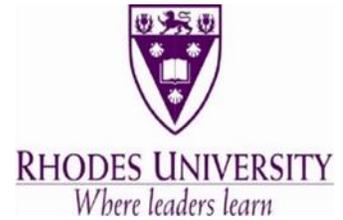




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Rhodes University BANKSETA M&E Chair Research Plan: Project 6

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DRAFT REPORT

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This study is part of a broader research chair programme addressing monitoring and evaluation (M&E) in a SETA environment (<https://www.ru.ac.za/elrc/projects/>). To be implemented by Rhodes University over three years (August 2018 – March 2020), the programme is an initiative of South Africa’s 21 Sector Education and Training Authorities (SETAs) and is strongly supported by the Department of Higher Education and Training (DHET).

This Draft Report must be read in conjunction with the other reports produced in the research programme, relating to both the Mandatory and Discretionary Grants. It will be discussed with roleplayers before completion in August 2019. Please send comments to the contact details provided.

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List of Abbreviations

APP	Annual Performance Plan
CHIETA	Chemical Industries Education and Training Authority
DHET	Department of Higher Education and Training
DG	Discretionary Grant
DPME	Department of Planning, Monitoring and Evaluation
GWMES	Government-wide Monitoring and Evaluation System
HR	Human Resources
HRDC	Human Resource Development Council
M&E	Monitoring and Evaluation
MG	Mandatory Grant
NDP	National Development Plan
NEPF	National Evaluation Policy Framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSF	National Skills Fund
PSET	Post-School Education and Training
SDL	Skills Development Levies
SETA	Sector Education and Training Authority
SP	Strategic Plan
SSP	Sector Skills Plan
ToC	Theory of Change

Background

The discretionary grants are used by South Africa's Sector Education and Training Authorities (SETAs) to implement their Sector Skills Plans, to address scarce and critical skills in their sectors and to contribute to national developmental targets. According to the national Department of Higher Education and Training (DHET) the grant should be used for "occupational and professional programmes to support economic growth and development, encourage employment creation and enable social development" (DHET, 2016, p. 35). SETAs are allocated 80% of the Skills Levy income, and of this, over half is allocated to discretionary grants. Between 2011 and 2016 the SETAs made R31 billion worth of discretionary commitments (Mzabalazo and REAL, 2018) with the latest report on SETA funding (DHET, 2018) recording that over R7.5 billion was spent on discretionary grants in the 2015/2016 financial year alone.

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(s). These programmes result in qualifications and part-qualifications on the National Qualifications Framework and include internships, work integrated learning, apprenticeships, and work experience placements that lead to a trade test. 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 Sector Skills Plan (SSP), the Strategic Plan (SP) and the Annual Performance Plan (APP) of the SETA. This is sometimes referred to as the "non-PIVOTAL grant" and has a very broad ambit for supporting skills planning, delivery and review for the sector and the national plans. There is a particular focus on public colleges and universities, with the *Guidelines on the Implementation of SETA Grant Regulations* (DHET, 2015, p.17) requiring discretionary grant policies to make provision for contributions to:

- Chair / Head of Faculty
- Increased number of lecturers
- Lecturer development programmes
- Increased lecturer qualifications
- Lecturer workplace-based learning 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, and
- Support to SMMEs, NGOs, and cooperatives as part of their sector.

In order to ensure that the distribution of the discretionary grant across this range of funding options is fair, transparent and cost effective, SETAs are required to develop a Discretionary Grants Policy and update it annually. This policy needs to set out how the activities funded by the discretionary grants will contribute to the achievement of the SETA's Sector Skills Plans (SSPs) and Annual Performance Plans (APPs). In addition, the policy must set out the funding framework, the different delivery models and project types that will be used. Perhaps most importantly, it needs to provide details on how eligible organisations can access the discretionary grant. Given ...

- the amount of money and other resources invested in the discretionary grants,
- the importance of the discretionary grants for achieving SETAs' objectives,
- the scope of initiatives that could be funded and
- the diversity of institutions and beneficiaries eligible for discretionary funds

... it is important that their use and impact is carefully monitored and evaluated.

According to the *Government Wide Monitoring and Evaluation System* (South Africa. Presidency, 2007) government institution are required to formally adopt a Monitoring and Evaluation (M&E) strategy. Accounting officers and accounting authorities are accountable for the frequency and quality of M&E information and the integrity of the systems responsible for its production and utilisation. Programme managers and other line managers and officials are responsible for establishing M&E systems. Designated M&E units are responsible for ensuring the implementation of M&E strategies by providing expertise and support.

This document sets out a draft framework for the monitoring and evaluation of the Discretionary Grant. In doing so it recognises and draws on the *National Evaluation Policy Framework* (South Africa. Department of Planning, Monitoring and Evaluation, 2011) and various guidelines that have been produced to support its implementation. As the NEPF notes "one of the ways of assuring quality, particularly when there is limited capacity, is to avoid reinventing tools" (ibid 20). This draft M&E framework therefore incorporates different kinds of evaluation proposed by the NEPF and subsequent DPME guidelines.

