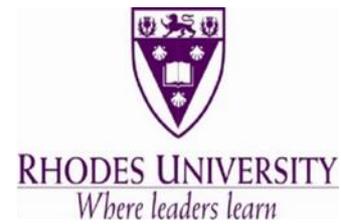




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Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



## Rhodes University BANKSETA M&E Chair Research Plan: Project 6

<b>TITLE OF RESEARCH</b>	<i>Project 6: Develop a Framework for Monitoring and Evaluating the Implementation of the Discretionary Grant</i>
<b>CONTRACT NUMBER</b>	<i>475.4710.644</i>
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## Purpose of the Research

*“The absence of effective monitoring and evaluation has created a situation where the SETAs and DHET are unable to answer... very serious criticisms. This is partly because of the focus on numerical targets ...and partly because of the [lack of] effective monitoring and measurement.” (DHET, 2015, p.19)*

This project will develop a specific framework for the monitoring and evaluation of the implementation of the Discretionary Grant, for all SETAs. It will be aligned with the high level M&E framework for SETAs (Project 1), which will in turn align with other relevant M&E frameworks including DHET’s. It aims to support the goals of the Post-School Education & Training (PSET) system, i.e. to contribute to **social development** and **economic participation**.

This framework must support SETAs in evaluating the impact of the Discretionary Grant, which is particularly difficult because it has such a wide scope, including (*DHET Guidelines on SETA Regulations 2015, p.17*):

- PIVOTAL (professional, vocational, occupational and academic learning) programmes
- Career guidance
- High school math and science programmes
- Research
- SMME development
- Rural development
- Institutional support to providers including universities and colleges
- Programmes to reskills retrenched workers
- Youth programmes not covered by any of the above
- Stakeholder support and capacity development not covered by any of the above.

While the high level M&E framework (Project 1) and the Performance Standards (Project 3) will address more general evaluation foci and monitoring, this specific framework for the Discretionary Grant will assist SETAs and their stakeholders to zoom in on specific aspects of the DG implementation as outlined above, in particular, beyond the achievement of numerical targets.

The purpose is to develop more effective and innovative *methodological approaches* for evaluating DG implementation. These approaches can be used between SETAs (i.e. some SETAs can evaluate some aspects and others can evaluate other aspects) and over time (evaluating some aspects one year and other aspects the following year). This will allow SETAs to collectively (systemically and systematically) build up a comprehensive understanding of *what works, in what context and why*; as well as *what has not worked, and why?* (the focus of realist evaluation approaches) to inform future improvements in the system. The expansive learning – activity system approach is a form of participatory evaluation/evaluative stakeholder engagement that allows for immediate learning and improvements in particular contexts.

The M&E framework must enable SETAs to be accountable to their stakeholders and in equal measure, to learn from M&E. This project is an opportunity to develop an aligned, implementable M&E framework that sees PSET as a system and supports systemic and institutional learning as much as organisational accountability. The proposed framework should be broad enough to be also used in a future PSET landscape.

# Research Questions

## *High Level Research Questions*

1. How should the implementation of the DG be monitored?
2. How should the implementation of the DG be evaluated?
3. What innovative approaches to evaluation can be realistically integrated? (focus on realist evaluation and expansive learning – activity system approaches)

## **Sub-Questions**

1. What is the intended role and functioning of the Discretionary Grant (DG)?
2. How is the DG currently being monitored and evaluated, and what are the associated challenges? (include data, processes, resources, focus, workflow, policy and framework alignment, among others)
3. How are M&E findings on the DG currently being used to improve SETA effectiveness and impact?
4. How can realist evaluation be used to evaluate selected aspects of DG implementation more deeply?
  - to evaluate PIVOTAL programmes?
  - to evaluate career guidance?
  - to evaluating research impact?
5. How can an expansive learning – activity system approach to be used to evaluate selected DG implementation more deeply?
  - to evaluating youth programmes?
  - to evaluate SMME development?
  - to evaluate institutional support to providers?
6. Given the above, how should the implementation of the DG be monitored?
7. How should the implementation of the DG be evaluated?

## **Project 6: Scoping Report for the Development of an M&E Framework for the Discretionary Grant**

### **Introduction**

This scoping report on the Discretionary Grant is informed by a broader policy review of the Post School Education and Training (PSET) system (see Appendix 1). Within PSET and particularly the skills development component the mandatory and discretionary grants are key instruments that fulfil a number of roles. In order to develop a monitoring and evaluation framework for the discretionary grant, this scoping report provides an overview of the grants system and what key role players need

to do in terms of policy. It also reviews some examples of current monitoring and evaluation of the discretionary grant in order to identify some challenges that will need to be considered and addressed in the development of a monitoring and evaluation framework. The scoping report concludes with some proposals that will be taken forward through the draft report (deliverable 3) and final framework (Deliverable 4).

