THE NATIONAL SKILLS DEVELOPMENT PLAN (NSDP)

Revised, 13 November, 2016

Introduction

This document has been developed to address the challenges that undermine the efficacy of the post-school system. It outlines the revised proposals that the Department of Higher Education and Training (DHET) has developed for the National Skills Development Plan (NSDP).

These proposals outlines the institutional mechanisms that will support skills development including the changes proposed for the Sector Education and Training Authorities (SETAs), the National Skills Authority (NSA) and the National Skills Fund (NSF) and indicates the manner in which DHET will ensure that the SETAs, the NSF, and the skills levy will contribute to the post-school education and training system and support the skills needs of the economy and society.

In developing this document, we have spoken to and consulted with various social partners and integrated their input. This set of revised proposals provides a collective vision for the levy-grant institutions amongst all social partners. It also outlines the priorities for skills development and the manner in which the levy-grant institutions and social partners will support these priorities. These proposals seek to integrate the feedback received from social partners and seek to support further engagement, through the NEDLAC process.

As such, the document has three sections.

1. The principles guiding the DHET's approach.
2. A summary of the new SETA landscape.
3. An overview of the skills priorities and the implementation priorities and processes.

The changes outlined in this document focus on the ways in which the levy grant institutions and social partners will meet the objectives of the Skill Development Act within the context of the White Paper on the Post-school System. In doing so it emphasizes that the original purpose of the Act will be retained, which is,

> "to provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce[1]".

1Skills Development Act

The levy-grant will also continue to be used for this objective. It will also take into account the possibilities that emerge as a result of this work towards an integrated post-schooling system.

It is anticipated that once these proposals have been accepted there may be a need for statutory amendments to be made with respect to a number of the regulations. In making these changes cognizance will be taken of the need to manage any transitions in a manner that ensures that there is minimal disruptions to the system. For this reason it is anticipated that these changes will be introduced in a phased approach as systems and capacity is developed.

Principles guiding our approach

Towards an integrated post-school system

The policy statements outlined in this document are guided by the vision of

> "a post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa[2]."

DHET seeks to ensure that the levy-paying institutions and levy funds contribute to the objectives of the White Paper on post-schooling which are inter-alia:

- A single, coordinated post-school education and training system;
- Expanded access, improved quality, and increased diversity of provision;
- A stronger and more cooperative relationship between education and training institutions and the workplace;
- A post-school education and training system that is responsive to the needs of individual citizens and of employers in both public and private sectors, as well as broader societal and developmental objectives.

This suggests that there will be greater levels of integration with a focus on the coordination of the planning, funding, monitoring and evaluation of the system. This in intended to encourage stakeholders to actively participate and articulate their concerns and objectives. DHET will take responsibility for driving this system by working closely with key social partners. This is intended to improve the quality, quantity and relevance of post-school education and training in South Africa.

Locating the post-schooling system within a wider context

The White Paper sets out a vision of a transformed post-school system, which is expanded, equitable, diverse and integral to government's policies. It seeks to contribute to the development of the economic, social and cultural life of our country. This speaks directly to the Vision 2030 and the youth focus of the

White Paper for Post-school Education and Training, Building an Expanded, Effective and Integrated Post-School System, Approved by Cabinet 20 November 2013

National Development Plan.

The White Paper further states that "the National Development Plan (NDP), the New Growth Path and other key policy documents of government have set out important strategies and priorities for development, with an emphasis on inclusive growth and employment generation" (p2, 2013).

It is essential that the post-school education and training system aligns to these so that there is a growing pool of skills and knowledge that so the country is able to attain it development goals of a radical social and economic transformation. To balance this the White Paper cautions:

"Quality education is an important right, which plays a vital role in relation to a person's health, quality of life, self-esteem, and the ability of citizens to be actively engaged and empowered" (p3, 2013).

Underpinning principles

The following principles inform the policy statements in this document:

Advancing an equitable system

- The strengths of the system will be retained and built upon whilst addressing the challenges that have been identified by stakeholders;
- Transitions will be managed to seamlessly introduced changes including the required capacity and new or amended responsibility;
- A commitment to transformation and redress through a strong focus on addressing equity in relation to gender, race and disability.