These include:

- diagnostic evaluation that identifies the drivers of change;
- design evaluation that tests the theory of change;
- implementation evaluation that tests how the theory of change is working in practice;
- economic evaluation that reviews the relative costs and benefits; and
- impact evaluation that aims to understand the impacts of the entire intervention.

In addition, synthesis evaluations that bring together insights from other evaluations and data are included as a way of pulling together overarching insights.

Since detailed guidelines are provided on the DPME website (<https://evaluations.dpme.gov.za/pages/guidelines-other-resources>) for each of these forms of

evaluation, it is not the intention of this framework to replicate this information. Rather we have sought to provide a framework that uses the various forms of evaluation to support processes of organisational learning and improved performance in relation to the Discretionary Grants.

Improving performance through judgement and learning.

The *National Evaluation Policy Framework*, in a key section on the purpose of evaluation, notes that “our primary purpose is around **improving performance**, but this also involves questions of judgement” (DPME 2011, 4). Improving performance in this framework is directly linked to learning. Judgement is linked to merit or worth and seeks to understand what worked, how and for whom (ibid, 3). These processes of judgement and learning should ultimately “result in better service delivery and the achievement of government objectives” (ibid, 4). In a separate report (Draft Report on the Mandatory Grant) we (Ward and Rosenberg 2019) have explored how activity systems and the use of realist evaluation methodology can inform monitoring and evaluation of SETA grants. In this draft report we explore in greater detail how an expansive learning framework (Engeström, 2016, 2001; Engeström and Sannino, 2010; Sannino et al., 2016) can link the forms of evaluation suggested in the *National Evaluation Policy Framework* into an expansive learning spiral. This expansive learning spiral will enhance the ability of SETAs and associated skills development partners to understand and respond to internal and external challenges and opportunities linked to the discretionary grants.

Expansive Learning Evaluation Framework

The Discretionary Grants (both PIVOTAL and non-PIVOTAL grants) are located within and guided by the Sector Skills Plans, the Annual Performance Plans and broader thinking on skills development as contained in the Guidelines on the Implementation of the SETA Grant Regulations. These guidelines and regulations are guided by the conceptual framing of the National Skills Development Plan and the overarching Skills Development Act. The Act is located within the broader Human Resource Development Strategy, the National Development Plan and at a global level, strategies such as the Sustainable Development Goals. Working across these different dimensions, questions and contradictions arise that stimulate new approaches and have implications for the design, implementation and review of skills development initiatives. Within specific initiatives such as a career guidance project or a particular PIVOTAL programme, it is also likely that questions and contradictions may arise, either within one activity system (e.g. the SETA in question) or between several activity systems (e.g. the SETA, an employer and a training provider). Addressing these questions and contradictions stimulates new practices and learning. The expansive learning cycle provides a tool for thinking through these processes of judging merit and value and improving performance within and across activity systems and organisations. As we will see, the different forms of evaluation can deepen and inform these processes of learning.

In developing an evaluation framework for the Discretionary Grant we will focus on the relationship between the particular discretionary grant ‘project’ and the SSP. This focus is justified by the fact that the purpose of the Discretionary Grant is to enable the SETA to achieve the intentions of its SSP. The project cycle associated with the development of a particular discretionary grant could look as follows:

- 1) Analyse the context (e.g. identify the scarce and critical skills and the potential workplaces and training institutions that could support the development of these skills.)
- 2) Design the discretionary grant project/ skills intervention (e.g. develop a PIVOTAL programme focused on the identified scarce skills, the sites of workplace based learning and the appropriate training institution.)
- 3) Prepare to implement (e.g. develop the agreements and systems required to disburse and manage the funding and skills development processes.)
- 4) Implement the plan (e.g. conduct the PIVOTAL skills development processes using the discretionary grant and the collaboration between participating institutions and learners.)
- 5) Evaluation the outputs and outcomes (possibly the impact) of the discretionary grant enabled PIVOTAL programme/ specific project.

This is a relatively simple project cycle and it can be enhanced through various associated evaluative processes. One of the key limitations of this simple representation is that it implies that evaluation is left to the end of the implementation of the project. Its strength is that it highlights the importance of a number of phases in the development, implementation and review of a project such as a discretionary grant initiative. The expansive learning framework developed by Engeström builds on this simple project cycle and uses it as the basis for a more sophisticated process of organisational learning within and across activity systems (see Draft Report on Mandatory Grant for a more detailed discussion of activity systems and expansive learning). The expansive learning cycle can be represented as follows:

