



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

DELIVERY AGREEMENT 1

For Output 5.1 – Establish a credible institutional mechanism for skills planning

between

the

Minister of Higher Education and Training

and

Minister for Public Service and Administration

Minister of Labour

Minister of Home Affairs

Minister for Economic Development

Minister of Rural Development and Land Reform

Minister of Finance

Minister of Trade and Industry

Minister of Science and Technology

Minister of Basic Education

Minister for Performance Monitoring and Evaluation

Minister for the National Planning Commission

MECs for Education

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INTRODUCTION

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with indicators and targets. Each indicator is linked to a set of activities that will help achieve the targets and contribute to the outcome. Each of the 12 outcomes has a delivery agreement, which in most cases, involves all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

This delivery agreement is a negotiated charter which reflects the commitment of the key partners involved in the direct delivery process, to working together to undertake activities effectively and on time to produce the mutually agreed-upon outputs which in turn will contribute to achieving Outcome 5, namely: *A skilled and capable workforce to support an inclusive growth path.*

This delivery agreement provides the detailed outputs, targets, indicators and key activities to achieve Outcome 5.1, identifies the required inputs and clarifies the roles and responsibilities of the various delivery partners. It spells out who will do what, by when and with what resources. The outcomes apply to the whole of government and are long term. While the delivery agreement may contain longer term outputs and targets, it also includes outputs and associated targets that are realisable in the next 4 years.

It also considers other critical factors impacting on the achievement of Outcome 5.1, such as the legislative and regulatory regime, the institutional environment and decision-making processes and rights, the resources needed and the re-allocation of resources where appropriate.

This Delivery Agreement will be reviewed annually in the light of learning by doing and monitoring and evaluation (M&E) findings. Accordingly it will be refined over time and become more inclusive of the relevant delivery partners.

This delivery agreement deals specifically with output 5.1, namely: ***Establish a credible institutional mechanism for skills planning.*** This output will be achieved via the development of frameworks for standardization and cooperation regarding information on the supply and demand of skills in the country, and the development of systems and system interfaces.

There are 3 sub-outputs that have been agreed upon during the consultation phases:

- ***Sub-output 5.1.1: Develop standardised frameworks for the assessment of skills supply, shortages and vacancies in the country***
- ***Sub-output 5.1.2: Develop mechanisms to interface operational systems***
- ***Sub-output 5.1.3: Develop strategic management information systems***

The Department of Higher Education and Training is also responsible for a further 4 outputs which will be covered in separate delivery agreements.

1. HIGH LEVEL PROBLEM STATEMENT

There is currently no institutional mechanism that provides credible information and analysis in regards to both the supply (availability and supply pipeline) and demand for skills. While there are a number of disparate information databases and research initiatives, there is a lack of a standardised framework for the determination of skills supply, shortages and vacancies and there is no integrated information system for skills supply and demand across government. The Human Resource Development Strategy of South Africa (HRDSA) and the erstwhile JIPSA have identified that access to relevant and reliable information is an obstacle to the supply of relevant skills for growing the economy. There is therefore a need for an integrated standardised framework and information system for collating the information and for reporting on skills supply and demand in the country.

2. IDENTIFICATION OF DELIVERY PARTNERS

Due to the fact that information relating to the supply and demand of skills currently rests in a number of separate databases and is informed by various government strategies, the following ministries have been identified as key partners in setting up the mechanism for skills planning.

Minister of Basic Education
Minister for Economic Development
Minister of Finance
Minister of Home Affairs
Minister of Labour
Minister for National Planning Commission
Minister for Performance Monitoring and Evaluation
Minister for Public Service and Administration
Minister of Rural Development and Land Reform
Minister of Science and Technology
Minister of Trade and Industry
MECs for Education

3. LINKING OUTPUTS TO OUTCOME 5: A skilled and capable workforce to support an inclusive growth path

3.1 OUTPUT 1: ESTABLISH A CREDIBLE INSTITUTIONAL MECHANISM FOR SKILLS PLANNING

It is necessary to have reliable information on the availability of and need for skills in the country in order to ensure effective and efficient planning for an inclusive growth path.