Greater inclusivity and collaboration across the system

- Collaboration through partnerships within the public sector as well as between the public and private sector to support effective skills development;
- A focus on quality and articulation ensures effective pathways;
- Strong focus on workplace-based learning in both the public and private sectors;
- Partnerships will be forged across the skills development system, including both public and private providers;
- Effective and meaningful stakeholder engagement to support ownership and participation among stakeholders: social partners, individuals; employers, labour and providers, and prospective learners and the public.

Learner systems and support

- Prospective learners and the public are aware of when and how to apply for programmes and have access to a simplified, and ultimately centralized, process;
- Improve efficiency and effectiveness of decision-making, planning, allocation of funds, implementation, and quality assurance;
- Where possible and relevant, the use of technology will be harnessed to standardize processes across all SETAs, improve efficiencies and

increased stakeholder involvement through on line portals and accurate data analysis for improved decision making.

Levy-grant institutions will give expression to an integrated system

- The levy-grant institutions will support the imperative for skills development for those already in employment, those who are unemployed as well as those who are pre-employed (students).
- The levy-grant institutions will facilitate access to all relevant qualifications (and part qualifications) on the National Qualifications Forum (NQF) across three quality councils with the aims that these are consistent with the imperatives of growth, employment creation and social development.
- Funding from the fiscus will provide the base-funding for institutions, complemented by levy-grant funding. This will allow moving away from ad-hoc projects to contribute to the medium to long term imperatives and stability of the system with a particular focus on quality provision and workplace-based learning.

Strong emphasis on accountability

- Commitment to consistent monitoring and evaluation of the effectiveness, efficiency and impact of the system.
- The monitoring and evaluation system will place particular emphasis on the key institutions in the system (including the NSA, NSF, DHET and the SETAs) in order to improve accountability.
- Based on the findings, adequate measures to intervene will be undertaken. This will ensure that the Minister can act where there is non-performance and re-allocate funding where this is not being utilized as per the objectives and agreed upon milestones.
- The system will be reviewed where evidence suggests that there are obstacles that are preventing the realization of the agreed upon objectives.

NSDP: Institutional Landscape

This section discusses the future of the SETAs. Based on submissions the DHET is offering the following proposals. Under consideration are:

- The current section 21 statutory body status;
- The accounting authorities;
- Their scope - mandate and functions;
- Levy funds management; and
- SETAs and DHET reporting arrangements.
- It also outlines the role that the NSA will play in support of these objectives.

Future establishment of SETAs

The DHET recognises that SETAs have a continued role to play within the post-schooling landscape as intermediary bodies between demand and supply.

<u>DHET proposes</u>

1. Maintain the SETAs and re-position these as statutory bodies without a limited life span. SETAs will be subject to rigorous performance reviews on an annual basis. Mechanisms will be established should a SETA fail to fulfill its mandate. Where the review finds evidence of non-performance this will result in the de-establishment of the SETA.

2. It is anticipated that all 21 institutions will continue to operate as per existing arrangements. There may, however, be a few changes based on the revision of SIC codes (Standard and Industrial Classification of all Economic Activities) to ensure that the SETAs are consistent with these SIC amendments. There may also be other circumstances that require changes even though this is not anticipated at present.

3. SETAs to cut costs by sharing resources and establishing a system of shared services. Areas to be shared include IT, human resources and regional offices to ensure a more efficient use of resources. It is anticipated that with the introduction of these shared services it will be possible to reduce the administrative costs of the SETAs. These funds could be re-allocated to support improved quality assurance arrangements.

Within this context DHET will:

- Provide detailed guidelines about shared services and how to appoint a service provider.
- Outline the provisions that guide the appointment and remuneration of SETA staff in accordance with government remuneration policies.

4. A standardized system that includes the possibility of a central application system for all service providers, workplaces and providers (public and private) to apply for funding. Thus promoting priority programmes aligned

to supporting economic growth, employment creation and social development.

Accounting Authorities

SETAs will continue to have stakeholder driven governing bodies (accounting authorities): The DHET has considered the relationship between stakeholders and SETAs and .recognizes the many challenges facing these governing bodies.

<u>DHET proposes</u>

1. Stakeholders from business, labour and government will continue to nominate representatives onto the accounting authority in an equitable manner across the three parties. These will continue to be appointed by the Minister.