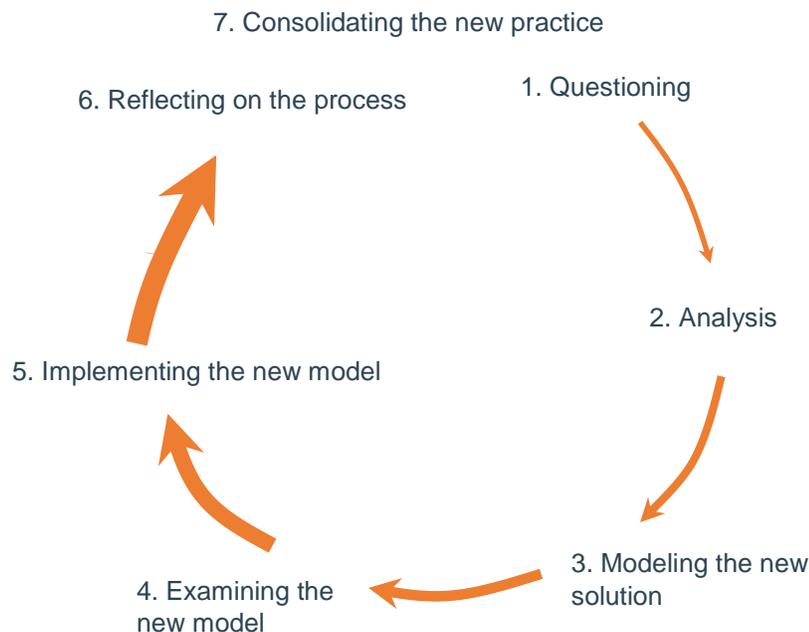


Figure 1: Expansive learning cycle Source: Engeström, Y. (1987). Learning by expanding: An activity-theoretical approach to developmental research. Helsinki: Orienta-Konsultit.

As noted above, the (evaluation) questions may emerge at or across multiple levels. For example, questions about the relationship between economic growth, the potential for employment and skills shortages may emerge in relation to the ‘scarce skills’ discourse (see research by Allais et al., 2017; Balwanz and Ngcwangu, 2016). Questions may emerge with regards to the relevance of a particular SETA’s Discretionary Grant projects in relation to its SSP and APP. Questions may also emerge regarding the effectiveness, efficiency, sustainability or impact of a project. Questions may emerge at different phases of the project cycle: analysis of context, design, implementation of particular projects, implementation of a particular approach to Discretionary Grants, review of outcomes or impacts, review of costs and benefits, or a synthesis of reviews across time or across multiple projects/ institutions. For each of these phases, different evaluation methods/forms/approaches have been developed. These different evaluation methods can be used in a sequential process (to follow an expansive learning cycle) or on an ad-hoc basis to respond to a particular question. When implementing on an ad-hoc basis, keeping the expansive learning cycle in mind and possibly drawing on different methods, will enrich an evaluation and support organisational learning and impact. In figure 2 the different forms of evaluation developed within the *National Evaluation Policy Framework*, and for which the DPME have developed detailed guidelines, are mapped onto the expansive learning framework.

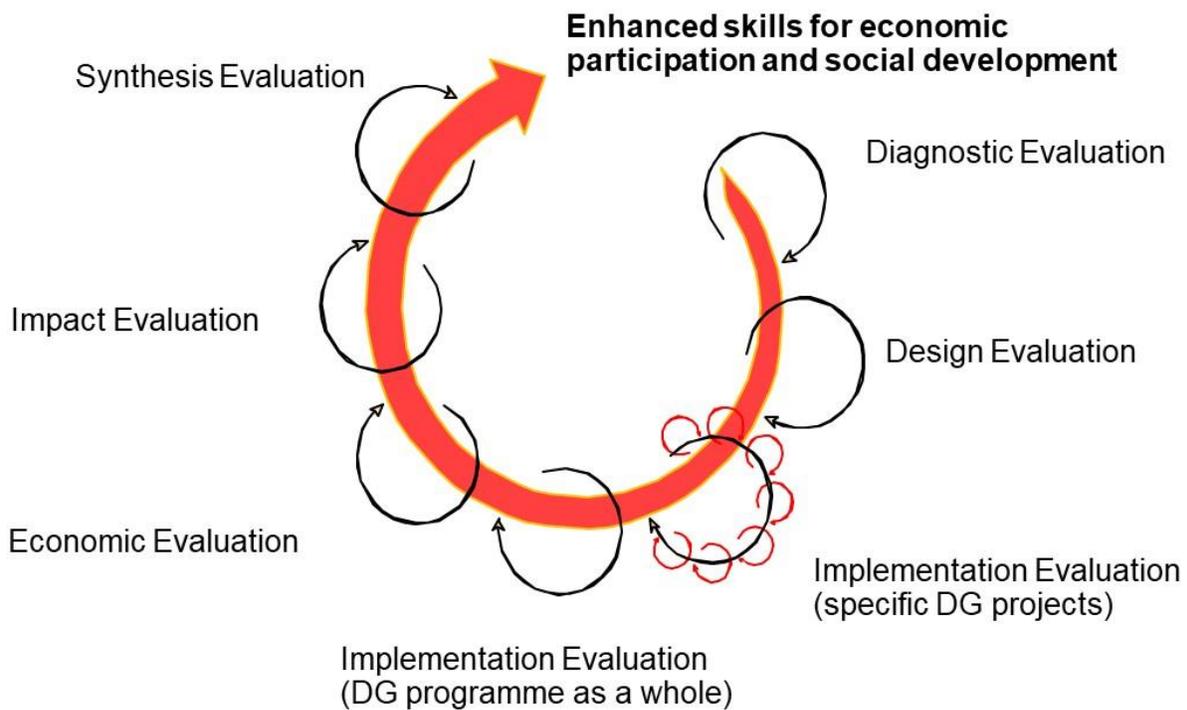


Figure 2: Different forms of evaluation (methods/approaches) mapped on to an expansive learning spiral

Evaluation Framework

Before considering how each of the forms of evaluation could be used to support an evaluation framework for the Discretionary Grant we will outline some useful questions for developing an evaluation plan. These questions help to guide the overall approach and form the evaluation will take.