## Background

The Skills Development Levy is a 1% levy that all eligible employers with an annual payroll of R500 000 or more must pay. The levy was introduced through the Skills Development Levy Act of 1999 and supports learning and development in South Africa. The levy is paid to SARS and then distributed via the Department of Higher Education and Training (DHET) to the 21 Sector Education and Training Authorities (SETAs) and the National Skills Fund on a monthly basis based on the Standard Industry Classification (SIC) codes. The SETA Grant Regulations (DHET, 2012) provide the basis for the allocation and disbursement of grants by the SETAs. These regulations guide SETAs to act in a transparent and fair manner in the allocation of funding and seek to achieve value for money. It also provides guidance in terms of what the SETAs should achieve through the grants and thus provides a basis for measuring the extent to which they have achieved what they set out to do.

## SETA Grant Regulation

New grant regulations were published in December 2012 and came into effect in April 2013. The intention of the grant regulations was to improve the focus, management and effectiveness of the SETA grant spending. It must also be noted that in line with the NSDS III, the regulations had a focus on supporting a “more reasonable balance” between public and private providers. It was proposed that sound analysis of the supply and demand side conditions should determine what this “reasonable balance” would entail for each sector. Having said this, there was a strong recommendation that SETAs design their delivery model and policies to ensure that where possible there is an increase in the participation of public education and training institutions. (DHET, 2012)

The most significant change was the reduction in the mandatory grant percentage from 50% to 20%<sup>1</sup> and the requirement to plan to Professional, Vocational Training and Academic Learning (PIVOTAL) training. The regulations seek to discourage the accumulation of surpluses and the carry-over of unspent funds and to improve the quality and quantity of labour market information received by the SETAs. They also encourage employers to produce annual workplace skills plans, annual training reports and PIVOTAL training reports to enhance education and training, address skills shortages and inform skills planning nationally and within sectors. Based on these regulations, the funding is currently disbursed as outlined in Figure 1 below.

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<sup>11</sup> This clause along with a clause allowing for the sweeping of unspent SETA funds to the NSF were challenged in court. DHET was forced to set aside the clause on sweeping unspent discretionary funds (Regulation 3(12)) and has appealed the court ruling in terms of the reduction from 50% to 20% (Regulation 4(4)). The court has found against DHET in both the original case and the subsequent appeal. The latest court appearance was August 2018 and judgement has been reserved at time of writing.

In order to qualify for the mandatory grant (previously 50% and now 20% of skills levy paid), the employer has to submit a Workplace Skills Plan and an Annual Training Report. It is this information that supports the SETA research into identifying and prioritising Occupations and Skills in high demand in the Sector Skills Plans. An eligible employer can apply for discretionary funding from the SETA that allocates this grant funding to support priorities identified in the Sector Skills Plans. The NSDS III evaluation suggests that “of the two million plus registered companies, some 300 000 are identified by SARS as being members of SETAs. Only around 23 000 of these companies participate in SETA grant processes or participate in discretionary grant funded projects. It is estimated that more than 80% of the registered companies are small, the majority of which do not participate at all in the skills development system.” (Mzabalazo & REAL, 2018, p. 146)