2. The DHET will stipulate a maximum number of accounting authority members consistent with the principle of creating manageable structures. The decision about numbers on the accounting authority will take into consideration the nature of the sector (for example the number of sub-sectors) and the need to support effective decision-making and good governance. The accounting authority will continue to have governing powers and steer the sector in terms of the scope (mandate and functions) of the SETA as stipulated below.

3. Define the role and responsibilities of the accounting authority. This will include a clear statement regarding conflict of interest and guidelines regarding the number of meetings per annum and the rates at which members of the accounting authority are remunerated.

   This is to ensure that the various challenges pertaining the authorities will be addressed, and that authorities are focused on strategic issues rather than operational.

4. The DHET retains the responsibility for appointing an administrator when required. DHET will issue a more detailed document that defines the processes pertaining to the appointment of an administrator whether the SETA has a CEO in place or not.

   These processes will aim to ensure that the governance challenges are addressed and that a clear intervention plan is developed and implemented within a defined time frame.

Scope of the SETAs

The White Paper on post-school education and training notes the challenges that relate to the wide role of the SETAs and argues that the development of "a tighter, streamlined focus for the SETAs is a key step in strengthening them".

<u>DHET proposes</u>

- Tighten the mandate and functions of the SETAs to enable the SETAs to effectively contribute to the realization of the objectives laid out in this document. This includes:

    - responsibility for understanding demand and signaling the implications of these trends for supply planning;

    - steering the system to meet this demand;

    - ensuring that there is the institutional capacity to deliver these programmes; and,

    - managing the plans, budget and expenditure of the SETA as well as partnership arrangements.

Throughout these functions SETAs will focus on building their relationship with workplaces. Details of each of these functions include:

1. *Understanding demand and signaling implications for supply*:

- The purpose is specifically to encourage skills and qualifications on occupations that *support economic growth, encourage employment creation and enable social development.*
- This includes an analysis of the implications of these trends for supply planning. SETAs will support the process of determining and outlining the demand for occupations in their sector through;
- Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs (against occupations). This will be against the revised template currently being developed by DHET to replace the WSP/ATR;
- Engaging stakeholders (including but not limited to employers, labour and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply of skills;
- Engaging the relevant unit within DHET to explore the implications of the findings from the workplace data and stakeholder engagement with respect to sector trends.

2. *Steering the system*

- The SETAs will manage and use the levy-grant mechanism to support the process of collecting information and steer the system to ensure that funding concentrates on driving the provision of quality qualifications and/or workplace-based experience.
- These will target the existing workforce, pre-employed (students) and the unemployed and will inform the career guidance processes to encourage individuals to play their learning and occupational pathways within this context.

3. *Supporting the development of the institutional capacity* of *public and private education and training institutions*:

- The delivery of programmes against qualifications (on all the sub-frameworks) in occupations that support economic growth, encourage employment creation and enable social development for workers, unemployed and pre-employed (students); and,
- Facilitate workplace-based experience as part of a qualification or for graduates post-qualification again with a specific focus on occupations that support growth, encourage employment creation and enable social development;

4. *Performing system support* functions and manage the budgets and expenditure linked to their mandate. This includes:

- Administering the skills grants against the agreed upon priorities and timelines;
- Working with the shared services to ensure a consistent application process for workplaces and potential learners.

<u>Quality Assurance function</u>

The White Paper highlights the complexity with respect to the manner in which quality assurance functions are implemented in this sector and argues that the system needs to be streamlined and simplified.

<u>DHET proposes:</u>

- SETAs should only undertake quality assurance related issues as they pertain to the workplaces.
- This requires that the functions carried by the SETA ETQAs (Information on Education and Training Quality Assurance) are effectively integrated into the QCTO (Quality Council for Trades and Occupations) as initially anticipated.
- This will both refine the role of the SETAs and reduce the quality assurance complexity for providers who will only be required to engage with one quality council.
- It is recognized that during the transition process certain SETAs might have to fulfill a limited delegated quality assurance function, but this should be phased out as the QCTO takes on these responsibilities.
- There are several costing implications in this. These will be reviewed in the budget of the QCTO –and be re-allocated to address this additional cost.
- It is also recognized that in line with this framework the SETAs may also support programmes against qualifications that are quality assured by other quality councils and allocation of funding to allow for this will be accommodated within this framework.