- **Why is the evaluation being conducted?** This first question helps to clarify the purpose of the evaluation. Answers can be considered at at least three different levels. The first level links back to the purpose of evaluation set out in the *National Evaluation Policy Framework* namely improved performance and judging value. Within this broad purpose more specific reference may be made to emerging questions or contradictions that require attention. Finally, a consideration of the action learning cycle and forms of evaluation may suggest answers such as, “to improve the design of the discretionary grant project” or “to improve the implementation or to improve the economic value generated”. These answers would suggest a particular form of evaluation.
- **What will be evaluated?** In answering the *why* question above, certain areas of activity will be suggested as the focus of the evaluation. These may be areas requiring improvement, or areas identified by emerging questions, or areas at particular stages in the project/ learning cycle. Given the relationship between the SSP and the Discretionary Grant it is likely that in answering the *what* question there will be a consideration of questions, contradictions or opportunities that are at the interface between the SSP and DG initiatives. This can be supported through an activity system analysis (see Ward and Rosenberg, Project 7 Draft Report, 2019).
- **Who will do the evaluation?** Based on *why* the evaluation is being done and *what* will be evaluated certain considerations will be required in relation to *who* will conduct the evaluation. Where the purpose is most strongly focused on learning for improved implementation it may be most useful if internal SETA staff are involved so that the learning processes and the skills developed are embedded within the SETA. However, where the capacity within the SETA is missing or where the judging of the value of the initiative is being used to enhance accountability, it may be necessary to bring in external expertise both to develop internal capacity of staff and to potentially enhance the reliability of the evaluation.
- **How will the evaluation be done?** This includes both the particular evaluation method or approach and its associated methodology, and the kinds of evidence that will be produced and gathered. It is important that these approaches align to the purpose and focus of the evaluation and that the people conducting the evaluation are experienced at using the methods decided on.
- **When will the evaluation be carried out?** As noted above, simple project cycles often leave evaluations until the end of the implementation process. This however misses many opportunities for refining a project as it is being designed and implemented. It also misses opportunities to use insights from one project or institution within a broader systematic review across time or a range of projects and across multiple institutions. If the purpose of the evaluation is to support a more coherent design, then there is no need to wait until the completion of the implementation. Similarly, if the intention is to track impact, then it may be necessary to provide for a significant time laps between the end of the project and the finalisation of the evaluation (e.g. tracer studies).

- **Then what?** This question alerts us to how the evaluation will be reported on and used to support the achievement of the purpose of the evaluation. It may also suggest that if certain groups are expected to use the findings to improve their practice it may be important to get their buy-in and involvement secured early in the evaluation design/ implementation and/or reporting processes.

Why? (Purpose)	What? (Questions)	Who? (Involved)	How? (Methods)	When? (Project cycle)	Then? (Reporting/ use)
Consider and justify the choices that you have made. Ensure coherence/ logic across the questions.					

(The above is based on work done by Rosenberg for the City of Cape Town, 2004).

Linking the Evaluation Framework with the expansive learning cycle

Having introduced the potential of linking the forms of evaluation identified by DPME in the NEPF to an expansive learning spiral and to the orientating questions within a simplified evaluation framework, we now explore the integration of these two heuristics in more detail. As a first step each of the forms of evaluation are considered in terms of the key questions outlined above.

Diagnostic Evaluation (DPME Evaluation Guideline 2.2.10)

The diagnostic evaluation guideline notes that “experience with the government evaluations is showing that many programmes and policies are implemented without a proper diagnostic being done, and so frequently address symptoms and not underlying causes” (DPME 2014). In the case of the Discretionary Grant much of this initial diagnostic is done as part of the Sector Skills Plan. A diagnostic evaluation for a discretionary grant initiative whether PIVOTAL or non-pivotal would require a careful consideration of the research in the SSP (Sector Profile/ Context; Key Skills Issues/ change drivers; Occupational/ Skills gaps; Sector Partnerships; Skills Priority Actions). A diagnostic evaluation would evaluate the potential DG initiatives in light of this contextual/ diagnostic research.

