 rural youth in all 9 Provinces since 2010
- R631 million invested, translating to R39 304 per beneficiary [R31 680 in stipend; R7 624 costs over the 24 months]. More money is going in the pockets of beneficiaries



Criticism



Programme lacks Exit Opportunities/ Exit Pathways



Programme focused on skills development, yet the skilled are still unemployed and no businesses.



Programme provided no support for employment opportunities or enterprise development



Evaluation of skills transfer and success of the programme has not been done



Programme need to creatively link with markets-jobs and goods/services market



NARYSEC

Challenge: Some implementers were not involved in labour requiring activities.

The driving license support should be included as part of training.

Rating of 51% in terms of its implementation success [implementors say it is poorly designed]

Employment tax incentive - ETI

Designed to entice firms to hire young job seekers by reducing the cost of hiring young people. Active since 1st of January 2014.

Rationale: reduce costs and risk of hiring a youth – Firms are hesitant to hire "untested" workers due to perceptions of difficult labour relations and regulations. Deadweight loss possibility

Short term review (6 months).

Successes

ETI has claimed for 134 923 jobs in 2014 and 686 402 jobs in 2015.

This implies that ETI supported approximately 5 per cent of all jobs in the tax dataset based on individual employee tax certificates in the 2014/15 tax year; increasing number of young people entering the labour force, and unemployment for this group rose from 39.5 percent in December 2013 to 42.1% in March 2015 – total amount claimed from 2014 to 2016 is approximately R6.3 billion.

ETI supported approximately 15% of all jobs across the entire youth cohort of 18 to 29 year olds.

Challenges

No evidence of a significant boost in young - ETI's intended and unexpected consequences need assessment.

Enterprise development
Infrastructure
Support for work seekers
Institutional capacity building

Jobs fund



Jobs fund



launched in June 2011

R9billion was allocated at the launch



Objective: co-finance projects by public, private and non-governmental organisations aimed at job creation.

Provide public funding through four categories (funding windows), namely Enterprise Development; Infrastructure Investment; Support for Work Seekers and Institutional Capacity Building.



Include work readiness initiatives like Monyetla and skills accelerator like Harambee.

Progress to date

- 39 000 SMMEs (majority black-owned),
- more than 16 000 black smallholder farmers,
- creation of 280 000 jobs,
- 64% of which are reserved for the youth, and
- Attracted co-funding on all projects initiated.



Youth Employment Service (YES)



Youth Employment Service (YES)

Provides unemployed youth with entry level employment experience and training for duration of 12 months

- Reignite young people within their domain with relevant skills and experience to enter into the working environment
- On the completion of the course, they receive recommendation letters, refined CV's with references and certificates of completion
- YES offers 25 work-readiness modules, provides the youth with smart phones with Apps;
- created more than 60 000 work experiences, more than 1500 partner company sign ups and more than 3.2 billion youth salaries.

non-government funded organization whose source of income is generated from corporate companies that invest in YES jobs with their BEE levels.



YES beneficiaries: Sector where absorbed

Accommodation and food service activities 70 1.91 1.91 Agriculture, forestry and fishing 76 2.08 3.99 Construction 66 1.80 5.79 Education 372 10.17 15.96 Electricity, gas, steam and air conditioning supply 58 1.59 17.55 Financial and insurance activities 71 1.94 19.49 Human, health and social work activities 110 3.01 22.49 Information and communication 132 3.61 26.10 Manufacturing 119 3.25 29.35 Mining and quarrying 53 1.45 30.80 Other 387 10.58 41.38 Other service activities 67 1.83 43.21 Professional, scientific and technical activities 30 0.82 44.03 Real estate activities 8 0.22 44.25 Transportation and storage 23 0.63 44.88 Water supply, sewerage, waste management and remediation activities <				
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and motorcycles This does not apply to me- no job found yet 1911 52.22 100.00		18	0.49	45.37
, , ,	·	88	2.41	47.78
Total 3659 100.00	This does not apply to me- no job found yet	1911	52.22	100.00
	Total	3659	100.00	

Nature of the absorption

New job in different sector	186	5%
New Job, Same Sector	284	8%
Received Improved Benefits	466	13%
Received Promotion	178	5%
Took on New Responsibilities	422	12%
This does not apply to me (no job found)	2130	58%
Total	3666	

Changes in earnings after absorption

About the same	511	14%
More than at Yes, about 100% more	463	13%
More than at Yes, about 50% more	517	14%
Less than at Yes, about half than before	101	3%
I will not be earning anything	249	7%
This does not apply to me (no job found	1833	50%
Total	3674	



YES

YES absorbs between 32 to 42 [48 in current analysis] percent of the youth after which they are placed into permanent employment within the organization, have more than 600 BEE levels up awarded to businesses and have maintained partnerships with the largest companies in South Africa such as Nedbank, Absa, Isuzu, Sanlam, CellC.