Planning, reporting and accountability

It is recognized that the current cycle is not consistent with the overall government planning cycle. This does not allow SETAs working with their workplaces to effectively plan and implement programmes in demand. This creates certain budgeting and expenditure challenges. High levels of uncertainty make it difficult for stakeholders to interact with it.

DHET proposes

1. The planning cycle will in future align with the Medium-Term Strategic Framework (MTSF) 5-year planning cycle and the MTEF 3-year budget cycle. Thus SETAs will establish their 5-year priorities against defined outcomes, a 3-year budget against this plan and submit annual performance plans (in accordance with the requirements of the Public Finance Management Act, 1999 (Act No 1 of 1999)). These plans will be reviewed within the context of the DHET plans for the post-school system.

2. The annual performance plan (APP) will allow DHET to review the annual performance plan of SETAs to ensure that the SETAs have met the agreed upon milestones. This will form the basis for the monitoring of the SETAs.

3. DHET will undertake a 3-year review of the contribution that each SETA is making to the intended objectives of the system and on this basis determine adjustments to the next 3-year MTEF budget against its 5 year MTSF plan and priorities (medium term outcomes). These will then review the extent of align to the performance outcomes and ultimately to National Development Plan.

4. Standardized timelines across SETAs with clear milestones for:
    - Reaching agreement in the sector about the occupations that are required for economic growth, employment creation and social development;
    - Issuing requests for 3-year proposals for programmes that result in qualifications for workers, unemployed and pre-employed in these occupations and/or that support workplace-based experience for those in qualifications and/or graduates;
    - Working with the branches within DHET to establish the funding required to support the development of the capacity of providers to deliver the institutional component of these qualifications;
    - Awarding grants to workplaces and providers (in line with the agreements with the different branches of DHET) to enable the delivery of these programmes/workplace experiences;
    - Advertising when applications can be made by learners for these different programmes.

Increased standardization of processes related to the key functions of the SETAs and should allow for DHET to monitor the extent to which the SETAs are attaining the goals in the APPs. Further, it will create certainty for stakeholders, employers, labour, and provider institutions, and potential learners. Finally it will provide DHET with a clear mechanism for sanction should SETAs not meet these milestones.

Funding allocation

The DHET recognizes that any changes that are made should be consistent with the initial purpose of the skills development levy.

<u>DHET Proposes</u>

1. Changes should only be designed to increased efficiency and effectiveness of the use of the levy to meet the demand for skills in the economy and to support growth in terms of access whilst maintaining a focus on quality.

2. Allocations should be undertaken in a manner that is consistent with the principles outlined and ensure a strong sense of accountability. There should be a focus on ensuring that stakeholders remain involved at all levels. Thus taking into account the concerns raised and the imperatives of the system the following is proposed:
   - 20% of the levy paid in the sector will continue to go to SETAs, to be paid to workplaces as per mandatory grant process and in accordance with the current focus of the grant.
     The department recognizes the importance of using this mechanism to consistently collect reliable and credible data that is most relevant for skills planning and evaluation. The current templates are considered too complex to complete and are therefore under review;

   - A maximum of 10% of the levy paid by the sector will be allocated to support the administrative functions of the SETA. This will provide for the SETA's organizational stability to perform its roles. A percentage of this amount will be used to support the shared services once they are established. Further as the shared services results in cost saving, monies saved can support other priorities such as QCTO (see below).

   - 0,5% of the levy will be allocated by the SETAs to QCTO to ensure that it is able to perform the relevant quality assurance functions for intermediate level vocational and occupational programmes offered by both public and private providers.
     Funds from saving from the shared services could be allocated towards supporting additional expenses incurred by the QCTO as it takes responsibility for the functions that have previously been delegated to SETAs;

   - 49.5% will go to SETAs to support occupational programmes (that are required to support economic growth, encourage employment creation and enable social development.
     This should allow for the delivery of a range of programmes and will not be restricted to those that are described as scarce skills. This is important so as to ensure that the system does not inadvertently prevent programmes that reach large numbers and enable them to access employment from being offered. SETAs will have to follow the programme planning and budget cycles and DHET will intervene if programme targets and appropriate grant allocation are not met. As a last resort, if these issues cannot be resolved, the DHET has the right to claim this money and allocate this against priorities.