With regards to output 5.1 there is currently no fully integrated institutional mechanism that provides credible information and analysis in regards to both the supply (including availability and in-pipeline

production of skills) and the demand for skills. The erstwhile Joint Initiative for Priority Skills Acquisition (JIPSA) identified the lack of proper information on the supply (both availability and in pipeline productions of skills) and demand for skills as a major blockage to the adequate supply of relevant skills in the country. The working document of the Human Resource Development Strategy of South Africa – identified the need for credible information as a prerequisite for effective and efficient planning of skills provision. JIPSA also identified the updating and modernization of the South African Qualifications Authority’s national learner record database (NLRD) as a priority. The NLRD must provide the learning record of every citizen and workplace in the country. The Human Resource Development Council, which is chaired by the Deputy President of the republic of South Africa, has also agreed to take forward the outstanding work of JIPSA.

There are a number of disparate information sources regarding the supply (both availability and in pipeline productions of skills) and demand for skills that are neither coordinated nor integrated. One of the main reasons for the blockage on integrated supply data, was the lack of coordination between education and training functions in the country, as well as a focus on basic education by the erstwhile Department of Education. The allocation of the skills functions to the Minister of Higher Education and Training and the separation of the Basic Education functions from post school education allows, for the first time, an opportunity to interface, co-ordinate and integrate the supply side data under one Ministry. The situation as it existed before, led to crisis interventions because of the actual shortage of skills versus the responsiveness of the education and training systems to meet the demand.

The demand side information is also not fully reliable, especially the reliance on the National Scarce Skills List, which lacked credibility. The demand side information also needs to be standardised and coordinated into an integrated mechanism.

Within the various policies and legislation there exists a mandate for information collections, yet even within the same system there has been lack of policy, norms, standards and legislation for the interfacing, integration, coordination and standardization of information provision. In order to ensure the successful collaboration, integration and coordination of operational data systems, the Department of Higher Education will need to ensure firstly, that it integrates and interfaces all the disparate systems within its own control, and thereafter it will have to develop, after consultation with key partners, a standardised framework for information provision and utilization across the supply and demand domains. Finally a system wide mechanism will need to be established so that effective skills planning across the country can be undertaken.

In addition to the coordination of the operational data systems under the control of the Department of Higher Education and Training, interfacing with operational information from other Departments such as Labour and Home Affairs, with regard to unit record information on the surplus and deficit of skills in the job market and the net inflow or outflow of skills in the country, is required.

A research capability to harness the aggregated data within StatsSA and other research agencies is needed and the provision of information to learners about learning and working opportunities is an imperative.

4. ACTIONS NEEDED TO ACHIEVE EACH OUTPUT

4.1 OUTPUT 1: ESTABLISH A CREDIBLE INSTITUTIONAL MECHANISM FOR SKILLS PLANNING

What will need to be done differently?

Consultation meetings will be held with key managers within the DHET and its entities to find ways and means of interfacing or integrating databases of the Higher Education Management Information System (HEMIS), Further Education and Training Information System (FETMIS), Adult Education and Training Information System (AETIS), Sector Education and Training Authorities (SETAs), South African Qualifications Authority (SAQA), General and Further Education and Training Quality Council (UMALUSI), Quality Council to Trades and Occupations (QCTO) and Higher Education Quality Committee (HEQC). While some of these systems are unit record based systems, others still need to be developed as unit record based systems. Consultations will also be undertaken with selected Universities, Colleges and SETAs. In addition, consultation and cooperation needs to take place between the DHET and other government departments to create a standardised framework for the provision of information on skills demand in the country. A mechanism for skills planning can only be developed via collaboration with a number of key delivery partners.

Evaluation of the legislative environment

The Higher Education and Training Act, The Further Education and Training Act, The Adult Basic Education and Training Act, The Skills Development Act, the National Qualifications Act, the General and Further Education and Training Act, the National Student Financial Aid Scheme Act and the National Education Policy Act all point to the need for information to some extent. The Education Information Policy (inherited from the Department of Education) will have to be amended to include the Higher Education Act, the Skills Development Act, the NQF and the General and Further Education and Training Act as part of the policy and to exclude the South African Schools Act. The amended policy will also look at interfacing, integrating and coordinating the supply, use and management of information so as to assist in the planning of skills supply and determining the demand for skills. Where there are gaps in the legislation regarding information provision this will be attended to.

Evaluation of the existing regulatory framework

Once the policy and legislative need has been identified, the need for regulation of the collection, use, interfacing, integrating, norms, standards, administration and management of information collection, storage and usage would be required. Standardised frameworks for the provision of information on skills supply, shortages and vacancies in the country will be developed.

Evaluate the existing institutional arrangements

Other than the Heads of Education Committee sub-committee on Information (dealing with Further Education and Training and Adult Basic Education and Training Information), there is currently no institutional arrangement for information collaboration and the interfacing of data systems, both within the Department of Education and its entities and institutions, as well as with other government entities.