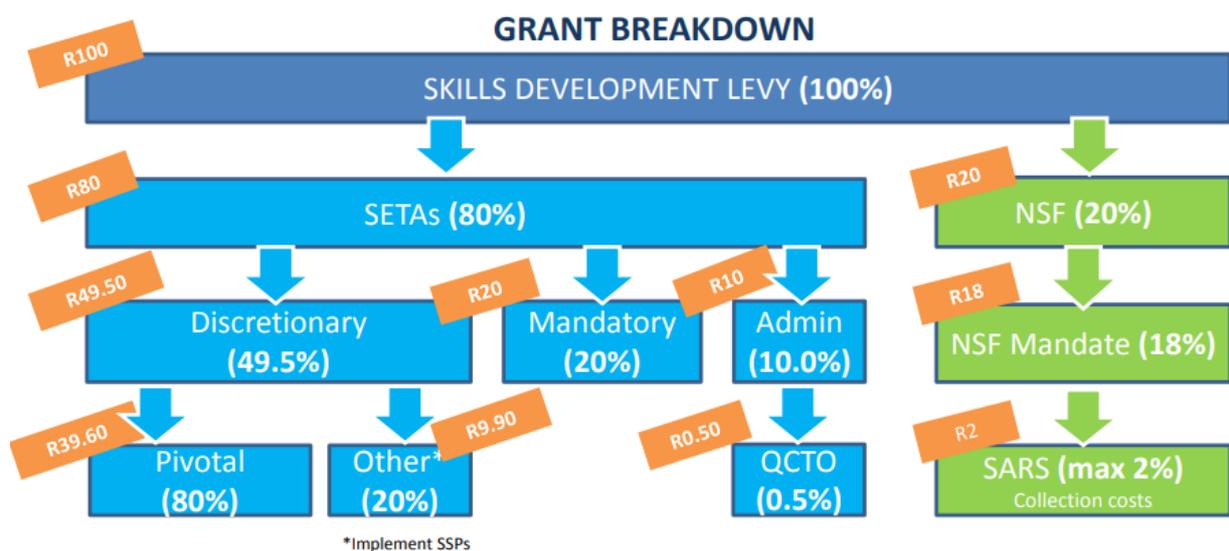


Figure 1: Grant Breakdown. Source DHET, 2017b. Note Admin should read 10.5%.

The income from the Skills Development Levy has grown significantly from a little over R1billion in 2000/2001 to R15,3 billion in 2016/2017. Part of the reason for the significant increase is that the lower limit (R500 000) has not been increased in line with inflation and at the same time salaries have increased in line with or above inflation. Any additional investment income or unspent mandatory or administration funds are transferred to discretionary funds. “There was just over R50 billion received by the 21 SETAs as levy revenue between 2011/12 and 2015/16. Of the total available funds over the five-year period, the SETAs spent about R6.3 billion on administration costs, disbursed about R14.5 billion in mandatory grants and R20 billion in discretionary grants. In total they made R31 billion worth of discretionary commitments between 2011 and 2016.” (NSDS III Evaluation, p.10). R13 billion were left in reserves at the end of the 2015/2016 financial year.

**Table 8** Real (2015 R million) distribution of the Skills Development Levy

Year	Total amount disbursed by the Skills Development Levy	Distribution of Levy Funds					SETA Admin costs transferred to QCTO
		Amount transferred to the National Skills Fund	Amount disbursed to SETAS	SETAs			
				Admin Costs	Mandatory Grant Allocation	Discretionary Grant Allocation	
2011/12	12 547	2 508	10 039	1 255	6 275	2 510	–
2012/13	13 421	2 684	10 737	1 342	6 710	2 684	–
2013/14	13 960	2 790	11 170	1 466	2 793	6 912	17
2014/15	14 753	2 962	11 791	1 548	2 948	7 295	30
2015/16	15 225	3 044	12 181	1 599	3 045	7 537	40
Average annual growth							
2011/12–2015/16	4.9%	5.0%	4.9%	6.5%	–20.3%	37.7%	52.8%

Source: DHET's Statistics on Post-School Education and Training: 2015 page 64. Notes: All value expressed in real 2015 R million. Average annual growth rates estimated via log-linear ordinary least squares.

Figure 2: Distribution of Levy Funds. Source DHET, 2018

The SETAs are distributing their grant funding to support a number of programme types including: learnerships, internships, artisan development, bursaries, skills programmes, work integrated learning for public universities and TVET colleges, support for co-operatives, and adult education and training. Through these many programmes, the SETAs disburse both mandatory and discretionary grants. They also use some of the income for administrative costs. The following graph provides a breakdown by SETA of the 2015/2016 expenditure by SETA.