- 20% will be allocated to the NSF to focus on programmes that will address the needs of the poor (marginalized and disadvantaged groups) in a manner that supports the equity imperatives outlined in this document. The focus will be on skills development offered through the community education and training system.

The NSF will continue to support wider government strategies: youth programmes, building small businesses and cooperatives, and rural development. It is anticipated that government departments and agencies will partner with the NSF in this area of work.

This money will also be allocated to research to the post-schooling system as well as to institutional development. As such it could, for example, be used in the form of incentives to support institutions to develop human and infrastructure capacity to grow the enrolment and throughput of programmes that are in high demand. In this regard the NSF will act as a catalytic fund to encourage institutional development and improved provision system wide.

Finally, with respect to the **National Skills Authority (NSA)**: this document acknowledges, as highlighted in the White Paper, that there have been a number of concerns about the role played by the authority.

> **Note:** it is intended that the workplace data will be analyzed centrally so as to allow for an economy wide analysis of the occupations that are needed to support economic growth, encourage employment creation and enable social development. Use of data will be within the rules of the POPI Act where relevant.
>
> It is noted that DHET does not yet have the capacity to undertake this analysis of all the WSPs and will therefore rely on partnerships with the higher education institutions (and public research institutions) that it has been working with, and developing, through its research grants.

DHET proposes

1. **NSA will be restructured and refocused**. DHET will continue to consult stakeholders about ways to ensure the effectiveness and efficiency of the NSA. This could include the possibility of reviewing how future representation on the including the possibility increasing the level of expertise. In addition, individuals already represented on SETA boards cannot be on the NSA to reduce conflicts of interest.

2. **DHET will augment its secretariat support** to provide the NSA with increased monitoring, evaluation and budget analyst capacity. This will allow DHET to furnish reports to the NSA, which can present an indication of how each SETA is performing. This will allow for deliberation on these achievements within the context of the NSDP.

3. The **NSA may commission additional evaluations to understand the impact** that SETAs are making to the overarching system objectives as outlined in the M&E framework for the NSDP. Where challenges are identified, the NSA will also make recommendations on required changes to the Minister.

NSDP: Implementation against priorities

The DHET is shifting from developing National Skills Development Strategies to a longer-term Plan. This recognizes the White Paper for post-school education and training provides the overarching strategy for skills development. What is now required is a clear outline of the activities that will be undertaken in support of the achievement of the vision and objectives as laid out in the White Paper.

This component of the document indicates how the levy-grant institutions will support and steer the system to support the post-school education and training system and address occupational demand to enable economic growth, employment creation and social development. It explains the shift from skills development strategies to a skills development plan, what the focus of this plan will be, and how DHET, and specifically, the Skills Branch will ensure its implementation. It is anticipated that this will become a key chapter in the wider plan for the implementation of the White Paper.

The plan also considers the role that other stakeholders will play to enable the effective implementation of this plan and the realization of the intended objectives and vision.

Purpose of the National Skills Development Plan

The NSDS III is coming to a close during 2016. The White Paper highlights the need to build on the important policy shifts that were introduced in NSDS III, these include:

> "providing greater levels of access to education and training in rural areas; increasing collaboration between the skills system, government and industry; driving skills development primarily through the public education system, and in particular through universities and TVET colleges; and focusing less on numerical targets and more on outcomes and impact".

It specifically emphasizes the need to address those challenges that have emerged from NSDS III, including Work placement difficulties for graduates, including limited practical workplace experience. Workplace learning must be an integral part of qualification and programme design. Tertiary institutions must be strengthened, and changed where appropriate.

This NSDP provides a plan for the DHET to ensure that the levy-paying institutions

- contribute to the vision of the White Paper and in so doing supports the work of the DHET with funds from the treasury;
- indicate the roles played by DHET and the key institutions implementing the NSDP;
- guide the disbursement of the levy grant money**; and**

- indicate how the DHET will work with social partners to realize the intentions of the plan.

Focus of the NSDP

The NSDP will focus on addressing skills priorities aligned to government policies and to support economic growth, employment creation and social development.

The NSDP therefore recognizes the following as critical in the implementation of this plan:

1. Understanding demand

DHET is creating the capacity for the analysis of development plans and labour market information. The analysis will result in an evidence based understanding of skills and occupation requirements to support economic and social development priorities. This will inform a systemic response through SETAs, and engaging with workplaces to determine key trends and establish priority occupations.