Why?	What?	Who?	How?	When?	Then?
To provide empirical evidence to a programme manager of the root causes of a particular skills shortage or skills development opportunity to provide the evidence on which to base a	What is the current situation? (e.g. growth of green economy; lack of green skills) What is the root cause? (e.g. poor anticipatory planning by employers)	Initial diagnostic research and evaluation is done as part of the SSP and should be done by research and evaluation units within the SETA. More specific diagnostic evaluation focused on a	Situational Analysis – internal or external environments (e.g. PESTEL) needs assessment and forecasting/ backcasting (e.g. stakeholder and expert workshops) Root cause analysis (e.g.	Ideally the diagnostic evaluation should be done prior to the design of a DG initiative. However, it is recognised that it may also be necessary to review the	It is vital that the diagnostic evaluation findings be used to inform the design of DG initiatives. Diagnostic evaluation findings could also be used to understand and test the

strong theory of change and design for a new, or revised DG initiative.	What are possible solutions? (e.g. Groen Sebenza internships; OFO updating) What options best respond to SSP? (e.g. managerial or artisan level skills needs)	particular sub-sector could also involve external experts in the field in question. Research chairs could also be used to link the SSP to specialised DG initiatives	Realist evaluation; activity system analysis) Review of previous research/ evaluations. Feasibility Analysis.	context during the revision/ redesign of an initiative that has been operating for some time.	feasibility of a range of options. This work also needs to inform the design phase of DG initiatives.
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(see DPME 2014 – 2.2.10 - for further details)

Design Evaluation (DPME Evaluation Guideline 2.2.11)

The design evaluation guidelines note that “it is often difficult to trace programme documents, precise definitions of the programme, clear objectives, indicators and a theory of change” (DPME 2014). This suggests that the design of the intervention may be less robust than it could be. It also makes it difficult to evaluate these programmes. Interestingly the recent evaluation of NSDS III (Mzabalazo and REAL 2018) makes exactly this point and resulted in the implementation and impact evaluation having to construct a theory of change retrospectively. Given that the Discretionary Grants are supposed to contribute directly to the achievement of the SETA’s SSP a design evaluation should be “a rapid precautionary exercise conducted after a [discretionary grant] initiative has been designed but before it has been implemented.” As noted with the evaluation of the NSDS III it “can also be used for existing initiatives as part of an implementation evaluation to check on the design.”

Why?	What?	Who?	How?	When?	Then?
To ensure that the design of a DG initiative is aligned to the SSP, SP & APP and that it is robust before implementation.	Is there coherence between the diagnostic analysis/ evaluation and the proposed DG initiative?	The guidelines note that “it is important that those undertaking the design evaluation are independent from the intervention concerned.”	Review alignment between the SSP and the design of the DG initiative with SETA staff. Review alternatives with expert stakeholders.	Once SSPs have been developed but prior to the implementation of the DG initiative.	Meet with programme staff to discuss how DG initiative design needs to be strengthened/ more closely aligned with the SSP.
To check the logic of a theory of change and ensure alignment with the various chapters of the SSP and APP.	Have different options been considered? Is the theory of change logical and robust? Is implementation properly planned?	Smaller DG initiatives could be evaluated within the SETA. Large DG initiatives would benefit	Analyse the theory of change and the logical framework. Ensure logical flow across objectives, activities, resources,	Could also be done retrospectively as part of an implementation evaluation.	Identify issues that may require particular attention in subsequent evaluations e.g. implementation evaluation or

	Will it work?	from DHET oversight.	outputs, outcomes and impact.		cost-benefit analysis.
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(see DPME 2014 – 2.2.11 - for further details)

Implementation Evaluation (DPME Evaluation Guideline 2.2.12)

In considering implementation evaluation, it is important to emphasise the scale at which implementation can occur in relation to the Discretionary Grant. Feedback from interviews and a learning workshop with the SETAs suggests that most implementation evaluation is happening at the level of discrete discretionary grant projects. One participant referred to this as “following the money”. This is certainly an important monitoring and evaluation activity, as large amounts of money are disbursed to a diversity of implementers and beneficiaries. This is represented in the expansive learning/ evaluation cycle (figure 2) by the small red arrows. This evaluation may be done by individual programme staff within the SETAs with oversight from the internal research/ evaluation unit.

However, there is also a need to evaluate the implementation of the Discretionary Grant programme as a whole within a SETA to assess the alignment and contribution to achieving the objectives of the SSP and APP. This requires both a synthesis of individual projects and a broader evaluation framing in relation to the sector and skills landscape as a whole. Here the SETA research and evaluation units as well as the National Skills Authority and other DHET institutions have important roles to play. Implementation evaluations, at multiple scales, provide an assessment of project/ programme “delivery, strategies, procedures and processes” and should answer questions such as: what is working/ not working; why and for whom.

Why?	What?	Who?	How?	When?	Then?
To understand how the individual discretionary grant initiatives or the Discretionary Grant as a whole is working, why, and for whom with a view to improving implementation.	How the implementation is happening in practice? Is the implementation aligned to the project design? Are the outcomes and impacts contributing to SSP and APP achievement?	Evaluations of smaller DG initiatives could be done by SETA programme staff with oversight from the research/ evaluation unit. Large initiatives and the evaluation of the DG programme	Using monitoring data, reports, interviews and case studies. It would be possible to design an expansive learning process to both benefit from and contribute to a formative evaluation.	During implementation – This can form part of a formative intervention that informs ongoing improvement during implementation. After implementation – This can assess outcomes and	Formative – ongoing reporting to stakeholders to improve implementation as the project develops. Summative – feed into subsequent SSP development. Input into impact evaluation.