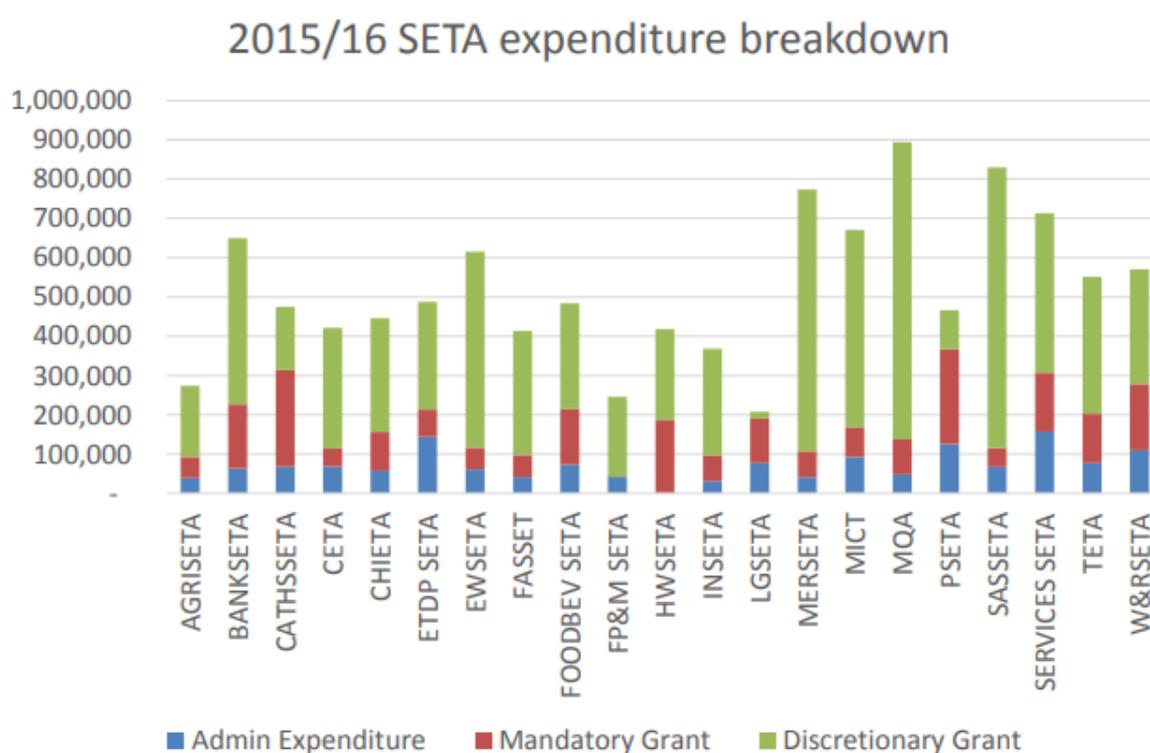


Figure 3: SETA Expenditure Breakdown. Source DHET, 2017b

“The key intervention, or policy lever, to align funding to NSDS III was the SETA Grant Regulations of 2012. SETAs were required to develop PIVOTAL programme lists, that address well-researched scarce skills occupations, and 80% of discretionary funds would be allocated to these. Discretionary funds were increased by reducing the amount given to employers in the form of mandatory grants. The Grant Regulations have resulted in an increase in funds allocated to programmes that address either full occupational qualifications or programmes that enable qualified people to gain employment in their chosen profession or occupation. Shorter skills programmes have been deliberately reduced as a priority, something that has been mainly welcomed, but is challenged by many employers and some trade unions who feel that it has resulted in less training for employed workers. Nevertheless, the Grant Regulations can be regarded as a successful lever for achieving NSDSIII outcomes.” (Mzabalazo & REAL, 2018, p. 79)

## Discretionary Grants

The discretionary grants are used by the SETAs to implement their Sector Skills Plans and to contribute to national targets as contained in documents such as the National Development Plan, the Human Resource Development Strategy, the National Skills Accord and IPAP. The grant should “support occupational and professional programmes to support economic growth and development, encourage employment creation and enable social development” (DHET, 2016, p. 35). SETAs are therefore mandated to use their discretion as to where to allocate the discretionary grants and are under no obligation to disburse it back to the employers who contribute to the skills levy. As per Figure 1 above 49.5% of the Skills Levy is allocated to the Discretionary Grant. It must be noted however that any unclaimed mandatory funds and any interest earned thereon must be transferred into the discretionary fund by 15 August of each financial year as per the Grant Regulations. Similarly, any unspent administrative funds and interest earned on these funds must be transferred to the discretionary grants by 31 March of each financial year.

In order to ensure that the distribution of the discretionary grant is fair, transparent and cost effective, SETAs are required to develop a Discretionary Grants Policy and update it annually. This policy must set out the funding framework, the different delivery models and project types that will be used. The policy also needs to provide details on how eligible organisations can access the discretionary grant. It must be noted that in line with NSDS III and the SETA Grant Regulations, there is a strong emphasis on SETAs supporting and enabling the use of public sector training providers.

One of the complexities of the discretionary grant is that it can be used in a wide variety of initiatives as long as they contribute to the achievement of the SETAs Sector Skills Plans and Annual Performance Plans. The following section provides more detail on the requirements with regard to allocation of the discretionary grant.