How YES works

- Cooperate companies have 3 options to choose from in sourcing out skills and training for the youth in return they reap BEE benefits. These options include the following:
 - Place youth within the business by providing 12-months work experience,
 - place youth at an existing YES partner by sponsoring the placement of a YES youth in third-party enterprises and this is done through Implementation Partners (IPs) in various factors,
 - Host youth hubs as youth placements that are placed in communities and offers free access to community members.



YES youth employing firms (implementing partners) solution to youth unemployment

Skilling, reskilling and upskilling

Enable information diffusion

Review incentives and internships schemes to avoid exploitation

Interventions cognisant of youth ecosystem

Emotional and related support (including confidence building, office etiquette)

Entrepreneurship based

Isiqalo



Isiqalo

- 2019 call for application sent and selection process started in August
 - Batch 1: started March 2020 (not all awardees have received resource items requested)
 - 15 project received required support.
 - Batch 2: awarded MOAs
 - Batch 3: call for applications recently sent out via the OTP and is implemented by the office of the Premier.



Isiqalo

Support to youth businesses aligns with the government's priorities of creating employment.

The concerns with this programme's implementation is the lack of efficiency, especially given that goals were not met whilst 50 million worth of funds were not spent.

- The noted outcomes thus far are the unintended ones where the provision of support in a non-financial manner led to implementation problems that could have been avoided.
- The infrastructure support by Isiqalo assist in reducing the constraints faced by youth owned businesses.

Isiqalo

Active since 2020 and is set to end in 2022/2023; targeting youths aged 18-35.

The programme supports youth owned businesses with non-financial support.

They apply for required business items and the department buys that for them.

Self-implemented, was supposed to be a partnership with NYDA but the DEDEAT is responsible for everything.

Successes

About 15 projects have received their requested equipment.

Design – well formulated because it was moulded from LRAD (Land Redistribution for Agricultural Development). Improved the weaknesses of LRAD e.g. more sectors were included like franchises, services, agriculture, tourism. More inclusive.

The requirements related to formality were efficient as they are creating more enterprises that are formal.

Post-participation in the scheme, there is an aftercare programme that is supposed to further support beneficiaries.

Challenges

The programme did not meet its target and impacted its efficiency. The delay in provisioning of applied equipment was exclusionary as eligibility expired for others.

Implementation process: time lag, price fluctuation, and very slow. Red tapes in government creating delay in provision of resources.

No participation from implementation partner.

Output/outcome: 2022 dependent.



Temporary Employer-Employee Relief Scheme (TERS)
Ordinary Unemployment Benefit (Unemployment Insurance Fund (UIF))

CCMA S189— Dismissals Related to Operational Requirements

Employment retention



Temporary Employer-Employee Relief Scheme (TERS)

- 12-month (maximum) solution which benefits employers and employees in companies facing distress
 - reconstituted in October 2018 had CCMA as the entry point for screening and receiving the applications to participate in the scheme
 - aims to prevent retrenchments amongst the employed by providing wage support to employers who have fully or partially closed their operations
 - R59 billion had been dispensed to 5.4 million individual workers in respond to pandemic alone.

Criticisms

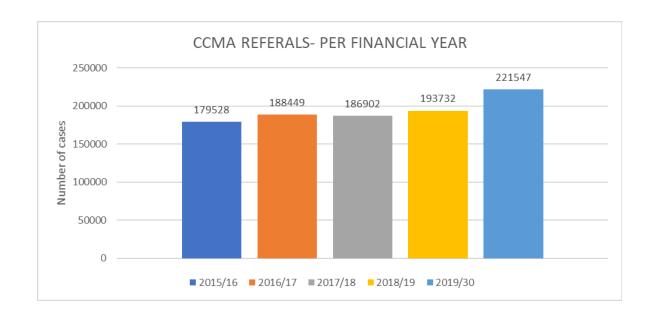
- Decline in the proportion of 18- to 34-year-old TERS recipients over time.
- Youths who may have recently started working, have limited benefits under the UIF compared to long time workers – this increases the vulnerability of youths, even with such schemes as TERS in existence.

Ordinary Unemployment Benefit (Unemployment Insurance Fund (UIF)

- When employer terminates service, an individual can apply to the Unemployment Insurance Fund (UIF) for benefits.
- One cannot claim if resigned, been suspended or absconded from work.

CCMA S189— Dismissals Related to Operational Requirements

- CCMA has been established to protect the rights of players in the labour market
 - through Labour Relations Act 66 of 1995.
- To minimise unfair and arbitrary retrenchments and the minimise negative shock of loss of employment.
- Significant increase in cases referred to CCMA, e.g. 14% increase to 221 547 during the 2019/20 financial year, compared to the 193 732 referred in the 2018/19 financial year.