DHET's Skills Branch, will undertake specific interventions to support the development of required capacity to determine occupational demand (occupational priorities). This will entail:

- That DHET continues to work in partnership with the higher education and research institutions. It is anticipated that this will contribute to building the capacity of the unit focused on labour market analysis to:
  - analyze the data that SETAs gather from the workplace to understand the demand for occupational qualifications (and part qualifications) nationally and within sectors. This rests on the assumption that the data is credible, which will be reflected in a streamlined planning and reporting process; and
  - to consider the skills priorities emanating from government departments' development plans.

DHET will support and guide SETAs to use the analysis to encourage an employer and labour voice. This will serve to verify occupations - across various groups (managers, professionals, service and clerical workers, artisans, plant and machinery operators and elementary workers), that are in demand.

2. Steering supply: qualifications and provision

DHET will engage with the quality councils to ensure that qualifications and related curricula are in place to meet the occupations in high demand. DHET, through the institutions it has established, will retain the responsibility for detailed learning programmes and materials for different sub-systems and across public and private providers.

Within the context of the PSET planning framework, the DHET Skills Branch will communicate with the Community Education and Training, Technical and Vocational Education and Training, and Higher Education Branches about this demand analysis and ways this informs in the enrollment planning process within the institution. This will be coupled with resources to support the improvement of the throughput and quality of these programmes. This could include incentives for materials, lecturer development, and incentives for students.

SETAs will participate in such discussions so as to encourage partnerships between institutions and workplaces and where relevant across public and private providers. This in turn will support the planning processes undertaken by the SETAs with workplaces linked to occupational learning programmes and workplace-based learning opportunities.

3. Steering Supply: funding mechanisms

DHET Planning Branch will create a framework for collaboration between the skills planning branch and the Community Education and Training, Technical and vocational Education and Training (TVET) and Higher Education branches to consider how best the SETAs can:

- Fund institutions to increase enrolment and throughput in occupations;
- Support workplaces and institutions partnerships for integrated programmes; and
- Design and implement workplace-based learning incentives.

These funding mechanisms will ensure an alignment of funding sources to support occupational priorities and will allow for medium to long-term planning.

4. Developing the capacity for growing supply

The Skills Branch, the three branches responsible for provision, and the SETAs will coordinate efforts to meet supply needs. Funding will come from the fiscus and be complimented by funding to institutions in support of occupational priorities.

As indicated, this additional funding will be aligned to the 5-year planning cycle (MTSF) and the 3-year funding cycle (MTEF) and will enable incentives to support institutions to build capacity to address occupations in high demand and, in some cases, to support additional bursaries in these areas.

DHET, through institutions responsible for this materials development in each sector, will also take responsibility for ensuring that the materials that are required to deliver learning programmes against the occupational qualifications are in place.

5. Funding

There are two dimensions to this funding process:

- Support the funding of occupations in demand through economic growth, encourage employment creation, and enable social development (49.5%)
- Support national imperatives that focus on the needs of the poor (20%)

5.1 Funding within sectors

Supporting the funding of occupations in high demand (49.5%).

Funding will be approved for 3 years within a 5-year programme planning cycle, to ensure the stability of the system and to allow planning and effective and efficient distribution of funds to workplaces.

The process to be followed in the SETAs with respect to this funding is as follows:

- There will be a mechanism established with HET, TVET and CET sub-systems to ensure adequate funding for the provision in occupations in high demand.
    - SETAs will be provided with a template, which they can utilize to support 5-year plan against priorities and a 3-year budget plan: this will outline:
    - The programmes they will be supporting for existing employees, for unemployed, and for pre-employed (students) to access occupational programmes in demand. These include occupational qualification and workplace-based experience. The applications will indicate:
        - The number of individuals that will access these different programmes and the workplaces where the learning will take place;
        - Funding to support these programmes; and,
        - Funding to develop the capacity of these institutions to deliver these programmes.
- This programme and budget-planning template, once approved by the Accounting Authority of the SETA, will be submitted to the DHET.
- This will be reviewed by the DHET and will need approval of the Director General on behalf of the Minister.