Of the money available to a SETA in the discretionary fund, 80% must be allocated to professional, vocational, technical and academic learning (PIVOTAL) programmes that address scarce and critical skills in its sector. These programmes result in qualifications and part-qualifications on the National Qualifications Framework. This definition includes internships, work integrated learning, apprenticeships, and work experience placements that lead to a trade test. As is evident in Figure 3 on the actual expenditure breakdown, substantial amounts of funding appear to be being transferred into the discretionary fund of some SETAs. The allocation and disbursement of this funding is guided by a number of themes within the National Skills Development Strategy III. These

themes include the development of a well-researched set of scarce and critical skills, the targeting of available resources to meet those skills and the need for attention to be given to structured integrated workplace learning. Linked to the points above is a recognition that limited information exists on how effective the programmes being delivered within workplaces are in terms of starting to address priority skills needs. It is therefore vital that the discretionary grant funding distribution contribute to obtaining data from workplaces particularly relating to the implementation of PIVOTAL programmes. This will include the requirement that eligible institutions accessing the discretionary grant funding submit Annexure 2 of the Grant Regulations. It will also require training of the skills development facilitators and ensuring that employers who participate in the discretionary funded programmes perceive their involvement in the programmes to be beneficial both to themselves and to skills planning in the country. (DHET, 2015)

In addition to the above, a SETA may allocate a maximum of 20% of the money available in the discretionary fund to projects that contribute to the achievement of the plans set out in the SSP and APP of the SETA. This is sometimes referred to as the “non-PIVOTAL grant” and has an extremely broad ambit for supporting skills planning, delivery and review for the sector and the national plans. Again there is a particular focus on public colleges and universities with a requirement in the Guidelines on the Implementation of SETA Grant Regulations (DHET, 2015, p.17) noting that discretionary grant policies should make provision for contributions to:

- Chair / Head of Faculty
- Increased number of lecturers
- Lecturer development programme
- Increased lecturer qualification
- Lecturer WP-BL in industry
- Learning materials
- Equipment
- Infrastructure
- Qualification and curriculum
  - New qualification by qualification types
  - Qualification upgrade
  - Curriculum development
  - Building or strengthening AQPs for QCTO
- Career guidance
- High school mathematics, science and language programmes
- Research
- Rural development programmes not covered above
- Stakeholder support and capacity building
- Training for retrenches to re-skill and re-build sustainable communities
- Youth development programmes not covered above.

The Guidelines also note that the SETAs should use the discretionary grants to support SMMEs and cooperatives as part of their sector.

The scope of initiatives that the discretionary grants can be used for and the diversity of institutions that are eligible to apply for discretionary funds means that the policies and procedures for the discretionary grant funding tend to be significantly more complex and comprehensive than the mandatory grant policies. Before reviewing actual examples of SETA Policies and Procedures, this

review examines the guidelines that DHET have produced with regard to the policies and procedures for grant funding.

## Discretionary Grant Policies and Procedures

The policies and procedures of the SETAs must ensure that grant allocation is fair, transparent and provides good value for money. Closely linked to this is the need to align the policies and procedures to the Sector Skills Plans, the Strategic Plans, the Annual Performance Plans and the SETA budgets.

The Sector Skills Plans are prepared in accordance with the Skills Development Act (Act 97 of 1998 as amended); the National Skills Development Strategy III; and the Sector Skills Plan Framework and Requirements – Sector Skills Plans and Annual Updates 2011-2016 (DHET, 2015b). The SSP Framework and Requirements document is:

a policy framework for Sector Skills Planning and implementation. It establishes a legislative context for sector skills planning; identifies challenges for SSP research; describes a Sector Skills Plan (SSP) and its purpose, reviews the SSP planning cycle, sets out the annual time-frames. (DHET 2015b, p.15)

The SSP Framework prescribes a structure for Sector Skills Plans that consists of six interlocking chapters. These chapters are represented in the diagram below.