	<p>What improvements/ changes need to be made?</p> <p>What potential is there for scaling?</p>	<p>will require external service providers/ DHET to support and to ensure credibility.</p>		<p>can feed into the longer term into impact evaluations.</p>	<p>Input into systematic evaluation across SETAs; across particular projects e.g. WP-BL and into DHET strategic planning.</p>
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(see DPME 2014 – 2.2.12 - for further details)

Impact evaluation (DPME Evaluation Guideline 2.2.13)

Impact evaluation seek to measure changes at the outcome and impact levels that are attributable to a specific intervention. The Discretionary Grant is designed to support the implementation of the SSP which is the planning document for SETAs to contribute to the development of skills and qualifications in occupations that support economic growth, encourage employment creation and enable social development. An impact evaluation would therefore measure changes and attribution with regards the contribution of the Discretionary Grant and DG initiatives to economic growth, employment and social development.

The challenge with impact evaluations is that they often require: a summative implementation evaluation as the basis for attributing casual pathways, and an economic evaluation to assess the efficiency/ efficacy of resource use. There is also a need to conduct impact evaluation some time after an intervention in order for outcomes and impacts to manifest and to assess sustainability of the impacts.

For all of these reasons impact evaluations tend to be expensive and are often not included in project plans. This can be problematic where government departments need to show impact, account for resource use, attribute impact to policy, and ultimately use impact evaluations as the basis for policy reviews and development.

Why?	What?	Who?	How?	When?	Then?
To systematically and empirically investigate the changes produced by the grant regulations, the DG framework or a discretionary grant intervention,	<p>Did the DG or DG intervention produce the intended impacts as identified in the NSDP and the SSP?</p> <p>Was the impact attributable to the policy/ programme or intervention under review?</p>	Impact evaluations are usually undertaken by an independent service provider who specialises in research and evaluation	<p>Desk reviews. Interviews. Stakeholder workshops. Implementation evaluations.</p> <p>Outcome and impact mapping.</p> <p>Context-Mechanism-</p>	Although impact evaluation usually take place some time after an initiative (e.g. a tracer study) it is vital that data gathering (e.g. contact information) be initiated from	<p>For SETA programme managers an impact evaluation could inform a decision on whether to scale an DG initiative.</p> <p>An impact evaluation</p>

whether at outcome or impact level and whether the DG or DG intervention was responsible for this impact.	In what ways, why and for whom did the intervention work? How did the intervention contribute to the intended impacts? Are impacts likely to be sustainable? Is this the best intervention to achieve the desired impacts?	due to the demands of this kind of evaluation and the need to ensure credibility in programme and policy decisions.	Outcome (CMO). Monitoring data. Counterfactual methods. Economic evaluations. Systematic evaluation.	the beginning of the programme.	should inform how future implementation can be strengthened to maximise impact. Policy makers can use impact evaluation to inform policy development.
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(see DPME 2014 – 2.2.13 - for further details)

Economic Evaluation (DPME Evaluation Guideline 2.2.15)

Although the National Evaluation Policy Framework does not refer to economic evaluation specifically, it does make a number of references to efficiency. It defines an efficiency assessment as “an evaluation method that answers questions about programme costs in comparison to either monetary value of its benefits or its effectiveness in terms of the changes brought about in the social conditions it addresses” (DPME 2011 25). The Guidelines on economic evaluation (DPME 2014) use the National Treasury definition of Economic Analysis to introduce the approach as “analysing the viability of a project based upon economic and social welfare improvements, and not financial bankability” (ibid 1). It also highlights the importance of considering environmental costs that may not be reflected in market prices.

This kind of evaluation can be used at different stages in the evaluation learning cycle. When used in the design phase it can support decision making based on alternative options and inform the allocation of resources between different discretionary grants.

When used during the implementation phases or in impact evaluations it can determine whether a programme is providing or did provide good value, how and for whom. As the guidelines note decision makers are faced with difficult choices about where to allocate resources such as the Discretionary Grant. Economic evaluation helps to inform these decisions.

Why?	What?	Who?	How?	When?	Then?
To support the comparative analysis of alternative courses of action in	Evaluation the costs and effects of various alternatives. Is this an efficient way to achieve the	The importance of evaluating how the benefits and costs of interventions are distributed	Cost-benefit analysis. Cost-effectiveness analysis. Cost-utility analysis.	In the planning phase to choose between alternative grant allocations.	Use the insights to increase efficiency of a particular grant initiative or

terms of both their cost and outcomes.	anticipated outcomes/ impacts? What is the net social/ environmental/ economic benefit resulting from the grant initiative? (Note: complexity and externalities result in partial rather than full evidence.)	across different groups means that this kind of evaluation requires diverse stakeholder participation. Evaluators require a high level of expertise in working with both quantitative and qualitative data.	Return on Investment. Public Expenditure Tracking System (PETS). Multi-criteria decision analysis.	During the implementation to determine whether a grant is providing good value. During outcome and impact evaluation to determine whether a programme provided good value.	of the DG generally. Use insights to decide whether to continue, expand, reduce or terminate a grant initiative.
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(see DPME 2014 – 2.2.15 - for further details. DPME seem to have duplicated this number- see below.)