There is also a need to ensure that all institutions and entities reporting to the DHET are brought together into a permanent forum to coordinate and improve on information systems and to co-ordinate interdepartmental collaboration in the management of information.

Evaluate the management systems, processes and skills

The management systems and processes are currently in place to achieve the output as it relates to the institutions and entities of the DHET. However, in regards to the collaboration with StatsSA, DoL, DHA, DTI, DST, DBE, DPSA, DED and others, a specialist information forum needs to be established. The delivery forum will become the permanent implementation forum. There is also a need for high level technical IT skills to achieve sub-outputs 2 and 3, which the State Information Technology Agency will provide.

Funding framework

The DHET has access to funds from the National Skills Fund for the establishment of the strategic intelligence capability (R75 million) and for the career and vocational guidance information system. (R100 million) For the interfacing with the national learner records database (NLRD) of SAQA, funds can be made available from the National Skills Fund. The earmarked EMIS funds made available to the Department of Education and to Provinces as voted funds, are currently being used for the development of the Learner Unit Record Information and Tracking System for schools. Once this system is fully implemented, funds will have to be allocated to the development of the Further Education and Training System Information Systems and the Adult Basic Education and Training Information Systems. Thus the total funds currently available for this delivery agreement is R176 million, with an additional R200 million to be consulted with National Treasury and an indeterminate amount that must still be established.

5. INDICATORS, BASELINES AND TARGETS FOR OUTCOME

Currently there is no integrated information system in the country that provides data on the demand and supply of skills. There are disparate databases that collect information on either the supply or demand of skills, which need to be interfaced or integrated. In order to do this, standardised frameworks for cooperation will need to be established. There is also a limited capability accessible to government for strategic intelligence with regards to analysis, surveys, investigations, studies and research into the demand and supply of skills and labour market analysis and there is no comprehensive capability for labour market forecasting. For these reasons, Output 5.1 will be achieved via the development of frameworks for the standardization of skills supply and demand information, and the development of systems and system interface to supply the information and thereby create a credible mechanism for skills planning.

There are 3 sub-outputs (each with a set of indicators) that have been agreed upon for output 5.1:

- *Sub-output 5.1.1: Develop standardised frameworks for the assessment of skills supply, shortages and vacancies in the country (by March 2012)*
 - A standardised framework for providing information on current skills provisioning and attainment;
 - A standardised framework for access to information on current skills demand and projected skills demand;
 - A standardised framework for information on skills usage and inflow and outflow of skills in the country;
 - A standardised framework for cooperation on the provision of career guidance and information services in the country.

- *Sub-output 5.1.2: Develop mechanisms to interface operational systems (by March 2013)*
 - Management information system interface of all administrative databases within the DHET (and its entities) for the supply and attainment of skills;
 - Interfaces with databases recording vacancies in the public services and the country as a whole and datasets indicating future skills demand;
 - Interfaces with datasets on skills usage and the inflow and outflow of skills future skills demand;
 - Interfaces with databases recording spatial information for the location of skills supply and demand in the country.

- *Sub-output 5.1.3: Develop strategic management information systems (by March 2014)*
 - A strategic intelligence capability to undertake analyses, surveys, investigations, studies and research into the supply and demand for skills;
 - A comprehensive career guidance and career information dissemination and collection system
 - A business intelligence information reporting system that Interfaces all sources of information relating to the stock, supply and demand of skills

6. SYNOPSIS OF KEY ACTIVITIES

(See Appendix A for details of key activities, key delivery partners and responsibilities per activity)

The key activities and key partner responsibilities were fully consulted with the delivery partners at the implementation forum meetings of 16th August and 17th September and agreed to. A wider forum was also consulted at the Skills Summit on 9th to 10th September 2010.

A separate meeting was held with SITA managers on 23rd September to discuss the role and engagement of SITA in providing support and high level technical skills to deliver the required sub-outputs.

Output 5.1 Establish a credible institutional mechanism for skills planning

SUB-OUTPUT 1: Develop standardised frameworks for the assessment of skills supply, shortages and vacancies in the country

The key activities for the development of the 4 standardised frameworks are:

- a. Identify the core indicators for reporting on the supply and demand for skills
- b. Identify the cycles for the provision of information
- c. Identify the responsible entities
- d. Identify the legislative responsibility
- e. Develop the framework
- f. Consult with the delivery team on the framework
- g. Benchmark the framework on national and international standards
- h. Publish the framework

It is necessary for all the entities of the DHET + the delivery partners listed in section 2 of the agreement to cooperate on the development of the frameworks. The responsibility of key partner departments will be for officials to participate in task teams to provide professional expertise.