5.2 Supporting national imperatives

The National Skills Fund, utilising the 20%, will continue to operate as a 'catalytic' fund and will support both unsolicited (proactive and reactive) and solicited proposals. This will enable the state to drive key skills strategies as well as to meet the training needs of the unemployed, non levy-paying cooperatives, NGOs and community structures and vulnerable groups.

It will promote strategic partnerships and innovation in project delivery. It will drive change towards partnership-based programmes and contribute significantly to raising the low base of education and training in South Africa, guided by government policies aimed at promoting equity.

As indicated in the White Paper, it is anticipated that the funding against the 20% will be made against national priorities, that is,

> "the NSF will be responsible for skills development aligned to national development strategies and priorities, including building linkages within the skills system and providing funds for government strategies such as youth programmes, building small businesses and cooperatives, and rural development. It will also fund research and innovation that is not confined to a particular sector".

In particular,

> "community colleges will build on the current offerings of the PALCs so as to expand vocational and skills-development programmes and non-formal programmes. Formal programmes will include the GETC and Senior Certificate programmes currently offered, as well as the proposed new National Senior Certificate for Adults (NASCA) and skills or occupational programmes".

This will build on the imperatives outlined in the NSDS III which states that,

> "Our skills levy resources, especially the National Skills Fund, must strategically and programmatically support the production of priority skills in high-level occupationally directed programmes in the entire skills development pipeline, from universities and colleges to the workplace. In addition, the university sector must also find a way of systemically engaging in the identification of national development and economic needs, including engaging in other government processes such as IPAP2, the National HRD Strategy and the National Skills Development Strategy".

This will include support for the HRDC and the NSA.

6. Monitoring and evaluation

DHET skills branch, will improve reporting, monitoring and evaluation. The branch will develop a monitoring and evaluation framework for the NSDP. This will outline the outcomes and indicators and intended impact of the system, which will include the extent to which:

- Occupations in demand being produced in the education and training system;
- Employers find recruitment easier;
- Labour indicates that individuals are able to progress in learning and career pathways;
- The unemployed are finding employment in fields in which they are trained; and,
- The quality of services is improving. – such as health and education.

Monitoring the SETAs' APPs will focus on outcomes achieved and the extent to which this appears to be contributing towards the intended impact within each sector and of the system.

At the three-year point, the NSA will commission evaluative work determine about the extent to which the SETA work is contributing to the objectives of the NSDP. This will include making recommendations on areas that need to be adapted in order to strengthen this contribution.

7. Capacity Development within the DHET

This plan requires considerable capacity to be developed within DHET. This includes the ability to develop milestones, templates and standardized processes.

Further, the branch will require the capacity to plan with the other branches within the context of the overarching PSET plan. This includes the focus on planning, supporting enrollment planning and creating mechanisms to support improved provision.

In addition, DHET will put in place the capacity to review the annual performance plans of the SETAs. This will include monitoring capacity as well as budget analysis capacity.

7. Role of partners and stakeholders

All social partners will need to support the principles and proposals outlined in this plan. The focus of this work will be on the implementation of the Skills Accord. In the Accord parties agreed that:

> "action and implementation should be a hallmark of the partnership, with constituencies identifying areas where they can make firm commitments as well as identifying actions that other constituencies would need to undertake".

These commitments are in eight key areas and broadly.
Note that there has been some adaptation of these in line with developments that have taken place since, though the substantive commitment has not been changed.
These include the imperatives to:

1. Expand the level of training using existing facilities more fully;
2. Improve the role and performance of TVET colleges;
3. Increase internships and placement opportunities available within workplaces;
4. Improve the level of training in occupations in high demand;
5. Improve the funding of training and the use of funds available for training and incentives on companies to train;
6. Set annual targets for training in state-owned enterprises;
7. Improve SETA governance and financial management and stakeholder involvement;
8. Align training to the NDP and ensure that there is effective planning at the national and sectoral level.

The NSDP recognizes the important role that other government departments should play both with respect to supporting training of their own employees and in supporting the development of individuals in occupations in high demand. Further, it recognizes the government departments play a key role in these processes to work actively with social partners to achieve these commitments.

The important role of the HRDC in creating the opportunities to involve these different social partners is recognized. These relationships need to grow to address arising challenges in the system and to collectively identify solutions.