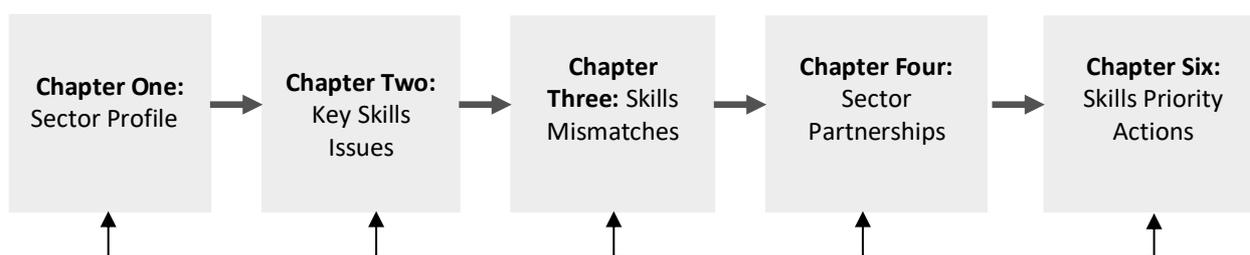


Figure 4: Structure of SSP. Source: DHET 2015, p.28

The SSP Framework provides detail on what should be covered, what is considered best research practice and what to avoid in each chapter. It is through this process that the SETAs research and articulate what it is that they intend to achieve and what impact it plans to make in the sector as well as the contribution it plans to make to national goals.

Closely linked to the SSP is the Strategic Plan (SP). This is the SETA plan to implement the SSP and it is required to be in the format prescribed for public entities by the National Treasury. This in turn enables a direct link between the Strategic Plan, the Annual Performance Plan and the budget. These links are outlined in the Framework for Strategic Plans and Annual Performance Plans from National Treasury, as follows:

the Annual Performance Plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. It is important that these performance indicators and targets are aligned across an institution's annual plans, budgets,

in-year and annual reports. In addition, the process for the production of the Annual Performance Plan should be aligned to the budget process. (National Treasury, 2010, p. 1)

The actual achievements for a particular reporting period with regards to the planned targets and budgets as published in the Sector Skills Plans, the Strategic Plan, the Annual Performance Plan and the budget documents are captured in the Annual Reports. These Annual Reports are an integral part of SETA reporting, and are developed against guidelines from the “Annual Report Guide for Schedule 3A and 3C Public Entities” (South Africa. National Treasury, 2017). The achievements, performance information, outlook, financial position and human resources information of public entities are reported in the Annual Report.

This is a complex set of related plans, strategies, action plans and reports and a recent review suggests that:

Some considerable and targeted capacity enhancement SETA-wide programme may be required to foster the alignment between SSPs, SPs and APPs. This will enable the SETAs to better present their SPs as part of a major contribution of the SETAs towards the achievement of the sector priority actions identified in the SSP. This will also assist the SETAs to articulate in a clear manner, SSP priorities that culminate into strategic goals and objectives that must be achieved through the implementation of the APP. (Mzabalazo, 2018)

To add one further element that needs to be considered, it is from these SSPs that the SETAs need to develop policies and procedures so that there is alignment between what the SETA states is its strategy and plans and regime that it puts in place to achieve this. There are at least three key functions of the policies and procedures. The first emanates from our constitutional requirements that government institutions operate in ways that are transparent, fair and achieve value for money when allocation state resources. Policies and procedures set out, in a manner that is understood by SETA member companies and stakeholders, how grants and SETA funded projects can be accessed. There is currently concern that some policy and procedures may introduce requirements hinder efficiency and effectiveness. As a result of these concerns, processes are currently underway to achieve greater alignment between SETA policies so that all applicants, regardless of sector, will access a single, streamlined system for grant application and allocation.

The second key function of the policies and procedures is that they provide a basis for spending funds without which the SETAs would be found in the annual audit to be spending funds without the proper mandate. This in turn would result in audit findings by the Auditor General during the annual audit. The key here is that the policies provide a clear statement of ‘pre-determined objectives’ against which expenditure can be audited.

The third key function of the policies and procedures is that they set out what the SETA is trying to achieve in a manner that enables a SETA and its stakeholders to understand what is intended and then to measure the extent to which it has succeeded. The Guidelines on the Implementation of SETA Grant Regulations are clear that:

In setting out policy for grants, the SETA is stating how it is allocating resources to achieve its strategic goals and objectives and setting out how the SETA will judge the effectiveness of this policies. The SETA is thus putting in place a mechanism for reviewing policy after implementing them over a period of time. (DHET, 2015a, p.10)

The current regulations require SETAs to review the grant policies annually and to ensure that they are aligned with the goals and objectives of the SETA as stated in the SSP, SP and APP. The guidelines on the grant regulations make it clear that SETAs need to monitor, evaluate, report on and learn from a process of annual reflection and that “[DHET] will be looking for evidence of this type of reflection and learning within SETAs” (DHET, 2015b, p.20)

## **SETA Discretionary Grant Policies and Procedures**

A review of the SETA discretionary grant policies available on the SETA websites revealed significant differences in the detail contained in the policies. Some of the policies were less than two pages long while others were over twenty. In all instances the policies referred back either specifically to the SSP or, as in the case of the AgriSETA policy (AgriSETA, 2016b), more vaguely to the “AgriSETA priorities” and “sector specific needs”. All of the policies also made reference to national priorities as contained in documents such as the National Development Plan, the National Skills Development Strategy, the Human Resource Development Strategy, the Accelerated Growth and Development Strategy, Sector Charters amongst a host of others. This extremely broad focus points to the need to go back to the SSPs and APPs as the basis for evaluating the discretionary grants.