SUB-OUTPUT 2: Develop mechanisms to interface operational systems

The key activities for the development of the required interfaces are:

- a. Undertake a high level strategic audit of operational databases within the DHET, within its entities and in government
- b. Identify the platforms and data formats for interfaces between the different systems
- c. Develop the required data transfer/exchange protocols
- d. Develop the technical architectural plan for the interfaces
- e. Develop the required interfaces

The role of the delivery partners will be to provide expertise as members of the relevant task teams. All technical activities will be undertaken by DHET and SITA via a formal service level agreement and engagement.

SUB-OUTPUT 3: Develop strategic management information systems

The key activities for the development of the required interfaces are:

For the strategic intelligence system:

- a. Establish a reference team of DHET + STATSSA + EDD + DTI + DOL + DST + HSRC is established
- b. Develop a partnership MOU/protocol agreement with DST and the HSRC for the provision of analyses, surveys, studies, investigations and research into the supply and demand of skills
- c. Develop a delivery schedule of research outputs

- d. Build research capacity of high quality in the country
- e. Establish a database of the research outputs

For the career information and guidance system:

- a. Develop terms of reference for SAQA to extend its current career guidance information system into the national system. (SAQA has a mandate for the advocacy of the NQF.)
- b. Assess SAQA's requirements to expand its vocational guidance helpline service and supplement SAQA resources from NSF funding.
- c. Align with the work of HESA on NiSHE
- d. Assess the career guidance system used by DoL and interface with relevant components
- e. Identify other partners to provide complementary and supplementary career services in the country (ongoing)
- f. Develop a national learning exchange as part of the career information system

For the business intelligence reporting system:

- a. Data from the HEMIS, FETMIS, ABETMIS, SETAMIS (WSP) and Lurits systems are interfaced into a Higher Education and Training Business Intelligence Reporting System
- b. Data from Umalusi, SETA, QCTO and HEQC on learner achievement information is interfaced with the SAQA National Learner Records Database
- c. Data from all interfaced databases and datasets is included in the BIS
- d. Reports on the supply and demand of skills in the country are produced (including trends)

7. RISKS, CONSTRAINTS AND MITIGATION STRATEGIES

The main risk is the high level of collaboration that is required between departments with regards to the development of standardised frameworks and the sharing/exchange of data. This will be mitigated by the development of protocols for sharing and the creation of inter-department delivery teams. In addition SITA will be engaged to assist DHET with the interfacing of systems. SITA has been consulted on the delivery agreement at a meeting on 23rd September 2010. Funding will be sourced from the NSF and all departments that receive funding will need to comply to Practice Note 9 of 2008/9 of Treasury.

8. GOVERNANCE AND REPORTING ARRANGEMENTS

The Implementation Forum for this deliverable will meet twice a year. Task teams will be set up for the delivery of each indicator to oversee the relevant activities, offer professional support and monitor progress. Quarterly progress reports on each indicator will be presented to the task teams for approval before being provided to the Minister of Higher Education and Training and the Minister for Performance Monitoring and Evaluation. The HEDCOM subcommittee on Information and Planning will serve as the implementation forum for provinces and progress reports will be provided to HEDCOM via

this subcommittee. In addition, quarterly progress reports will also be presented to the Committee of Education Ministers which will serve as the MinMEC.

A website will be developed as the central communication portal for this delivery agreement.

9. APPENDIX A: RESULTS CHAIN

This section provides a list of outputs with implications indicating roles and responsibilities of all delivery partners. The outcomes, outputs, sub outputs with causal logic are reflected in a results chain or log frame.

Indicators are also provided for the outcomes, outputs and sub-outputs as well as baseline information and targets.

10. APPENDIX B: HIGH LEVEL IMPLEMENTATION PLAN BY SUB-OUTPUT

This section shows for each output (i) the agreed sub-outputs and activities (ii) with the agreed indicators and milestones (iii) by institution (iv) against a timeline.

11. SIGNATORIES

The Ministers for the key delivery partner departments will each sign a separate signatory page indicating acceptance of the agreement.

DR BONGINKOSI EMMANUEL NZIMANDE
MINISTER OF HIGHER EDUCATION AND TRAINING

DATE