CCMA S189

- CCMA saved 42% of the jobs in large-scale retrenchment referrals to the CCMA.
- including 100% of 248 cases in municipalities; 91% of the 1 111 cases in rubber/ tyre manufacturer.
- On the other hand, only 11% of 3141 cases in Agriculture were successful, and 17% of 1065 cases in Motor manufacturing.
- Other sectors had zero success rate: Public Health & Social Development; Safety/Security (private); Tool Manufacture; & Wholesale.

Technical vocational and occupational programme- Community education and training

Second chance opportunities

Other initiatives- skills development



Community Education and Training (CET) council

Community learning centre, main and satellites campuses. The aim is to train, employ, or encourage self-employment.

Train youth, secure jobs or self-employment or articulate with TVET colleges or universities.

Prioritizes unemployed young people and adults, who want to finish general education, or get technical training, linked with employment or self-employment

Target 1million young people nationally by 2030.

Activities of the scheme include literacy, general education and skills development.

Recommendation: need to align training significantly with the labour market; need to focus more on creation of new small businesses and funding is critical; relevance of training is important to align with needed critical skills.

CET Challenges and opportunities

Challenges in recruiting beneficiaries

limited articulation opportunities with TVET colleges and universities, and few available employers.

Challenges in implementing the schemes; lack of suitable facilities, use of schools not ideal and limited funding.

Goals are not matching with the needs of beneficiaries; there is a need for more continuous improvement.

Increased drop-outs, more work needs to be done.

The skills taught are relevant and sustainable, part of lifelong learning.

If the articulation with colleges and universities is solved, skilled young people can survive on their own.

After the program, some beneficiaries get jobs, some start their own businesses and some proceed to TVET colleges or universities.



Conclusion Recommendations Limitations

Study Conclusion



Study Conclusions

There is a plethora of schemes and various initiatives to address labour market outcomes for the youths;

The different schemes that exist related to the different stages of a youth in the labour market, from the entry at age 15 to the exit at age 34.

Overall, although the schemes are making contribution on individuals that get to benefit; they fail to reduce unemployment owning to the following:

- There is lack coordination in the sector.
- The schemes offer below reservation wage, which reduces uptake as youths consider then unattractive- one may consider waiting longer to get favourable opportunity.
- Interference in programme recruitment prevents the rightful beneficiaries from the opportunities; which then makes the schemes less impactful [intervention taken place on wrong target].
- Schemes that have explicit targets for youths proportion are failing to reach the targets, yet many youths are out of opportunities this maybe explained by interferences highlighted above. Monitoring and evaluation which should be supported by intense administrative data collation may solve this.

Government must realise that it cannot create all jobs required to absorb youths, its role is for enabling environment.

Schemes that are implemented almost independent of government like Y.E.S account more clearly for their operations – with baseline and end line reporting; and more transparent recruitment process.

Entrepreneurship need to be encouraged, especially for the youths that go through vocational training.

Government have a role to play in data collection and curation for better informed decision.

It appears there is no scheme which can clearly account for the activities in disaggregated manner, except for YES.

Majority of the schemes can only talk in broad terms of the impact made- but the detailed account of the beneficiaries (conditions before and after benefiting), the overall costs of the programmes, any evaluation of the programmes is lacking.



Recommendations

Information sourcing and reporting on all schemes

- Centralised reporting e.g. desk in Department of Employment and Labour
- Maintenance of database

Re-organise the schemes guided by the ecosystem approach

- Career planning [pre 18s]
- Youth entering the job [business] market-first encounter in the market
- •To include support to transition e.g. second chance programmes; mentoring
- Career progression- opportunities for growth [skilling, reskilling, upskilling, business expansion, ...]
- Retention mechanism
- Schemes to have an entrepreneurship component to encourage job creation by youths

Implementation for schemes such as EPWP to be reviewed

• Targets not being met due to interferences.

Monitoring and evaluation should be an ongoing process.

Schemes to make youth digital savvy- for own employment creation.

ALL Tertiary qualifications should have a full year work experience.

App/USSD with opportunities for youth- Chabot [link with the supply side database]

Programmes that cater for rural communities, such as service corps (NARYSEC), needs to be prioritised since opportunities are already limited in these areas.

• Design models like the Isigalo can be used to target rural communities.

The DEL to track active steps in data collection, collation and curation for use in decision making, monitoring and evaluation

• Information collection and collation is provided for under the Employment Services Act, No. 4 of 2014.



Study limitations



There is paucity of documentation per each scheme implemented; implementers could not recall all details and could not account for activities of implementation before joining the department – no institutional memory repository.



Lack of finer detail like overall budget, cost per beneficiary, outcome per beneficiary etc., meant that impact can not be quantified.



Recall bias: some implementers reflect more on more recent events than the span of the scheme e.g. NARYSEC.



Majority of the schemes lack theory of change grounding – for example there is a mix on: creating job opportunities vs create employment vs skills development. This means its not possible to dictate early enough the possible success of a scheme or to do a through impact assessment.





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