A brief review of one of the shorter discretionary grant policies (AgriSETA, 2016b) and the SSP (AgriSETA, 2016a) shows little correlation between an emphasis on the need for recognition of prior learning in the sector and the content of the policy. The more recently developed (AgriSETA, 2017) Strategic Plan for the sector makes a number of specific links to skills needs related to land reform projects and an argument for supporting the existing Agricultural colleges rather than TVET colleges, few of whom offer agriculture. These insights from AgriSETA documents suggest that the M&E framework needs to support a careful alignment across these various documents in all of the SETAs.

Scoping the SETA Discretionary Grant Policies and their links to other documents produced by the SETAs revealed a number of areas that will require further examination with regard to the development of a Monitoring and Evaluation Framework for the discretionary grants. The following comments on some of the SETAs is not intended to be a comprehensive list of either documents or issues to consider.

- BankSETA – It was not easy to find the discretionary grant policy on the SETA website and the online chat function generated no response.
- CETA – Very comprehensive 20 page “Policy on the Disbursement of Mandatory and Discretionary Grants” but could not find more recent version than 2014. A detailed Monitoring and Evaluation Framework was also developed in 2014 (no updated framework was found on the CETA website) by CETA and it may be useful to cross reference the Grant Policy and the M&E Framework. (CETA, 2014b, 2014a)
- EWSETA – a slightly dated (EWSETA, 2014) discretionary grant policy was accessed. EWSETA had however also published a call for discretionary grant applications (EWSETA, 2018a) and the technical descriptions (EWSETA, 2018b) contain a number of indicators that would be useful to correlate across the documents mentioned here.
- Fasset – Although a Discretionary Grant Policy for Fasset was not accessed from the website, a very interesting document entitled “Non-PIVOTAL Learner Employment Grant Requirement 2018/2019” (Fasset, 2018) was accessed. This document provides very specific details on how to

access non-PIVOTAL funds and contained clear reference to scarce and critical skills as well as criteria explicitly aimed at transformation in the sector. Fasset also produce a number of research reports that track trends in the Fasset sector (e.g. Research Focus, 2017). These reports include specific sections on mandatory and discretionary grants. It will be useful to examine the correlation between the Fasset grants and the research documents on trends and analysis of grant applications. A 2016 version of the Monitoring and Evaluation Framework (Fasset, 2016) was reviewed and although detailed contained no reference to the Fasset research into trends in the sector. It will be useful to review the other M&E plans in relation to the use of ongoing research in the SETAs.

- FoodBev SETA – A recent Grant Funding Policy (FoodBev SETA, 2018) was available on the SETA website that provides a current example of such a policy. The policy is very specific and although providing less sector related skills information (Fasset contains a more useful example of this level of detail), it does have a very clear structure and guidelines on amounts available for different kinds of training.
- FP&M SETA – The Discretionary Grant Policy (FP&M SETA, 2015) provides a useful example of a technical policy that references the relevant policies and regulations relevant to the disbursement of grant funding. What the policy lacks however is any specific reference to the priorities of the sector beyond pointing to the SSP and the APP. Many of the policies follow this genre. The FP&M SETA has recently produced an M&E Framework (FP&M SETA, 2018) that will be important to review in terms of a current example of such a framework.
- INSETA – INSETA has produced both a Discretionary Grant Policy (INSETA, 2016) and Discretionary Grant Monitoring and Evaluation Policy and Guidelines (INSETA, 2016). These two documents are cross-referenced and provide a very specific example of linking the discretionary grant policy with the discretionary grant M&E framework.
- MERSETA – the Grants Policy 2017/2018 (MERSETA, 2017) provides another example of a relatively up-to-date policy. This policy makes extensive reference to the NSDS III and the National Skills Accord. It also provides substantial details on the kinds of awards that will be considered both in terms of supporting transformation in the country and in terms of the amounts available for different kinds of grants. Little detail is provided on scarce and critical skills with only a brief reference back to the SSP and APP.
- PSETA –The Discretionary Grants Policy 2018/2019 (PSETA, 2017) is another example of an extremely comprehensive policy with regard to the objectives, legislative compliance and procedures for applying for and disbursing the discretionary grant. Although reviewed annually, this policy does not contain details of scarce or critical skills and makes reference back into the SSP and APP for this information.
- SASETA – The SASETA Discretionary Grant Policy (SASSETA, 2016) is one of the longest of any of the SETAs and contains a number of Appendices. These Appendices provide significant detail on the evaluation committee composition and the evaluation criteria for different kinds of grants. This policy also has an extended section on BBBEE policies and regulations and their implications for the disbursement of grants.
- SERVICES SETA – Services SETA have produced a short document (SERVICES SETA, n.d.) that summarises key points from the Discretionary Grant Policy.