Evaluation Synthesis (DPME Evaluation Guideline 2.2.15)

Evaluation synthesis uses secondary data including findings from completed evaluations and research reports, assesses their relevance and reliability, and synthesises the findings and insights in order to answer specific question relating to a particular area of interest. In the context of the Discretionary Grant this is a particularly relevant form of evaluation, since the 21 SETAs are all conducting different research and evaluation initiatives. Evaluation synthesis offers the possibility of systematically working across particular grant mechanisms e.g. PIVOTAL programmes (e.g. internships) or non-PIVOTAL grant initiatives (e.g. career guidance) either within one SETA or across SETAs. By using existing evaluation and research data, synthesis evaluation is often more cost effective and can be done more quickly than implementing a new evaluation covering a similar scope.

Why?	What?	Who?	How?	When?	Then?
To systematically distil and integrate data from a number of evaluations as well as other sources of evidence in order to draw more	Can be used to support diagnostic, design, implementation, impact or economic evaluations by synthesising previous evaluations.	Within SETAs done by SETA research and evaluation staff. Across SETAs NSA and DHET research and evaluation staff.	Literature Review. Quick scoping review. Rapid Evidence review Systematic review e.g. systematic realist synthesis.	Can take place at any point in the evaluation learning cycle as long as relevant evaluations and research exist. Can used to assess a range of options in	Results should be shared with DG programme staff to ensure performance improvement. Results are particularly useful for informing policy makers

informed conclusions about a given question or topic.	Could synthesise insights across grant initiatives within one SETA. Could synthesise insights on DG and DG initiatives across SETAs.	Large scale systematic reviews could be done by research chairs and other external experts.	Multi-arm systematic review. Meta review/ review of reviews.	the design phase. Particularly useful for generalising across a number of similar grant initiatives to support policy and SSP reviews.	and should thus be shared at collaborative research working groups; SSP development and DHET planning and policy development processes.
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(see DPME 2014 – 2.2.15 - for further details. DPME seem to have duplicated this number.)

Consolidated M&E Framework for the Discretionary Grant

The discussion above aims to demonstrate the value of using an expansive learning and evaluation cycle to support organisational and system wide learning and improved impact. The forms of evaluation, if used as part of an expansive cycle, each make a specific contribution to designing, implementing and reviewing discretionary grant initiatives and the Discretionary Grant as a whole. It should be possible using the expansive cycle and the brief introductions to the forms of evaluation (evaluation methods and approaches) to identify the particular evaluation or combination of evaluations needed at a particular time and within a particular context. The following consolidation presents a more explicit example of an M&E framework for the Discretionary Grant based on the outlines developed above.

There is a growing awareness within the SETAs of the need to enhance the alignment between the various planning and policy documents related to the SETA grants. The following quote from the CHIETA Funding Policy (CHIETA 2017, 11) illustrates this point:

This policy is also intended to enable effective monitoring and evaluation of the skills development interventions funded by the CHIETA and change the focus from numerical targets to effective monitoring and measurement and impact evaluation. To this end, the CHIETA has adopted a Skills Value Chain approach to express intention first in the SSP, then in the Strategic Plan and APP, and then in policies (funding) and procedures relevant to achieving the planned impact. The disbursement of funds is managed to achieve the intended goals.

The notion of a Skills Value Chain approach is particularly important for the development of an M&E framework. If one takes seriously the suggestion that the intention is expressed in the SSP, SP and APP and that the policies and procedures are in place to achieve the intended goals, then a simplified M&E framework for the Discretionary Grant may incorporate the following components:

- **Diagnostic evaluation** – It can be assumed that this is done as part of the development of the SSP (and subsequently carried through into the SP and APP). It is thus suggested that the diagnostic evaluation take the SSP as its basis and carefully assess whether any further diagnostic evaluation for the Discretionary Grant or discretionary grant initiatives are required.
- **Design evaluation** – Given that the intention is that the Discretionary Grant should contribute to the achievement of the SSP/ SP and APP, it is assumed that a design evaluation focus on assessing the alignment between the SSP and the specific discretionary grant initiative. This could be supplemented with an economic evaluation to decide on the efficiency of alternative approaches and or a synthesis evaluation that develops insights from previous evaluations of similar initiatives e.g. career guidance or workplace-based learning.
- **Implementation evaluation** [individual projects] – in many instances SETAs are focussing a substantial amount of their evaluation capacity on monitoring and evaluating individual discretionary grant projects. [Need to ascertain whether there is a standard template for doing this and if not develop one to support individual project insights and the potential for synthesis evaluations.]
- **Implementation evaluation** [DG as a whole within and across SETAs] – It is proposed that this be done within a Skills Value Chain approach and therefore focus specifically on evaluating alignment between the SSP-SP-APP-DG Policy-Annual Report of a SETA. [Is this the key evaluation framework required and if so we should focus our attention on developing and supporting this framework.]
- **Economic evaluation** – The Cost-Benefit Analysis tool being developed as part of the SETA M&E project (see Raven, 2019, Project 4 Scoping Report) will provide this framework.
- **Synthesis evaluation** – Again taking a Skills Value Chain approach, it is proposed that this level of evaluation be used by the National Skills Authority (NSA) to synthesise insights into the alignment between the National Skills Development Plan- the SSPs – the SPs – the APPs – Grant Regulations – the individual SETA Policies – the Implementation evaluations and the Annual Reports. By ensuring that the SETAs have a framework for evaluation that is located within a Skills Value Chain, it should become easier to perform this particular synthesis evaluation and feed it back into the individual SETA implementation and evaluation frameworks.

A consolidated framework can be divided into the following steps:

- 1) Evaluate the alignment between the SSP, the SP and the APP, and from this, identify the monitoring indicators and expected outcomes in relation to the Discretionary Grant. (Diagnostic evaluation)
- 2) Evaluate the design logic of particular discretionary grant initiatives to ensure that the theory of change and logical framework are aligned to the monitoring indicators and expected outcomes/ impacts identified in step 1. (Design evaluation)
- 3) Conduct a formative implementation evaluation of individual initiatives based on the project design evaluated above. This needs to be done using a standardised implementation evaluation framework. (Implementation evaluation – SETA programme staff)

- 4) Conduct a synthesis evaluation of the implementation evaluations. This can be done at the SETA level (i.e. internally) and across SETAs, e.g. by the NSA. (Synthesis evaluation)
- 5) The above synthesis evaluation could include considerations of summative implementation evaluations (at the outcome level) and economic evaluation.
- 6) Independent evaluators should be contracted in to work with SETA research and evaluation units to do impact evaluations that could be strongly supported by the current work on Tracer Studies and a corresponding framework being developed as part of the SETA M&E project.
- 7) The synthesis evaluations and the impact evaluations are summarised into accessible briefs that are used to inform the subsequent development of the SSPs.

Conclusion

The Discretionary Grant has been developed to support SETAs to implement their Sector Skills Plans, to address scarce and critical skills in their sectors and to contribute to national developmental targets. This is supported by an alignment of skills development needs and aspirations across the Sector Skills Plan, the Strategic Plan and the Annual Performance Plan of the SETAs. In order to ensure that the distribution of the Discretionary Grant across a broad range of funding options is fair, transparent and cost effective, SETAs are required to develop a Discretionary Grants Policy and update it annually. This should create a coherent and logical skills value chain running from the Sector Skills Plan, through the Discretionary Grant Policy and into the Annual Report.

Given the amount of money and other resources invested in the discretionary grants, the importance of the discretionary grants for achieving the SETA's objectives, the scope of initiatives that could be funded and the diversity of institutions and beneficiaries eligible for discretionary funds it is important that their use and impact is carefully monitored and evaluated.

A primary purpose of such a monitoring and evaluation framework according to the *National Evaluation Policy Framework* is improving performance through a careful consideration of understanding what works, why and for whom. This document therefore sets out a draft framework for the monitoring and evaluation of the Discretionary Grant, that if implemented, will enable SETAs to answer questions of what works, for whom and why. The proposed framework draws on organisational learning theory and more specifically the expansive learning cycle which provides a framework for thinking through these processes improving performance within and across activity systems and organisations.

We have also recognised and drawn on the guidelines that have been produced to support the *National Evaluation Policy Framework*. These guidelines support the identification of appropriate questions related to judging merit and value across multiple dimensions of designing, implementing and reviewing discretionary grant initiatives with a view to improving the skills value chain.

A draft monitoring and evaluation framework that consolidates the expansive learning cycle with the forms of evaluation is suggested at the end of this draft report for discussion with partners and diverse roleplayers in the skills system. These discussions will take place during subsequent interviews and stakeholder workshops planned during the remainder of the broader SETA M&E research programme.

References

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For DPME Evaluation Guidelines see <https://evaluations.dpme.gov.za/pages/guidelines-other-resources>

Appendices

Appendix 1: 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?

Appendix 2: Research Report Outline

Title: ***A Monitoring and Evaluation Framework for the Implementation of the Discretionary Grant***

Executive Summary

Acknowledgements and Citations

Chapter 1: Background to the Study

Chapter 2: Research Process

Chapter 3: The Purpose and Practices of the Discretionary Grant (including theory of change and guidelines)

Chapter 4: Key Challenges in the Implementation of the Discretionary Grant (existing research and new data)

Chapter 5: Realist evaluation methodology for key aspects of Discretionary Grant Implementation

Chapter 6: Monitoring Discretionary Grant Implementation

Chapter 7: Recommendations for Evaluating the Implementation of the Discretionary Grant

Bibliography/References

Appendix 3: Other Deliverables

- **Masters Research Plan** – This document will guide the research; details will be added and from time to time be revised in consultation with BANKSETA.
- **Scoping Report** – details of what will be included in and excluded from the study, and further details of the organisations, employers, providers and individuals to be included in the study; overview of existing policy frameworks and guidelines; and a visual map of the Grant, its implementation and all relevant roleplayers.
- **Draft Report** – Will include details of focus group discussions and a draft M&E Framework
- **Final Framework** – this will be included in the research (close-out) report, but also summarised in a shorter, user friendly ‘pull-out’ document with diagrammatic outlines.

Appendix 4: 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
	Total Amount			R220 000.00