## Some Emerging Focus Areas

This initial scoping of the discretionary grant and associated policies produced by the SETAs suggests a number of focus areas for the development of a monitoring and evaluation framework for management and impact of these grants. The first point that must be made relates to the scope of the discretionary grant. The broad ambit of funding enabled by the requirement that the discretionary grants can be used at the discretion of the SETAs to fund priority areas identified in the SSPs and APPs, means that the M&E focus could be extremely broad. The grant regulations require that 80% of the funding available for discretionary grants must be spent on PIVOTAL programmes related to scarce and critical skills identified in the sector. These skills and the related programmes are identified in the Sector Skills Plans but are seldom carried through into the actual discretionary grant policies. This means that the M&E framework is going to need to work across a number of related documents as noted in the scoping of the various SETAs policies in this review.

Although the discretionary grant policies are required to be updated annually to reflect emerging scarce and critical skills, most SETAs appear to make reference back to the SSPs (which are updated annually) and update the grant policies every three to four years. It is also possible that the latest policies are not available through the SETA websites and some time will need to be invested to acquire the latest policies from each SETA.

The second point relating to the discretionary grant policies is the very significant variance with regard to structure, content and detail. Given that these policies state the objectives of the discretionary grant, who can access the grant funds and the impact that the programmes funded through these grants should have, it will be necessary to consider the implications of the significant variance for a SETA-wide monitoring and evaluation framework.

Many monitoring and evaluation support documents exist within the SETAs including technical descriptors and monitoring and evaluation policies. However few of these make any specific cross-reference to the grant policies. It would appear useful as part of developing a M&E framework to examine how greater alignment and cross-referencing between these various documents can be supported.

Some SETAs have developed specific guidelines for monitoring and evaluating the discretionary grants. This approach needs to be examined and any existing evaluations must be done in line with these guidelines.

The submissions required to access the discretionary grant, particularly with regard to the PIVOTAL planning and reports, are important for informing skills planning and understanding the provision of the workplace based learning opportunities. This source of information needs to be built into a monitoring and evaluation framework for workplace based skills development.

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## Payment Schedule

Tranche	Deliverables	Invoice Date	Amount	Amount inclusive of VAT
1 (25%)	Master Research Plan Approved	23 July 2018		R 55 000.00
2 (25%)	Scoping Report	30 Oct 2018		R 55 000.00
3 (20%)	Draft Report	30 April 2019		R 44 000.00
4 (20%)	Final Framework	31 August 2019		R 44 000.00
5 (10%)	Close out Report	30 Oct 2019		R 22 000.00
	<b>Total Amount</b>			<b>R220 000.00</b>

## Detailed Research Plan

Stage of Research	Activities	Outputs/ Deliverables	Timeframe		Resources Required
			Start	Finish	
1	Finalise Research Plan	Master Research Plan Approved	July 2018	July 2018	Budget for travel during set-up
2	Conduct desk top studies and key informant interviews; plan further sampling	Scoping Report	1 August 2018	30 Oct 2018	Access to documents and contacts; travel budget; research time
3	Further desk top studies, first focus groups with SETAs, analysis of selected DG activities, fieldwork and mapping of methodology	Draft Report	1 Nov 2018	30 April 2019	Access to documents and contacts; travel and meeting budget (venues, catering); research time
4	Focus groups with key stakeholders, analysis and framework finalisation	Final Framework	1 May 2019	31 Aug 2019	Travel and meeting budgets (venues, catering); research time
5	Produce and present final report	Close out Report	1 Nov 2019	1 Mar 2020	Writing time; travel budget; feedback on draft report; presentation opportunity